



 **UN GLOBAL COMPACT**
 COMMUNICATION ON PROGRESS

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

We welcome feedback on its contents.

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Comany Group Integrated Report 2019



We contribute to the creation of a sustainable environment
and human development for people
to work better, learn better, and live better
from the moment they step out of their houses.

□ What COMANY aims for

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Message from the President and CEO



Challenge for Change

The era has changed from Heisei to Reiwa, and the whole world is reaching a significant turning point. Until now, the world has continuously pursued the abundance of goods, believing that people would get richer and happier through the continuous pursuit of economic development. However, the reality shows that economic development does not bring about the world we hope for. The spiritual richness is left unattended and the wealth gap is increasing. Disparities create poverty, and poverty creates conflicts. The number of refugees has surpassed a record high of 70 million due to widespread conflicts and persecutions around the world. Furthermore, global

environmental issues are becoming more acute. As things stand now, it would be doubtful whether this blue planet could be left for humans to survive.

Under these circumstances, we humans begin to realize that the pursuit of mere materialistic fulfillment would fail to build a happy future, and the values themselves are about to change. The world is embarking on a journey to find true happiness, including spiritual richness.

The COMANY Group has begun its "challenge for change." We boldly change what must be changed while preserving our universal policies to make the future bright and beautiful.

What COMANY values

COMANY INC. was founded in 1961 as a cabinet manufacturer. Soon after becoming a partition specialist, it has developed into a leading company in the industry for about half a century. However, its history has not been smooth. Founder Nobuyoshi Tsukamoto continued to ask what the company meant to overcome the difficult start-up phase. Since then, more than anything, we have consistently cherished the spirit of "humanity," meaning to stick to the right thing as a human being, and the spirit of "fraternity," meaning to encourage each other through friendly competition in our management. Believing that "companies should exist to contribute to the well-be-

ing of the world," we are working daily to realize our corporate mission, that is, "to provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind."

We believe that the SDGs' objectives to realize a world where "no one will be left behind" and "to seek to strengthen universal peace in larger freedom." share the same value with our management goal "to make everyone involved happy." We empathize with the SDGs and expand our business as a company contributing to the realization of the SDGs. Therefore, our management embodies the SDGs.

We aim to create a sustainable environment and to develop human resources for people to work better, learn better and live better from the moment they step out of their house

The circumstances around us are changing drastically. In Japan, the population is declining due to the unprecedented declining birthrate, the aging population, and the decreasing productive-age population. There are too many problems to mention, such as the excessive concentration of population and industry in the Tokyo metropolitan area, the expanding income disparities, global warming, and frequent natural disasters.

Under such circumstances, how to increase productivity with limited people, resources, and time is an urgent issue. The era of "materialistic pursuit" has shifted to the era when increasing value of limited "time" holds greater importance. Time is the length of life given to each person, and it is no exaggeration to say that it is our precious lives themselves.

As professional creators of space, we must ask ourselves how we can help people enrich their lives and live their lives to the fullest. We believe that creating a spatiotemporal space

that significantly affects people's minds and behaviors is our primary role.

With our mission to contribute to the happiness of this world through our business activities, we will use our technology that we have long cultivated as the key solution to social issues. We will also create values and expand social impacts through advancing our technology to the global level.

Therefore, we will launch a moonshot to the year 2030, the deadline for achieving the SDGs, and develop business activities that bring greater value to people's actions through back-casting thinking.

The most satisfying moment for us is to see people shining in a space we create. We work towards our mission "to contribute to the creation of a sustainable environment and human development for people to work better, learn better, and live better from the moment they step out of their houses."

To realize a world where everyone shines

The objective of SDGs, "to seek universal peace in larger freedom," means to leave no one behind, and everyone can live their lives to the fullest. We have established the "COMANY SDGs ∞ (Mobius) Model" as a value creation framework to make everyone involved with us happy. We create and steadily implement concrete plans and targets while valuing active dialogues with all stakeholders, including customers, employees, and business partners such as suppliers, local communities, the global environment, shareholders and investors.

Besides, we believe that it is companies' responsibility to proactively address the issues surrounding human rights,

labor, the environment, and anti-corruption. These are the four areas with ten principles in the United Nations Global Compact. We also see such an effort as a potential for innovation, and we therefore signed the United Nations Global Compact and committed to promote the realization of the ten principles.

We have committed in incessant challenges in our time. That is because we know that our future only exists after continuous challenges. COMANY will continue to take on the challenge for change, create new value, and become an indispensable company in the world.

Kenta Tsukamoto Representative Director and President

Value creation model--COMANY SDGs∞ model--

Value creation model to realize our management that contributes to the well-being of everyone involved

Predicting the future is the most challenging task for companies, while the SDGs are the shared vision for 2030 among 193 countries around the world. In other words, the SDGs clearly specify the future issues. We believe that implementing SDGs in management would be an opportunity to enable innovations that were previously unimaginable. Our business model, COMANY SDGs (Mobius) Model, enables us to maximize our corporate value through implementing the SDGs in our management for solving social issues, and to conduct our intended "management that contributes to the well-being of everyone involved."

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.

Products and Services

The image shows how our contributions to realize each SDG in our business domain can create social impacts. It indicates the critical social issues in each market, such as offices, factories, hospitals, welfare facilities, schools, and public facilities, and connects those issues to the specific SDG areas.

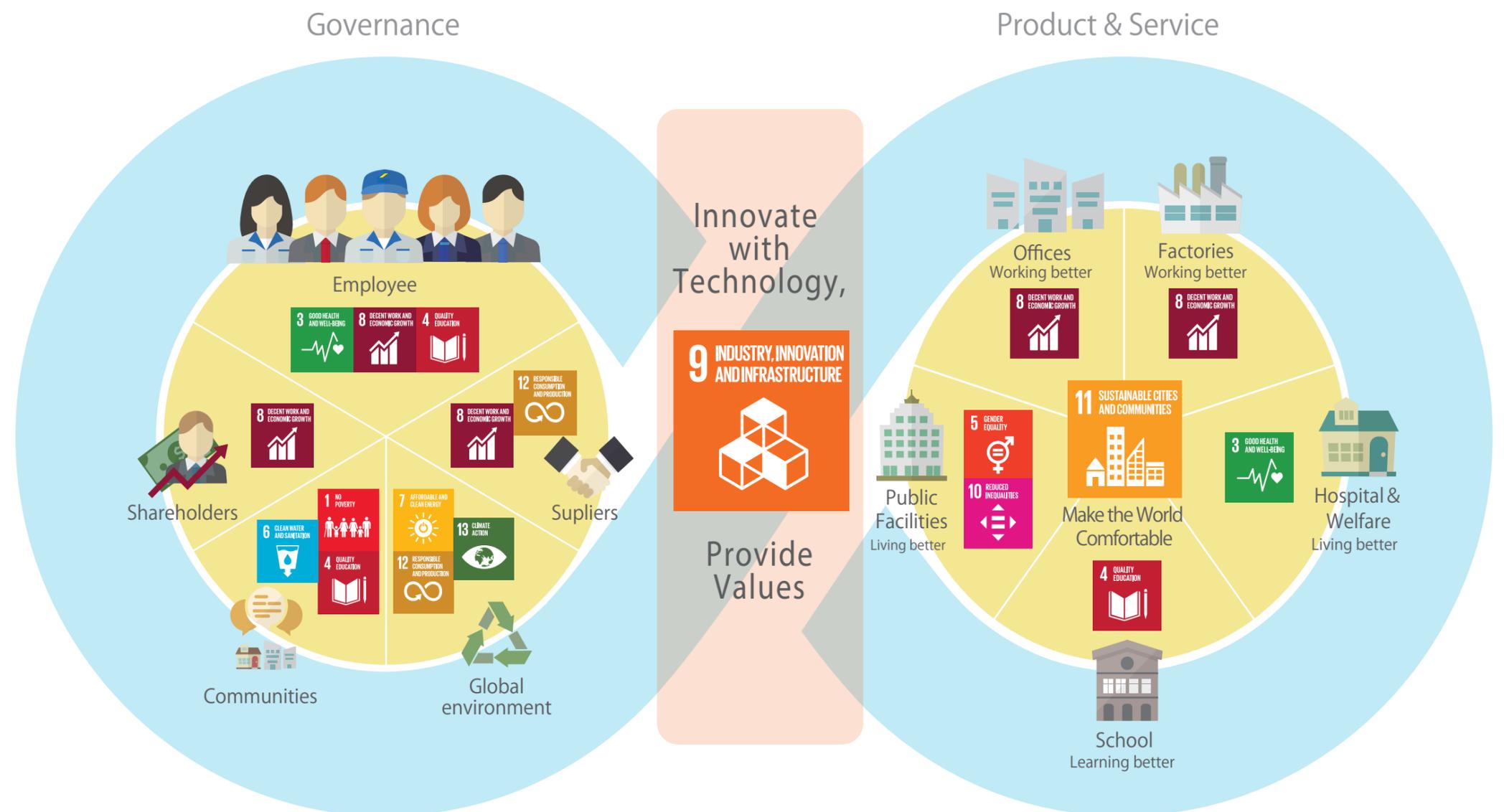
Governance

The image shows the specific SDGs that we are working on to improve the well-being of each stakeholder, including employees, suppliers, local communities, global environment, shareholders, and investors.

Leverage points

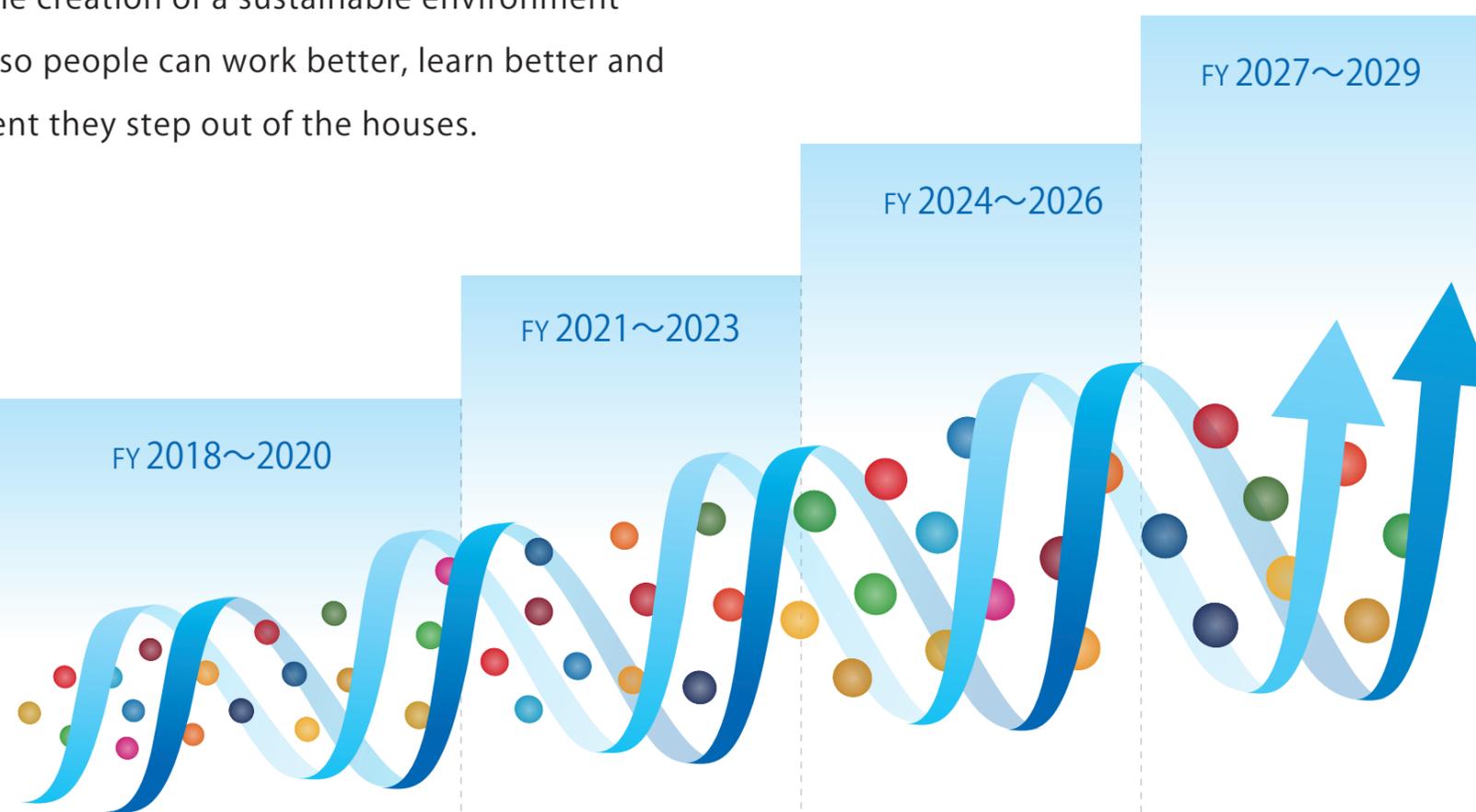
To realize the "management that contribute to the happiness of everyone involved," we aim at increasing the impact by combining "Governance" with "Products and Services," instead of implementing them independently from one another. We identify our leverage point for achieving our goal is the SDG No. 9 "technology innovation."

We strive to circulate our SDGs Mobius model continuously and to maximize our corporate value by advancing our technology to the global level.



Vision for 2030 --ROAD to 2030--

COMANY contributes to the creation of a sustainable environment and human development so people can work better, learn better and live better from the moment they step out of the houses.



Moonshot for 2030

* Moonshot is the grand goal set by the 35th American President John F. Kennedy in the year 1961, who publicly announced that the United States would send people to the moon and bring them back safely to Earth, before the end of the decade. It became the etymology of the concept of "moonshot," which is defined as a meaningful and hopeful goal with a clear deadline, though they might be difficult to achieve.

Contributing to the realization of a society where everyone shines

Our corporate vision is not the mere pursuit of efficiency through mass production and mass consumption, but to "contribute to creating a spiritually affluent world through the realization of a sustainable society and happiness of everyone involved." We strive to create a society where each person can shine as they are and strengthen their ties with others.

Realize an independent and decentralized society	● Partnership agreement concluded with Komatsu City	● Urban renewal to encourage women and elderly people's active participation	● Urban renewal to promote U-I-turn ● IoT incorporated environment proposing telework	● Urban renewal for all-generation involved intercommunication ● Highly productive office environment development	
	● Universal design products	Expansion of product line	Expansion of product line	Expansion of product line	
Demonstrate "individuality" by respecting diversity	● Ratio of female employees	16%	20%	23%	25%
	● Ratio of female managers	3%	5%	9%	15%
	● Ratio of persons with disabilities	2.2%	2.4%	2.7%	3%
Create new values through technological innovation	● Disaster risk reduction population	120,000 persons	250,000 persons	500,000 persons	800,000 persons
	● Eco-product ratio	60%	80%	90%	95%
Create a sustainable global environment	● Greenhouse gas emissions	6,668 tCO ₂ /year	6,459 tCO ₂ /year	5,528 tCO ₂ /year	4,597 tCO ₂ /year
	● Greenhouse gas emissions (compared to 2013)	94%	88%	75%	63%
	● Renewable energy ratio (RE100 Declaration RE Action)	0.4%	20%	30%	40%

Realize an independent and decentralized society

- Collaboration to create an independent and decentralized model city
- Realization of a decentralized work environment

Demonstrate "individuality" by respecting diversity

- Universal design products: Expansion of product line
- Ratio of female employee: 30%
- Ratio of female managers: 20%
- Ratio of persons with disabilities: 3.5%

Create new value through technological innovation

- Disaster risk reduction population: 1,000,000 persons

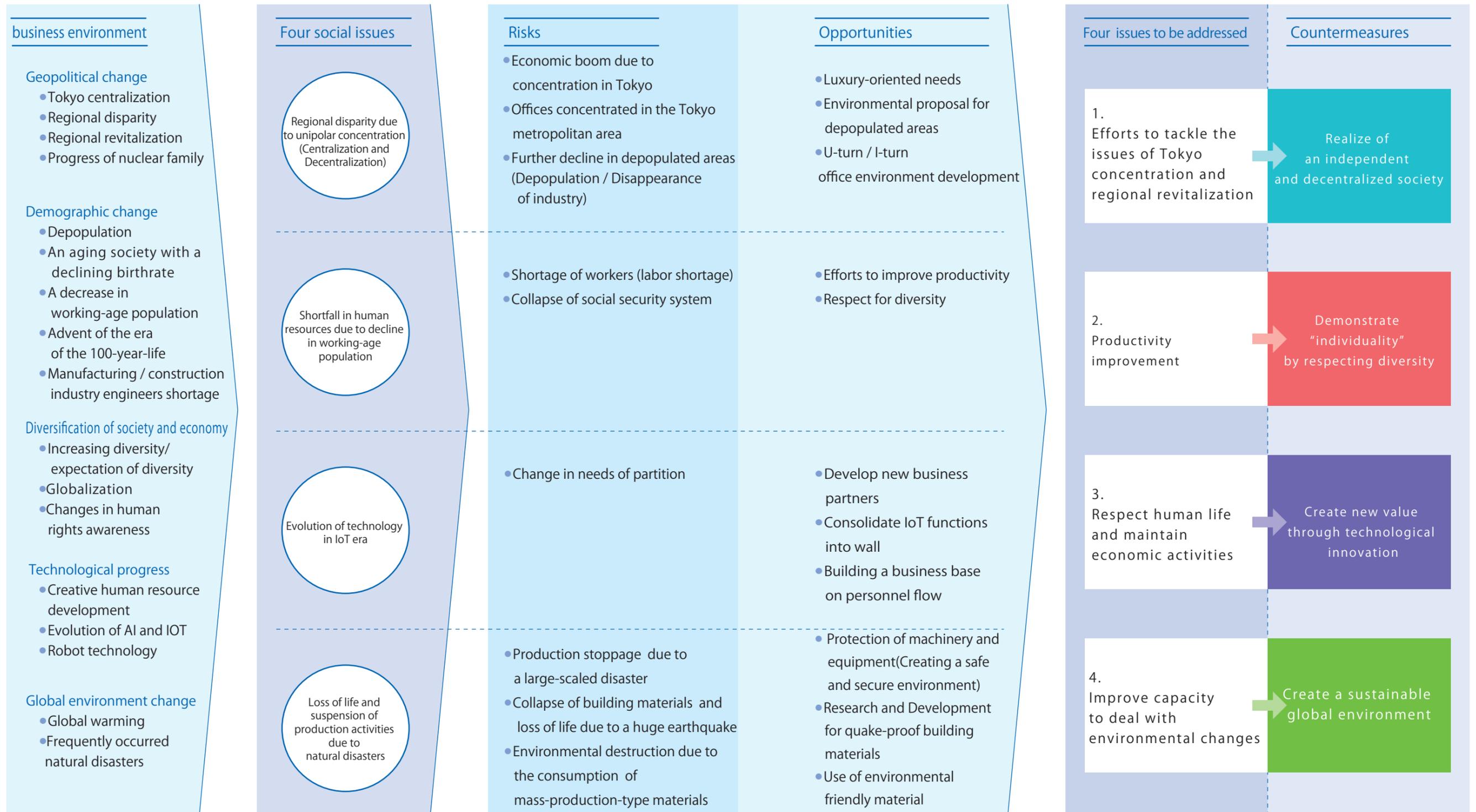
Create a sustainable global environment

- Eco-product ratio: 100%
- Greenhouse gas emissions: 3,665 t CO₂ /year
- Greenhouse gas emissions (compared to 2013): 50%
- Renewable energy ratio (RE100 Declaration RE Action): 50%

Risks and opportunities

The year 2030, the deadline for achieving SDGs, is a critical juncture for COMANY Group. As we conceptualize the 2030 business environment, we find four main social issues that carry different risks that we must take note as well as growth opportunities.

Based on such an awareness about the future business environment, we propose a key strategy for each of the four issues with our past efforts and changes in business performance in mind. Through our initiatives based on these strategies, we contribute to the resolution of the four social issues, while realizing the sustainable growth of all the stakeholders and advancing our corporate value.



Medium-term Management Plan-FY2020 MTP-

The "Medium-term Management Plan" announced in April 2018 aimed at creating value through the resolution of social issues in each market and developing a high-profit structure. In the first fiscal year ending in March 2019 (FY2018), we failed to achieve our targets due to the withdrawal of business and the recording of extraordinary losses. However, we are focusing on strengthening our constitution and conducting our business to achieve an operating margin of 9.0% as planned by the third fiscal year ending in March 2021.

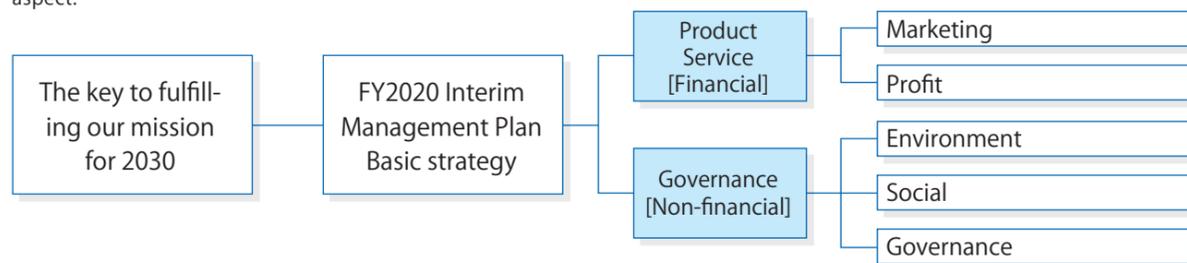
Unit: million yen,%

			2020 Interim Management Plan (April 2018 to March 2021)					
			FY2018		FY2019		FY2020	
			Increase rate	Increase rate	Increase rate	Increase rate	Increase rate	
Financial	Net sales (rate)	Japan	32,499	103.6	33,730	103.8	36,000	106.7
		China	1,792	178.7	1,570	87.6	2,000	127.4
			34,292	105.9	35,300	102.9	38,000	107.6
	Operating margin (rate)		1,420	83.5	2,250	158.4	3,420	152.0
			4.1	-1.1	6.4	2.3	9.0	2.6
Ordinary profit margin (rate)		1,341	77.5	2,280	169.9	3,460	151.8	
		3.9	-1.4	6.5	2.6	9.1	2.6	
Net income attributable to parent company shareholders		335	36.1	1,500	447.5	2,170	144.7	
Non Financial	Environment	Greenhouse gas emissions (tCO2 / year)	7,038	98.0	6,859	97.5	6,668	97.2
	Health	Secondary screening rate (%)	78.3	—	100.0	21.7	100.0	0.0
	Health	Smoking rate [domestic] (%)	32.1	—	19.7	-12.4	10.0	-9.7
	Work style	Overtime hours per person (H / person / month)	27.7	1.4	20.3	-7.4	20.3	0.0
	Work style	Number of days taken per employee (days / person/year)	8.6	0.3	10.0	1.4	10.0	0.0
	Work style	Female employee ratio (%)	16.7	0.1	15.2	-1.5	16.1	0.9
	Work style	Female new graduates ratio (%)	15.4	-10.1	15.2	-0.2	50.0	34.8
	Safety and Security	Number of persons benefit from risk modification (person / year)	27,000	158.8	36,000	133.3	45,000	125.0
	Safety and Security	Number of users for universal design product (10,000 people/year)	766	106.7	880	114.9	1,100	125.0

Basic strategy to achieve FY2020 Medium-term Management Plan

We have implemented the three-year "FY2020 Medium-term Management Plan" according to our commitment to achieve the long-term vision for 2030. The plan was initiated in April 2018, when we declared our support for the SDGs. Bearing in mind the goal of developing a high-profit structure, we are striving to build a corporate structure. It is a structure capable of creating social impact and improving corporate value in our business activities at the same time.

To realize the plan, we have devised strategies for the financial aspect and non-financial aspects. We also divided measures into items of "marketing," and "profit" in the financial aspect and "environment," "society," and "governance" in the non-financial aspect.



● Marketing

Focusing on key markets such as offices, factories, medical & welfare, and schools, we accurately grasp the challenges faced by each market. We also strengthen our product development capacity to respond to changes in the environment and the real needs of our customers. Finally, we put effort into improving the quantity and quality of customer contact points to respond scrupulously to the request of each customer. In such a way, we do our best to bring excitement and satisfaction to our customers.

Looking toward the 2020 Olympic and Paralympic Games, we respond to the needs of both the renovation market and the new construction market in this Medium-term Management Plan. We also contribute to community development, which enables people to live continuously. We try to solve social issues such as loss of human lives and the suspension of production activities due to natural disasters by research and development of earthquake-resistant building materials and expansion of delivery records.

● Profit

To solve specific social issues, such as "regional disparity due to overconcentration", "shortage of human resources due to the decline in working-age population", "evolution of technology in the IoT era", "loss of human lives due to natural disasters and suspension of production activities," we create high value through technology innovation. Determined in this Medium-term Management Plan that, we would provide added value through problem-solving businesses such as Synchron (high earthquake-resistant partition), Dear-d (universal design folding door), and CR (cleanroom panel). We would also achieve highly efficient management by a thorough elimination of waste in the processes from ordering to delivery.

● Environment

As a company that supports and implements the "Sustainable Development Goals" adopted by the UN member states, we are working to realize a sustainable world through our business activities. As adopted in the United Nations Framework Convention on Climate Change, we realize that it is a common concern to all humankind that an increase in greenhouse gasses in the atmosphere warms the earth and adversely affects natural ecosystems. Thus, we are putting efforts into driving forward the initiatives to stabilize the concentration of greenhouse gasses in the atmosphere.

● Society

For each individual to leverage their strength and perform at their full potential, we are developing and enhancing a continuous learning environment to improve humanity and technical capabilities. In establishing a corporate structure in which everyone can play an active role, we conduct management that respects diversity and creates new values.

In this Medium-term Management Plan, we focus on improving technical skills along with humanity, and we work on acquiring and passing on management skills and expertise. Besides, we put effort into BCP to improve the working environment by relocating our offices in line with hazard maps. We also work to disclose and disseminate technology for high earthquake-resistant partitions to contribute to the business continuity of the entity. Regarding diversity and inclusion, we will work on reforms of our company's structure in the future.

● Governance

We believe that the basics of corporate governance are to enhance management efficiency and improve fair and prompt decision-making to increase corporate value. We have enhanced our management oversight function and legal compliance system to ensure sound management and transparency. Also, we actively work on compliance awareness surveys and study sessions for all employees and conduct training for executives by outside experts. We will continue to expand such measures, including our group companies.

This Medium-term Management Plan is aimed at strengthening and expanding our corporate governance to avoid operational risks (business activities related risks).

Sustainability-management initiatives



Believing that "companies should exist to contribute to the well-being of the world," we announced our "Sustainability Policy" in 2016. It aims to realize our management that makes each of our stakeholders happy. This policy clarifies the relevant stakeholders, and how we can contribute to their well-being so that we can integrate them into our management measures.

Following the policy, we coexist and co-prosper in harmony with the economy, society, and environment in

all our business activities to contribute to the advancement and development of humankind and society. Through such contributions, we aim to realize the vision that all our employees would gain job satisfaction and live a vibrant life.

COMANY Group Sustainability Policy

Base on the belief that a company should exist to contribute to the well-being of the world, we value the spirit of humanity and fraternity, which we have upheld since establishment. We are striving to build a sustainable future on the premise of coexistence and co-prosperity with all stakeholders and the entire society.

To be a trusted and needed company for society and customers



1 Putting customers first

To impress and satisfy our customers, we always consider our customers first. From product development to sales, production, construction, and service, we create comfortable and functional spaces by providing safe, high-quality, and environmentally friendly products.

2 Partnership with our suppliers

To improve technology together with our business partners and contribute to the growth and development of the world, we make it a principle to conduct honest and fair transactions. We also aim to achieve coexistence and co-prosperity with partners and stably supply optimal products.

3 Coexistence with the local environment

To leave a beautiful global environment for future generations, we will expand our product line by utilizing the ecological characteristics of the "partition" itself. We would also promote corporate activities capable of coexisting with nature by working on energy-saving measures for energy generated in production activities.

4 Creating a workplace with respect for humanity

To create a work environment where all employees can play a leading role and be satisfied with their job and growth, we respect everyone's humanity. Meanwhile, we create a system where our employees can work in full play and an organizational climate that encourages them to play an active role brightly and positively.

5 Social contribution activities

To ensure a bright future for future children, we work on local contributions, national contributions, and global contributions. These are conducted based on the principle that employees carry out activities independently according to their conscience.

6 Corporate governance

Based on our management philosophy, our basic policy on corporate governance is to increase corporate value, improve management efficiency, and strengthen fair and prompt decision-making. To ensure the soundness and transparency of management, we will strive to enhance corporate governance, and recognize the importance of strengthening our management supervisory function and legal compliance system.

We believe that the ideal of a company is to embody its mission to contribute to the well-being of the world. From now on, a company should not aim for management that pursues efficiency and economic efficiency through mass production and mass consumption. To enable each invaluable individual to live their lives to their fullest, we believe that it becomes critical for a company to help its employees exhibit their individuality while increasing their value in connection with others. We will contribute to creating such a world by creating new value for spaces.

Topics 1 "Sustainability Management Promotion Office" inaugurated

To implement the "COMANY SDGs∞ (Moebius) model" developed in 2018 in our management, accelerate the circulation of "Products and Services" and "Governance," and to further contribute to the world, we launched Sustainability Management Promotion Office in April 2019. In the same month, an employee was sent to Global Compact Network Japan to improve knowledge in various fields related to sustainability through interaction with experts.



Topics 2 Ms.Miki Yoshimura assumed office as the first female Outside Director

We believe that promoting diversity and inclusion, including gender equality, is an important issue that forms the core of our growth strategy. In June 2019, Ms.Miki Yoshimura, who has worked in the United Nations and has extensive knowledge, was appointed as the first female Outside Director to tackle the issues and accelerate our businesses actively. Through the dialogues between Ms. Yoshimura with our employees, she provided useful advices for our management from her objective and technical perspective in that field. We will promote diverse working styles through system design and climate reform.



The lower center is Miki Yoshimura

Topics 3 Initiatives to improve knowledge on the SDGs and enrich our strategies

To properly understand each goal and objective of the "Sustainable Development 2030 Agenda for Sustainable Development" adopted by the United Nations General Assembly in September 2015, and to implement the measures, we are actively engaging with experts to improve knowledge. We regularly receive advice on our initiatives from the CEO of SDG Partners, Mr.Kazuo Tase. We also invite him to give lectures on SDGs and human rights in our company to accelerate internal adaptation. In August 2018, we signed the United Nations Global Compact and participated in various subcommittee activities to improve our knowledge.



Topics 4 Signed "Partnership Agreement on SDGs Promotion" with Komatsu City, Ishikawa Prefecture

We signed a "Partnership Agreement on SDGs Promotion" with Komatsu City which is certified as a SDGs Future City of FY 2019 to build a better future targeted by the SDGs. Not only do we widely spread awareness of SDGs among the citizens and local communities, but we also collaborate with others to create a better society that the SDGs aim for. To realize this through a joint effort, we engaged with the private sector, government, academia and civil groups in various fields, such as the creation of comfortable spaces for everyone, environmental symbiosis, disaster prevention and mitigation, and the cultivation of the next generation.



Topics 5 EUP-Synchron obtained the construction technology examination certificate for the first time in the industry

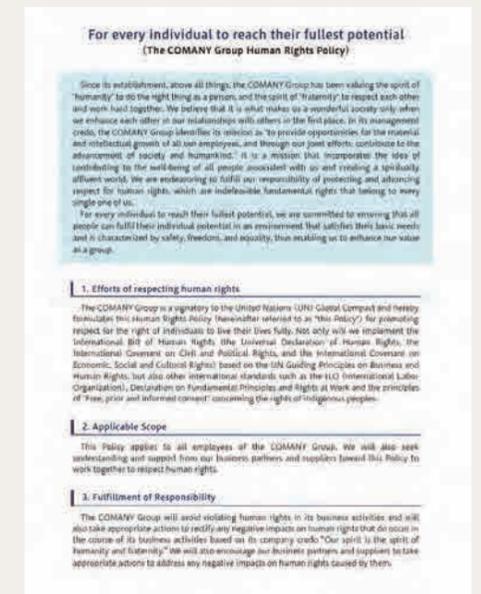
In recent large earthquakes, partitions widely used in offices and factories collapsed or fell, blocking the passage or hindering the business restoration. In response to these incidents, we developed the Synchron system as a technology that reduces the damage. It has an earthquake-resistant structure capable of withstanding a seismic intensity of 7. Among those, EUP-Synchron was the first in the industry to receive a construction technology examination certificate from the General Incorporated Foundations Japan Architecture Center.



Topics 6 We announced the COMANY Group Human Rights Policy

To realize the SDGs and promote corporate activities contributing to the well-being of all stakeholders, we announced the COMANY Group Human Rights Policy following the UN Guiding Principles on Business and Human Rights in June 2019. We expressed our responsibility as a company. We will promote initiatives to respect human rights with an emphasis on diversity and inclusion, human rights due diligence, and supply chain management.

Please refer to the "COMANY Group Human Rights Policy" for details.





Putting customers first



To impress and satisfy our customers, we always consider our customers first, from product development to sales, production, construction, and follow-up service, we provide safe, high-quality, environmentally friendly products. We keep creating comfortable and functional spaces in such stances.

Moonshot to 2030

Contribution to creating an environment where everyone shines



Product development of COMANY

We see offices, factories, medical and welfare facilities, schools and public facilities as our main markets. Though the issues differ depending on the market, we work to identify issues in each market and develop specific spaces as the solution to these problems.

In the office market, we aim at creating space to promote high productivity, respect for diversity, and workers' motivation. In the factory market, we aim at creating space to realize productive manufacturing. In the medical welfare market and school market, not only do we provide comfortable spaces, but we also create spaces with high value for the people working there. Also, in other spaces, including the public space, we develop products aiming to provide a safe and secure space where everyone can be free from stress.

Market	Social issues
Office	Work style reform Productivity revolution
Factory	Work style reform Productivity revolution
Medical and welfare facilities	Declining birthrate and aging population
School	Lifespan extension policy Change in learning style
Public and commercial facilities	Respect for diversity
Others	Disaster countemeasures

● "KOUSHI" to realize new communication value

We developed and launched the "KOUSHI" partition which, unlike a plane partition, enables the users to recognize the changes in the atmosphere. It is a partition designed after a "lattice" that can be found in Japanese houses, and its sophisticated design can produce a space that encourages creative ideas and communication based on the concept of "loose partition". New forms of communication initiated in that space will correspond to diverse work styles and contribute to the productivity of the office.



● Glass sliding wall creates harmony with steel partitions

The sliding wall is a movable partition. It creates an ample space when it is stored while serving as a partition to stage the space adequately.

By adopting glass specifications, it is possible to produce creative spaces. Its design improves by layering glass panels. Besides, by unifying the design with steel partitions, it is possible to provide a more sophisticated space. The aesthetic unity of the partitions creates a comfortable space, and the partitions' mobility allows the effective use of space and design.



● "Beds Divider" to provide comfort in the medical space

The nursing care clinics established in light of the recent revision in medical laws, are required to consider the privacy of treatment spaces and are obligated to install furniture and partitions between adjacent beds in multi-bend rooms.

Thus, we developed and released "Beds Divider" (a partition installed between beds) that protects the privacy of residents by blocking each other's views. Through adopting wooden panels, a medical space can be transformed into a living space where users can feel at ease. Besides, pulling in the second panel can provide more space for stretchers and other devices to move around, enabling a smooth response to medical practices.



Product development concepts and design thinking

Our product development is consistent with the following four concepts which we base on our numerous technical know-hows cultivated over the years: (1) "safety & security", which is a prerequisite for all products, (2) "quality & functions" which satisfies customer needs, (3) "environmental and social contribution" which takes global environment and society into consideration, (4) "quality and comfort" which enhances spatial value by appealing to customer's instinct.

Moreover, in order to contribute to the realization of the 17 goals and 169 targets upheld in the SDGs by 2030, we identify the issues that we must address through a by back-casting approach and conduct research and development and business management. To achieve the SDGs, we promote innovation through design thinking.

*Design thinking is not design or superficial decorations. It is a technique to solve problems in business by adopting the users' perspectives and using our five senses. It is used as a thinking method to express intangible concepts in images and shapes to solve business issues.





Putting customers first

COMANY's R & D

We are conducting various research and development to pursue the possibilities of "partitions." Innovative changes are indispensable for solving social issues in the world. As an open-source innovation platform, we are actively engaging in business-academia collaboration to create new value.

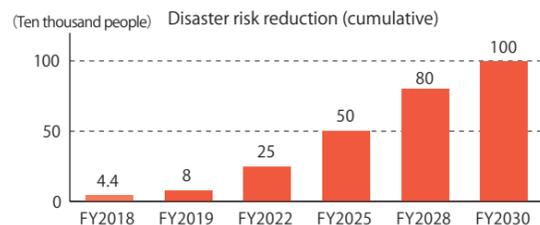
Furthermore, we are promoting research and development based on design thinking to solve problems.

● "Synchron system" aiming to contribute to earthquake-ridden countries including Japan

Since Japan is an earthquake-prone country, it is crucial to create a safety-first space for users to stay in the face of a massive earthquake and minimize the damage. We have studied the mechanism of partition collapse for many years and have come up with a solution. That is the "Synchron System."

As an essential item for disaster prevention and mitigation, we are expanding "Synchron" compatible products to be used in many spaces to ensure the safety and security of users. Retrofit is also available for those products in use.

According to our estimates, our delivery of "Synchron" so far has contributed to the reduction of disaster risk to approximately 44,000 people by March 2019. We have released all "Synchron" technology aiming to reduce disaster risk throughout the industry. We will keep contributing to disaster risk reduction for 1 million people through our delivery by 2030.



● Launch of "evacuation center project" aiming to provide comfortable space in the affected areas

The current situation shows that even though the evacuation centers in the disaster-stricken areas are inconvenient, it is regarded as bearable to stay due to the top priority of human life in extraordinary period. But actually, these poor environments are causing many secondary health hazards. Hence, as a company for providing comfortable spaces, we launched the "Evacuation Center Project" based on the idea that better spaces are necessary to ensure the dignity and human rights of disaster victims.

In this project, we work on product development to provide a space close to everyday life in the affected areas.



● Utilization of "IoT / AI" in partitions by quantitative information measurement

Most of our partitions require doors for use. Thus, it is the best product for measuring human behavior, such as the frequency of use, the time slot of use. Utilizing this advantage, we measure quantitative information and research on creating a better society and a more convenient space.

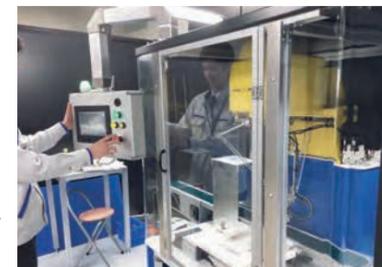
Also, intending to improve the productivity of office workers, we started research on creating a space for enhancing creativity. We work on a system to change the image displayed on the partition to match the user's mood instantly by IoT sensor. We will continue to utilize sophisticated IT, IoT, and AI technologies for space creation.



● Changing production sites by "Factory Automation"

The decline in the working-age population and skilled workers is picked up as a significant social issue. As work style reforms, the approaches for improving efficiency and reducing burdens at worksites are being taken worldwide.

To solve these problems, we have researched automated robots, including automatic inspection equipment and indoor moving equipment, and deliver "factory automation" to meet individual customer needs.



● "Universal Design," research for secured, safe, stress-free, comfortable space

We have further accelerated universal design research since 2005, and we continue to create spaces for different users such as people with disabilities, children, and adults to use without stress.

Recognizing that "the toilet problem is one of the human rights issues relevant to human dignity," we jointly launched a study team for gender-neutral office toilet with Kanazawa University and LIXIL Co., Ltd. since 2017. The research results were released in July 2019.



● Assigning market researchers for major markets

To realize "COMANY SDGs Model," we strive to create an environment for people to work better, learn better, and live better, corresponding to the needs of each market. In particular, regarding the four markets such as office, factory, welfare and medical facilities, and school, we have assigned full-time researchers for each of them. We checked the big trend while putting effort into gathering information on different areas such as the emerging needs, technologies, laws, and regulations. We also hold seminars outside our company and carried out information sharing internally so we can utilize the information in-house research and development.



Pursue workplace optimization by planning and verifying demonstration experiments



To create a better office space, we have set up "COMANY LAB TOKYO" in our Tokyo office from the user's viewpoint. We conducted in-house verification of various experiments, such as work productivity, communication, and space for intense work. We also studied the whole concept of future office space.

In the future, we will make hypotheses about the appropriate spatial conditions through various measurements. We will also commit ourselves to pursue the best office space for our customers while conducting demonstration experiments.



TUMIKI



KOUSHI



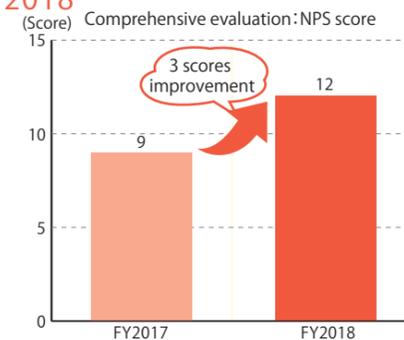
Putting customers first

Efforts to improve customer satisfaction

Since 2017, we have been conducting "Customer Satisfaction Surveys" with our customers, such as dealers, end-users, design offices, and construction companies. In addition to reviewing our service based on the evaluation of our customers, we also collect opinions and requests widely regarding future improvements to further improve our customer satisfaction.

Customer satisfaction survey conducted in FY2018

- We conducted customer satisfaction surveys from FY2018 for two consecutive years. The overall evaluation was 12 scores, that is, three scores higher than last year. As an improvement measure for the second time, we have concluded that the priority given to solving the problems of individual sales offices has led to an improvement in customer satisfaction by 3 scores.
- As for customer feedback, many of the respondents, valued the "response capability" of the COMANY or the person in charge, following the previous survey.
- Regarding our products, we have received a high evaluation from customers. We will keep promoting product development that takes into account improvements in the sound environment to further increase the added value of our products.
- Regarding our construction, it is generally highly evaluated. On the other hand, some respondents pointed out the variation in quality due to differences in the technique of construction engineers. We will keep promoting on the the improvement of technical skills of construction engineers through safety and health promotion competitions.
- Regarding our delivery, we have received many requests for improvement. We will take these results seriously and promote system improvements and reforms of internal operations to respond more quickly to the needs of our customers.



NPS is an abbreviation for the Net Promoter Score. It is an index that quantifies customer loyalty (degree of attachment and trust to companies and its brands). We conduct a comprehensive customer evaluation using these NPS scores.

Efforts to improve quality

Believing that product quality is a significant premise to satisfy customers, we aim for top quality in our products. Sticking to quality and proper business operation, we provide the best quality products and services to gain our customer trust.

Five main activities regarding quality improvement

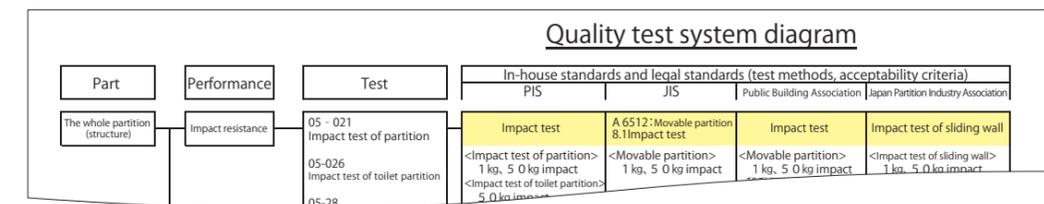
- Research and development** Design review with a focus on safety and security, and various product test verification based on internal standards which are stricter than domestic standards
- Sales engineering** Improving work quality with an emphasis on preventive management to correctly reflect customer
- Design** Expansion of CAD / CAM system that links customer information to production capacity
- Manufacturing** Increasing defect elimination activities using quality assurance methods and improving in-house inspector certification system, expanding automatic inspection equipment
- Construction** Realizing IT construction management and smart construction

Quality management system and quality activities

We aim at routinizing our quality improvement activities and integrated them into our business. To this end, we operate a quality management system, set high-level quality standards, and repeatedly conduct various tests with a focus on safety and security. At the same time, we value human resource development, which we believe is the basis of manufacturing.

Setting high quality standards

To ensure the safety and security of our customers, we set strict quality standards and deliver continuing high-quality products to customers while making revisions as necessary concerning official standards and criteria.



Producing safe and secure products

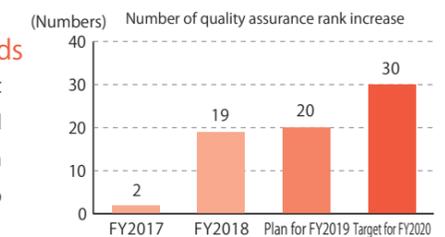
We repeatedly conduct performance tests and durability tests applying quality standards, and regularly evaluate and confirm product safety and quality functions. Besides, we introduced a world-standard combustion tester and conducted regular non-flammability performance tests on flame-resistant approved products to maintain the specified performance.



Read the QR code on the left with a smartphone and check the video of our product tests for evaluating the quality, performance, and safety.

Defect elimination activities using quality assurance methods

In the manufacturing process, as part of risk assessment, we work to prevent producing and circulating defects by comparing and evaluating the predicted failure risk for each current work process and the degree of assurance. To gain customer trust, we reduce the risk of relying on people to a minimum and shift to systematization, standardization, mechanization, and automation.



【Guaranteed rank-up cycle】



Establishing customer's product inspection room

To provide our customers with a sense of security through our perfect manufacturing and high-quality products while impressing our customers through product inspection by stand on their shoes. Aiming to maintain a high level of customer satisfaction, we set up a product inspection room for customers to foster our spirit of hospitality.



The light source for outdoor light The light source for indoor light

* The right-hand side photos show the visual differences due to the difference in light source



Putting customers first

Smart construction initiatives

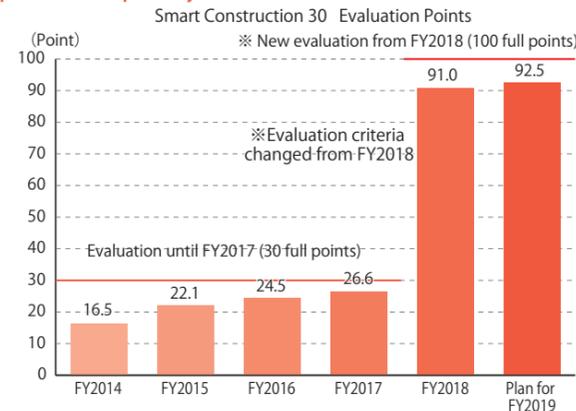
Our partition products are complete only after they are assembled at our customers' sites. The product assembly at customers' sites is a crucial final step, for the customers evaluate our services based on the quality of the product and construction work as well as our staff's workmanship.

Smart construction initiatives to improve product quality

COMANY's Smart Construction not only finishes the construction with high quality and perfection, but also embodies our customer-first policies. Our unique initiative is aimed at making an impression on customers and gain credibility from them, as well as boosting pride and sense of reward among the construction engineers.

The "Smart Construction 30" activity quantitatively evaluates the achievement of 30 practical standards on a daily basis for our in-house construction team. Similar evaluation is carried out for subcontractors to promote smart construction.

* From fiscal 2018, the evaluation standard has been changed from 30 to 100.



Smart construction competition that competes in mind and skill

The National Smart Construction Competition is held every year in the Construction Center of COMANY. The purpose is to improve our construction skills and manners so as to promote the impression, sense of security, and trust for our customers. In this competition, in order to promote construction reform with construction engineers, in addition to sharing and sympathizing with the direction (Vision) of COMANY, elite construction engineers from all over the country participate and compete with each other. In the 8th competition held in 2019, we showed our practical skills in installing partitions of "Synchron," an earthquake-resistant partition.



Safety and Health Promotion Conference that promises safety

The Safety and Health Promotion Conference is held as a platform to raise awareness and ensure the safety and health of all workers, and achieve zero occupational accidents. In FY 2018, the event was held at 8 locations nationwide, and the number of venues increased by 3 locations compared to the previous year, resulting in 636 participants compared to 196 participants in the previous year.

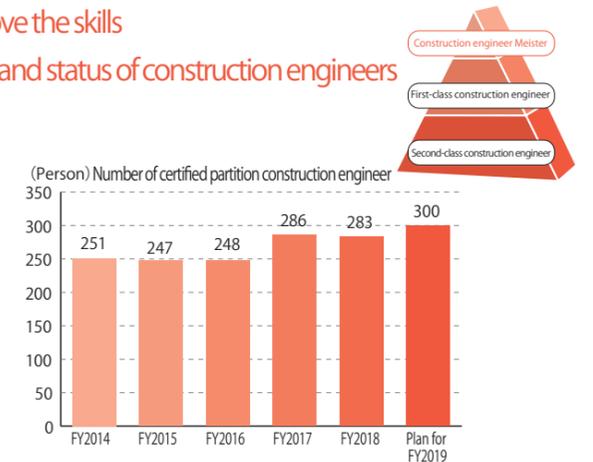
After the conference, a social gathering was held to deepen friendship and exchange opinions.



COMANY Partition Contractor System aiming to improve the skills and status of construction engineers

As part of establishing smart construction, this system encourages self-study and "visualizes" the skills of construction engineers. All of our construction work is handled by personnel qualified in this system. In particular, one employee gained certification as a first-class construction engineer in 2019, and now we have nine first-class construction engineers in total.

	Second-class	First-class	Meister	Total Person
FY2017	278	8	0	286
FY2018	274	9	0	283
Plan for FY2019	287	13	0	300



Our initiatives to secure the construction system

The trend of Japan's declining birthrate and aging population is a major issue not only for Japan's demographics but also for construction engineers in the construction industry and the partition industry. In an environment that may affect the inheritance of the techniques, we are making various efforts to secure a construction system.

Visualize the field site with IT and promote productivity and work style reform

We implement the following policies to promote a more productive work style among the construction engineers by using IT technology.

- ① We make it possible to view information on construction quality instantly using a smartphone when necessary.
- ② We digitalize construction drawings and reduce the need for mailing and receiving documents at the office. At the same time, construction engineers can read the text in the drawings correctly without making mistakes.
- ③ Smartphones help visualize and communicate changes and check lists at the construction field in a timely manner and prevent errors.



Support system for new and existing contractors to increase the number of skilled laborer

In responding to the new entries of partner companies, as well as the systematic increase of the number of laborer at the existing partner companies (including construction & carry-in partitions), we established a training support system for a certain period of time. This initiative aims at creating a stable construction system. Currently, 12 people from 10 companies are benefiting from this system.

Enhancement of the welfare program and insurance system

In promoting a safer construction environment for our exclusive construction contractors, we lend them uniforms, caps, construction tools, and other necessary equipment. Also, we bear the cost of accident insurance (additional workers' compensation insurance) for the contractors so that they worry less in case of an emergency.



Integrating career advancement system

In April 2019, the Ministry of Land, Infrastructure, Transport and Tourism launched a joint government-business initiative for career advancement in the construction industry.

This system accumulates and utilizes information on the experience and skills of each technician to create a work environment that enables technicians to receive a salary commensurate with their abilities and expertise. The system aims at securing future leaders in the construction industry and visualizing the construction capabilities of subcontractors that employ technicians.

We support this initiative and will participate in it by the end of FY2019.

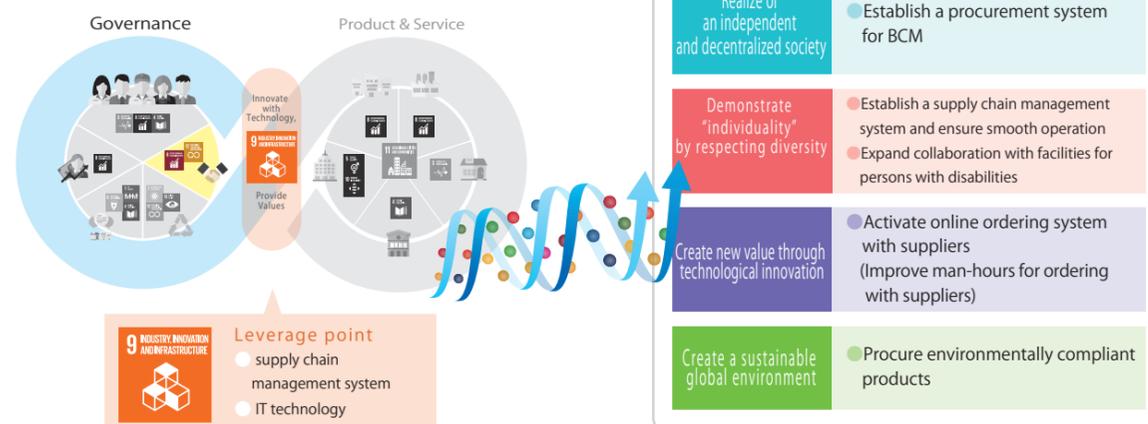
Partnerships with the suppliers



To improve technology together with our suppliers and to contribute to the growth and development of the world, we make "honest and fair transactions" as our principle. As a partner, we build a relationship of coexistence and co-prosperity, aiming to supply optimal products stably.

Moonshot to 2030

Exert a social impact with suppliers through coexistence and co-prosperity



COMANY's approach to purchasing

To provide our customers with the highest quality products and services through our technological capabilities to provide a comfortable and functional space, we prioritize the establishment a cooperative relationship with our suppliers as our fundamental approach to purchasing. Through building a relationship that shares each other's weaknesses and strengths, we aim to become a partner with our suppliers and to foster mutual growth. Moreover, through sharing a common understanding of our goals and fomenting sympathy with each other, we attain peak performance together. We also conduct fair and impartial procurement deals while cherishing the relationship of coexistence and co-prosperity with our suppliers.

● Technical exchange program for improving drawing techniques

We have regular technical exchanges with our suppliers to improve skills on both sides.

At present, we exchange opinions to reduce flawed and unclear drawings that cause defects arising. At the same time, we share the inspection points at the design stage to maintain our product quality continuously. To achieve better manufacturing, we work together with our suppliers and improve drawing data with an aim to enhance productivity.

● Regarding supply chain management

To maintain a stable supply chain resilient to natural disasters, we use the Supplier Survey Form to grasp the situation of their initiatives for the natural environment and business continuity plan (BCP) and manage the risks in our supply chain.

Since FY2018, the COMANY Group has been committed to practicing international norms such as the "International Bill of Human Rights" and the "International Labor Organization (ILO) ILO Declaration on Fundamental Principles and Rights in Labor." To respect the right to life, we have formulated the COMANY Group Human Rights Policy. In response, we added an item to grasp the situation of human rights initiatives in the Supplier Survey Form. If adverse impacts on human rights by our suppliers and related parties are directly linked to our business, products, and services, we will request the entire supply chain to respect human rights and adopt measures to prevent its violations.

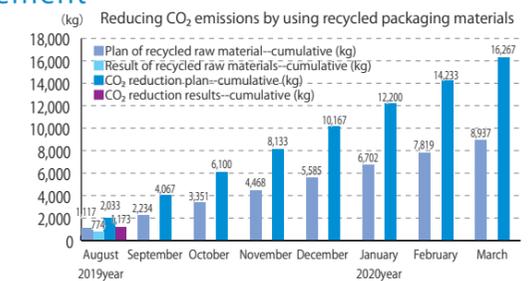


The survey form helps us grasp the CSR information of our suppliers

● Activities for sustainable material procurement

From this fiscal year, we have been focusing on the procurement of sustainable materials.

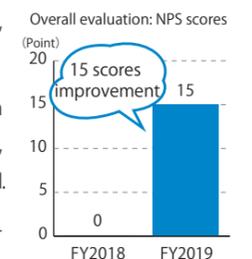
In particular, we are promoting the adoption of "material recycling," a method that recycles waste and scrap generated during production into similar products, which we have introduced as packaging materials. In addition, we will gradually switch to plant-derived biomass plastics and packaging materials that do not use plastic in the first place.



● Efforts to improve supplier satisfaction

To build a better relationship with our suppliers, we conduct a "Suppliers Satisfaction Survey" to confirm the current evaluation of our company. We also carry out activities to improve satisfaction by collecting broad opinions and requests regarding our future improvements.

We conduct satisfaction surveys as a means of dialogue with our suppliers and employ evaluation based on NPS (Net Promoter Score). To respond to the rapidly changing needs of our customers, the collaboration with our suppliers is indispensable, and we have conducted surveys consecutively in FY 2017 and FY 2018, contributing to the improvements.



Net Promoter Score or NPS is an index that quantifies customer loyalty (degree of attachment and trust to companies and its brands). We conduct a comprehensive customer evaluation using these NPS scores.

- In the FY2018 survey, we received a request regarding unclear and flawed production drawings as a quality issue. In dealing with this issue, we hold regular sharing meetings with relevant suppliers to enhance a mutual understanding of the design, production drawing confirmation methods, symbols, and display contents. These efforts prevent differences in opinions as well.
- Compared to the previous year, the number of delivery issues have decreased, but we still recognize the need for improvement. In the future, we will construct a system for advanced information exchange as well as recognition of the load status of the suppliers.
- We will continue to hold dialogues to deepen mutual understandings regarding the issues revealed in the satisfaction survey.

● Implement logistics reform in collaboration with Ueda Transportation Co., Ltd.

These days, the ongoing truck driver shortages and aging in the logistics industry are regarded as problems. It is mainly due to the instability of the workload and employment of truck drivers. Therefore, as a consigner, we participated in the pilot project advocated by the Ministry of Land, Infrastructure, Transport, and Tourism and implemented by logistics operator, Ueda Unyu Co., Ltd.

We have altered our manufacturing schedule by adapting it to the truck shipment timing. As a result, we have reduced truck driver's waiting time for loading by 50.7% in about two years, boosting productivity and advancing work-style reform.



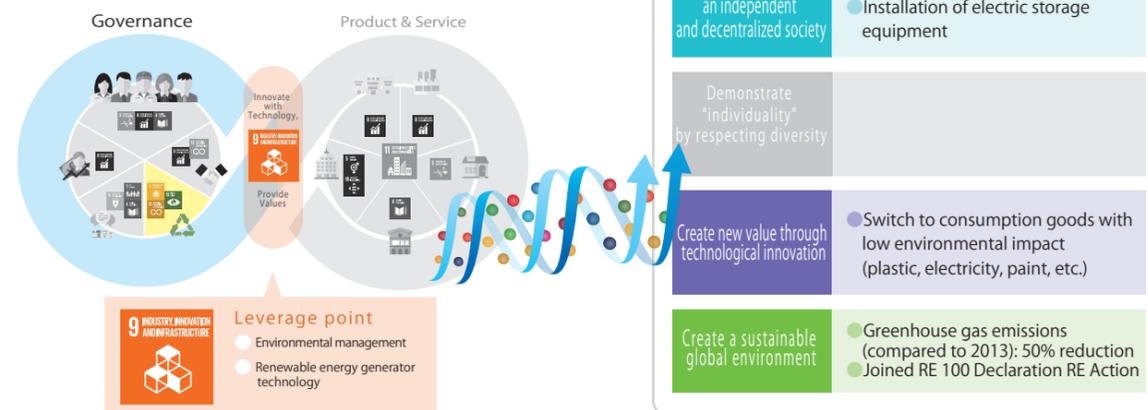
Coexistence with the global environment



To leave a beautiful global environment for future generations, we utilize the eco characteristics of partition to promote product development. To encourage corporate activities aiming to coexist with nature at the same time, we also work on energy-saving measures for the energy generated in production activities.

Moonshot to 2030

Realize the hope to the future of the earth 2030

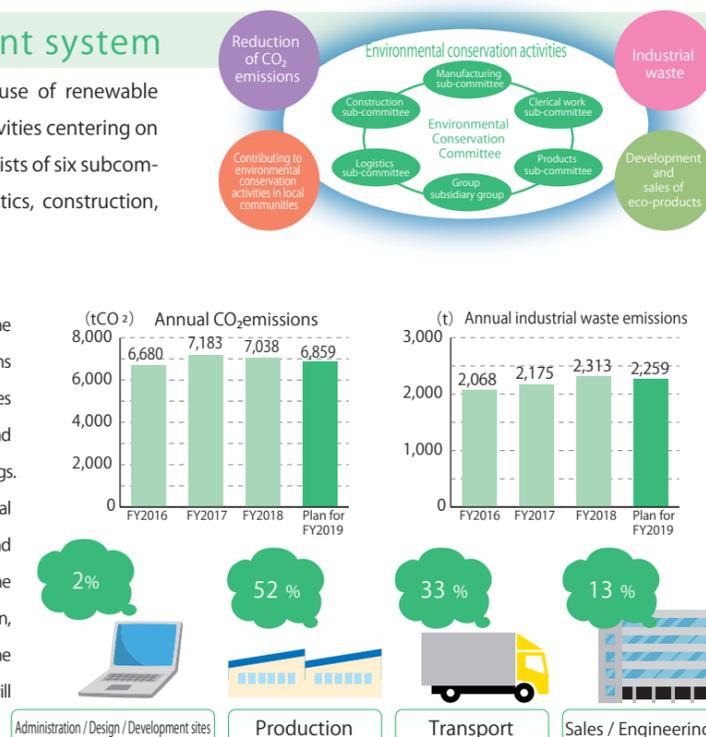


Environmental management system

To promote the energy-saving measures and the use of renewable energy, we carry out environmental conservation activities centering on the "Environment Protection Committee," which consists of six subcommittees: manufacturing, office work, products, logistics, construction, and subsidiaries.

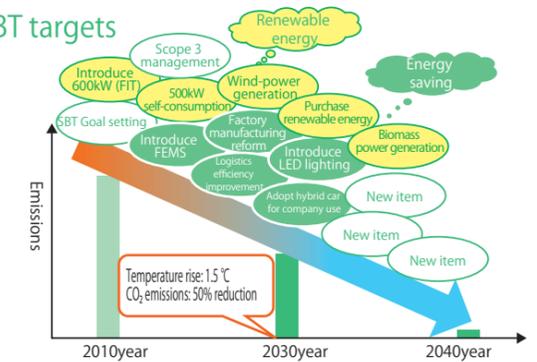
Regarding CO₂ emissions

In FY2018, though there was an increase in production due to the merger of group companies and sales growth, the CO₂ emissions were reduced by 145t after we made improvements in labor times thorough manufacturing reforms of manufacturing departments and the use of electricity by conversion to LED lighting in factory buildings. Industrial waste increased by 138 tons due to insufficient material recycling activities to improve the material's yielding percentage and segregate scrap. In FY 2019, we will reduce CO₂ emissions from the perspectives of both renewable energy and energy conservation, such as the expansion of photovoltaic power generation and the introduction of FEMS (energy management system), and we will further improve yields and reduce industrial waste.



Get a grasp of CO₂ emissions (Scope 1 to 3) and set SBT targets

We scheduled to set the Science-Based Targets (SBT) of the corporate version in FY2019. It is a CO₂ emissions reduction scenario based on climate science promoted by the Ministry of the Environment. We formulate "2030 Roadmap," which is Scope 1 to 3 CO₂ emission reduction story for achieving the goal. By 2030, we will work to prevent global warming in hopes of reducing CO₂ emissions by 50% and using 50% of renewable energy compared to FY 2013. Besides, we aim to acquire the "SBT Target Initiative" and the "RE100 Declaration RE Action Initiative" to clarify advanced companies related to environmental conservation activities. Meanwhile, we will join the Japan Climate Leaders Partnership (JCLP) and aim to realize a sustainable decarbonized society.



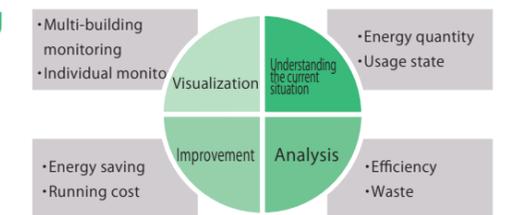
Increase solar power generation system

In FY2014, the COMANY solar power generation system started operation and contributed to CO₂ reduction in Japan by using renewable energy. In FY 2019 we plan to add a new 600kW solar panel, which is scheduled to start operation in November. With this, there will be 1 MW solar power system operating in our company.



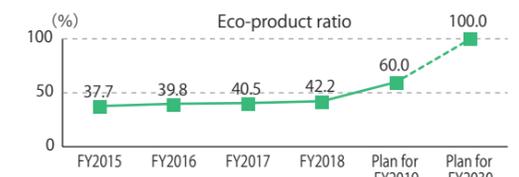
Visualize factory energy and promote energy saving

About 52% of the energy we use is consumed at the factory. By "visualizing" the power usage status for each production line and facility, we can flexibly respond to issues we have not noticed so far. Aiming to implement efficient and effective energy conservation activities, we are planning to introduce (FEMS) Factory Energy Management System.



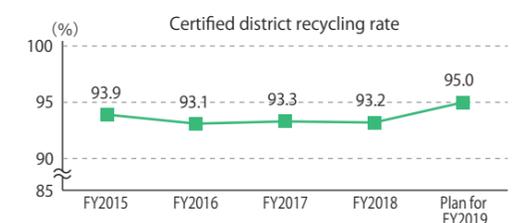
Our certified eco-products development

We will promote the development of eco-products such as "Eco Mark-certified product," "Green Purchasing Law Compliant Products," and "COMANY Eco Label Products."



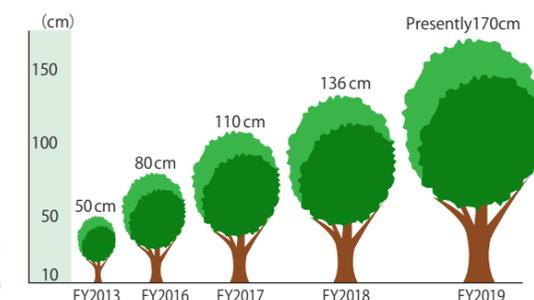
Environmental improvement efforts to establish a Sound Material-Cycle Society

Partitions are environmentally friendly products which are easy to dismantle and relocate. Moreover, we have introduced a recycling system for separating demolished products that are no longer needed into materials, and we are the first company in the industry being approved by the Minister of the Environment for the National Permit System.



Promote afforestation and conservation activities by "Forest of COMANY ties"

Base on the "Carbon Neutrality" concept that CO₂ emissions from the human activities equal to CO₂ absorptions of trees regarding the greenhouse gas, such as carbon dioxide, we started planting trees in collaboration with Ishikawa Prefecture in the "Forest of COMANY ties" in Komatsu City since 2013. The black pines planted by our group employees and their families have grown steadily in subsequent maintenance activities, leading to a reduction of 0.4 tons of CO₂ per year.



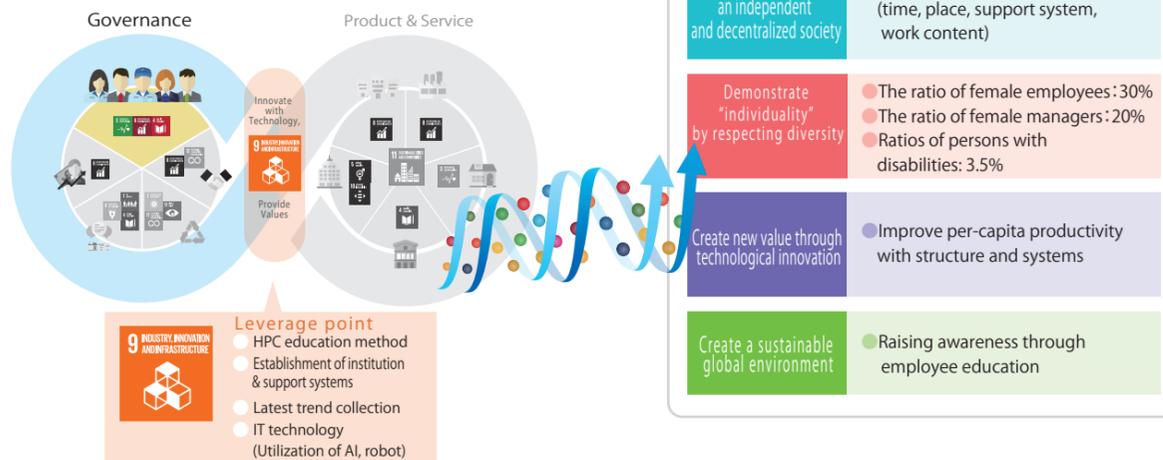
Creating a workplace respect for humanity



To create a work environment where all employees can play a leading role and be satisfied with their job and growth, we respect everyone's humanity. Meanwhile, we create a system where our employees can work in full play and an organizational climate in which they can always be cheerful and positive about their work.

Moonshot to 2030

Create an environment allowing one to challenge in one's own way



Human resource development

Since its establishment, COMANY has been conducting its business with respect for human dignity, valuing the "human mind" more than anything else. For this reason, we believe that the most important thing for a company is its employees, so we are actively spreading educational chances to help employees learn philosophy based on the spirit of "Humanity and Fraternity" and acquire technical skills that contribute to a better society.

In philosophy education, based on the premise that "Every human being has a conscience," we always conduct an honest dialogue with each other to draw and enhance the conscience of each other. We value learning and developing our concept of values in this manner. We believe that it is more important than ever to learn philosophy continuously. Other than the philosophy training for all employees, we also provide different training courses according to the hierarchy of employees to improve their perspectives necessary for their roles, such as leadership training. In the training program, it becomes possible to foster an honest dialogue between employees by using the "HPC system" (Developed by GAIASYSTEM Co., Ltd.). It helps to build a strong relationship of trust among the employees and contributes to the creation of corporate culture for everyone to exercise one's autonomy and initiative.

In technical education, we not only develop education programs or certification systems for employees to acquire the necessary knowledge and skills in each professional field, but also prepare E-learning courses to hand down our internal technical knowledge.



Company training system diagram

Category	Name of training course	Type of Training		Target trainee			
		Cultivation of humanity	Enhancement of technical skills	Executives	Department directors/ Department chiefs	The 5th, 3rd, and 2nd-year training	New recruits
Company-wide employee training	COMANY philosophy training	○		○	○	○	○
Training by hierarchy	Training for executives	○	○	○			
	Training for department directors/department chiefs	○	○		○		
	Training for the fifth-year employees	○				○	
	Training for the third-year employees	○				○	
	Follow-up program for the second-year employees	○				○	
	Induction course for fresh recruits	○	○				○
Skill training	Engineer training		○		○	○	○
	E-learning course		○	○	○	○	○
Workplace training (OJT)	Brother and Sister system	○	○				○
Personal empowerment	Distance learning system		○	○	○	○	○
	Company essay system	○		○	○	○	○

Cultivation of humanity (Philosophy training)

Philosophy training is a training program for employees to learn "COMANY Philosophy." All of COMANY group employees attend philosophy training every year. It focuses on helping employees learn the philosophy that we value, such as "Management Based on the Bonds of Human Minds" and "Make Decisions with an Altruistic Mind," they also learn how to deal with their work or how to communicate with colleagues. Besides, we instill our Philosophy through the executive training, training for department director and department chief, and training for the 2nd, 3rd, 5th-year employees in which they repeatedly learn the perspectives and foster practices tailored to their roles.

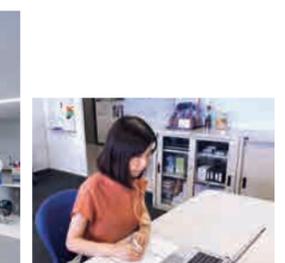


Technical capability enhancement (Engineer training)

We offer training courses in different fields such as development technology, design technology, manufacturing technology, and construction technology to improve our technical capabilities. Our employees learn the skills necessary for providing high-quality products and services in each job category. In addition to engineer training aimed at acquiring expertise, we also offer E-learning courses as a means for passing on our technical knowledge.



Engineer training



Attending E-learning course

Gaining insight (External training)

To improve knowledge on social trends and the latest information, we actively participate in external study sessions and training in each specialized field, including subcommittee activities sponsored by Global Compact Network Japan. Besides, to increase the effectiveness of external training, the attendee then gives a lecture to our employees in the company. Through these activities, we accelerate the improvement and penetration of knowledge throughout our company.



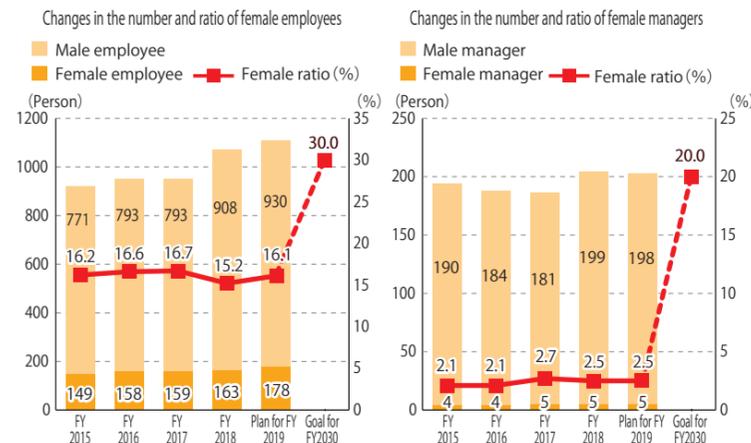
Creating a workplace respect for human dignity

Promotion of diversity

Recognizing that the decline in work-population is a major concern in recent years, we are working to promote diversity and inclusion as we believe that showing respect for diversity and creating an environment to demonstrate one's individuality is a significant growth strategy. To realize an organization for every employee with diverse capacities to demonstrate their individuality, we support the participation of female employees, expanding the reemployment after retirement age, expanding the employment of people with disabilities and foreigners.

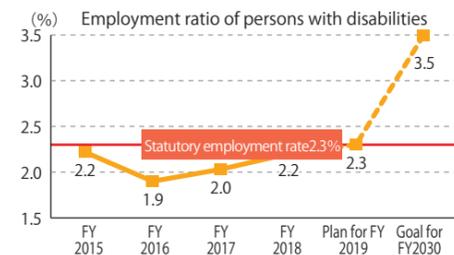
● Women's empowerment

Currently, the number of female employees is 163 (15.2%), while the number of female managers is only 5 (2.5%). That is one of our major issues in promoting diversity. In 2017, we launched a project team called "Team for promoting the success and advancement of women in the workplace" and pursued an ideal model for women's work styles. In addition to the appointment of a female outside director with specialized knowledge, we established a management-led diversity and inclusion promotion committee. We are now working toward achieving a female employee ratio of 30% and a female manager ratio of 20% by 2030. At present, we recruit new graduates based on a sex ratio of 50:50.



● Promoting employment of persons with disabilities

As a result of the active employment policy for adopting persons with disabilities in cooperation with relevant organizations since FY2018, our current employment rate is 2.2%, maintaining the legal employment rate. The statutory employment rate will be raised to 2.3% by 2021; we aim to accomplish it ahead of schedule. Going forward, we will continue to promote initiatives to improve the employment environment.

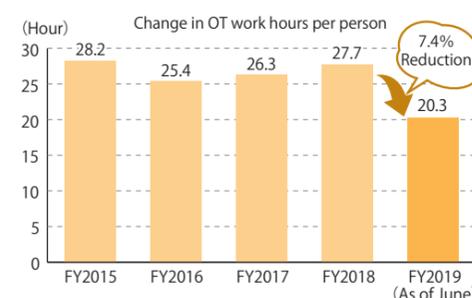


Work-style reform and work-life balance

To create an employee-friendly environment that encourages work balance, not to mention the ease to work, we established our corporate climate through creating frameworks to eliminate the long working hours, to promote the ease to take leaves, and to support childrearing. To enrich our employees' private lives, we have introduced a full five-day workweek, telework, five days of consecutive refreshment leaves. Also, to solve the issue regarding working condition improvement which is raised in the employees' satisfaction survey, we continue to implement "no-overtime days" and introduce the upper limit of overtime work as well as the interval regulation. We will keep showing our concern for our employees' health and promote work-life balance in such a manner.

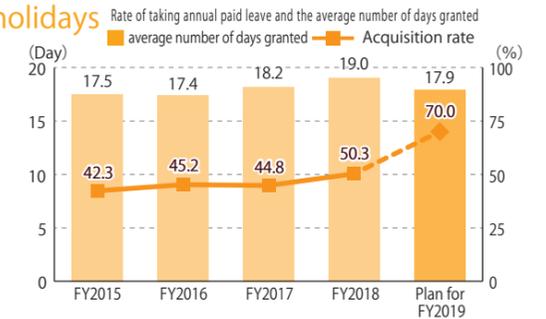
● Restricting long working hours

In FY 2018, we worked to realize highly productive work styles through our "Morning Activities (Overtime work before office hour)" initiative. Besides, to deter the long working hours, we have set an upper limit of 80 hours for overtime work and regularly warned the supervisor of employees having a high tendency toward long hours. In FY 2019, we further restrict long working hours by targeting a new upper limit of 42 hours stipulated by the Labor Standards Act.



● Encouraging employees to take annual paid holidays

To encourage our employees to take their paid leave entitlement actively, we have set five consecutive holidays as refreshment leaves to make it easier for employees to spend more time with their family. We also set paid leave encouragement days to encourage employees to take consecutive days off. We started implementing the rule of five straight holidays from FY 2019.



*The Japan government has set a goal in the "Fourth Basic Plan for Gender Equality" to achieve 70% of the annual paid leave-taking rate.

● Regarding childcare support

Thanks to the effort of creating an employee-friendly working environment to help our employees balance their career and child-rearing at the same time, the rate of our employees taking childcare leave and the continuous employment rate remain high. Also, we have established work rules for childcare and nursing care to create a workplace environment that allows our employees to work without undue worries by utilizing "staggered work shift" and "reduced schedule".

The transition of childcare system use

	FY2015	FY2016	FY2017	FY2018	Plan for FY2019
Rate of taking childcare leave	100.0%	85.7%	100.0%	100.0%	100.0%
Rate of employees work at a reduced schedule	90.0%	90.0%	100.0%	83.3%	80.0%
Rate of women who continued working after first childbirth	90.0%	90.0%	100.0%	100.0%	100.0%

Obtained Kurumin Certification

In June 2019, we received Kurumin certification from Japan's Ministry of Health, Labor and Welfare as a "child-rearing support company."

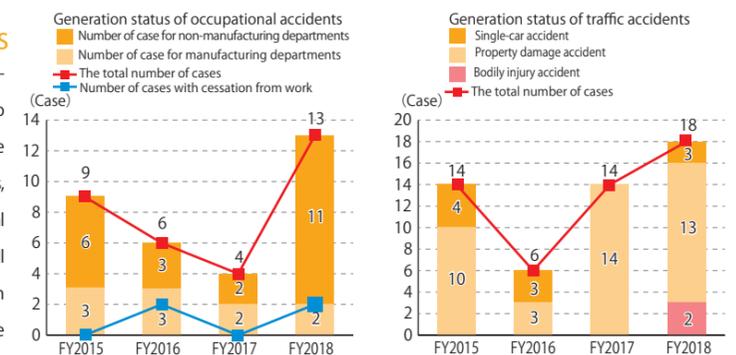


Creating a safe and secure workplace

To ensure the safety and health of employees, we prevent disasters based on the "safety first" concept through the activities of the General Safety and Health Committee. And we also promote health checkups and work on mental health to realize a work environment for employees to work with a sense of security.

● Safety and health initiatives

In FY2018, the number of occupational accidents in non-manufacturing departments increased significantly compared to FY2017, most of which was due to unsafe behavior during the construction process. Aiming for zero occupational accidents, we notify our entire company in times of occupational accidents to raise awareness. At the same time, we verify all activities in our meeting of the General Safety and Health Committee and continuously implement recurrence prevention measures.



● Health management initiatives

Believing that the job satisfaction of our employees can be ensured only if they and their families are healthy both mentally and physically, we are keen on promoting health management. Based on the viewpoint of health maintenance, we increase health checkup items, deliver health instruction from our nurse, conduct stress checks, and encourage smoking cessation. Besides, we provide health check support for spouses (the non-working dependent) of our employees to improve the health of their families.

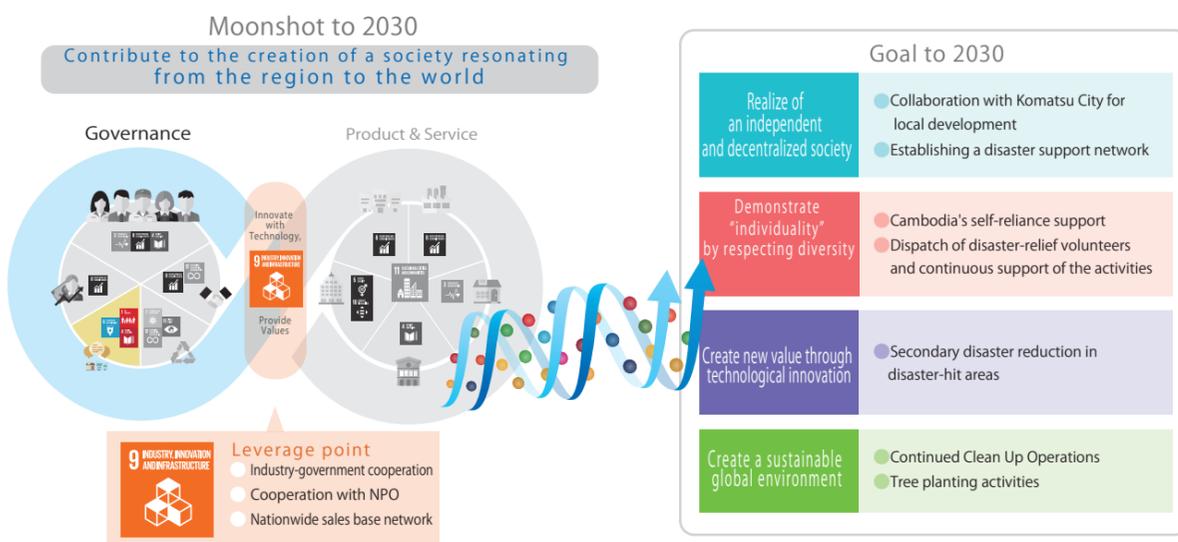


In February 2019, we are certified under "The 2019 Certified Health & Productivity Management Outstanding Organizations Recognition Program (500 working groups)."

Social contribution activities



To leave a better world for today's children in the future, we keep working on social contribution activities from the local to the global level in believing that our employees actively engage in the activities according to their conscience.



COMANY's social contribution activities

We carry out our corporate activities based on the belief that "companies should exist to contribute to the well-being of the world." Beyond business activities, we make the best use of our profits, conscience, and human resources. We think over what we can do to expand our contributions, and act on our plans to keep developing our social contribution activities. To build a bright future in the long term, we contribute to the well-being of the world through solving various social problems by expanding the circle of our activities from the region to the whole country of Japan, and to overseas.

Respect employees' self-initiative

We value "the self-initiative of our employees" in our social contribution activities. We believe that one's willingness to do something good for others heartily matters more than anything. Thus, we offer our employees a firsthand experience of interaction with the people in need. We have engaged in various activities in different places, such as local welfare facilities, disaster-hit areas, and developing countries like Cambodia. Every time our employees directly visited the site and met face-to-face with local people. Thereby, it contributes to the continuity and development of our social contribution activities.



Local contribution activities

Believing that it is essential for private sectors, government, academia, and civil groups to work together for regional development, we provide a platform for exchange and actively participate in the events organized by local governments to deepen the ties with others. Many visitors, including the residents, participated in "COMAFES," a summer charity event we hold every year. In 2018, there were about 650 persons attended the event. We also regularly hold "UE-Café" as a platform for exchanges, which connects us with various sectors.



Yosakoi performance by new employees (COMAFES)



Exchange with a wide range of people (UE-Café)

National Contribution Activities

Having sales bases throughout Japan, we are actively developing social contribution activities nationwide using our network. Besides, in response to the increasing number of disasters in Japan in recent years, we conducted disaster-relief volunteer activities mainly in the affected areas. These experiences are also fed back to projects such as product development.



Supporting mandarin orange farm



Visited the farm 6 days after the disaster struck

Global contribution activities

In our global contribution activities, we focus on educational support through well digging and building a library in the rural areas of Cambodia. Currently, we also generate employment opportunities to encourage the self-reliance of the villagers and help foster parents to raise the future leader of the country. In the future, we plan to provide support beneficial to both sides by considering the employment of foreign nationals.



Support for wells digging by our own hands



Nurturing of human resources through foster parent support

Activities as Ishikawa Secretariat of United Earth

We have so far developed social contribution activities in collaboration with United Earth*. To realize dynamic corporate events that make use of cooperation and network, we decided to take up the role of Ishikawa Secretariat of United Earth in December 2018 and adopted the practices. In the future, we will promote more productive activities such as disaster area support activities utilizing our nationwide network as well as regional revitalization activities integrated with civil society.

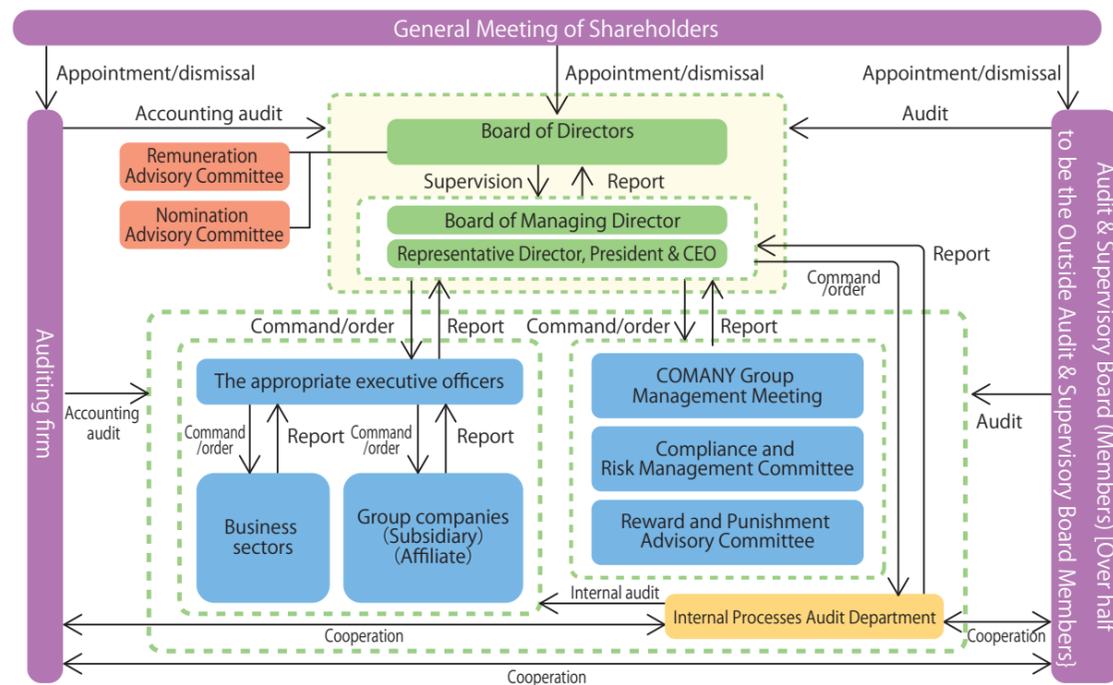
* United Earth is a non-profit organization, which has a cooperative function to bring together citizens who share the philosophy, such as NPOs, NGOs, social activists, corporate managers, artists, and students. Since its beginnings in 2006, it has been working on various social issues through activities, such as offering self-reliance support in deprived areas overseas and environmental protection activities in collaboration with citizens. To help rebuild the affected areas as well as to construct a new social model, it has started its activities to support the affected areas. It has worked with more than 35,000 volunteers, organizations, and companies since the Great East Japan Earthquake in 2011.



Corporate governance

Based on our management philosophy, our basic policy on corporate governance is to increase corporate value, improve management efficiency, and strengthen fair and prompt decision-making. To ensure the soundness and transparency of management, we will strive to enhance corporate governance, and recognize the importance of strengthening our management oversight function and legal compliance system.

Corporate governance structure



Board of Directors

Following internal rules regarding matters to be discussed and reported in the Board of Directors, the Board Directors formulate the basic policy concerning corporate management and receive reports on the status of the business execution. Besides, the Board of Directors meeting is held once a month in principle, and extraordinary meetings are convened from time to time when necessary. Seventeen meetings have been held in total during FY2019. To build a management system that can quickly respond to changes in the business environment, we set the Board Director's term of office to one year.

Advisory body of the Board of Directors

The Remuneration Advisory Committee receives the Board of Directors' request for consultation and deliberates the remuneration of officers. The Nomination Advisory Committee receives the Board of Directors' request for consultation, deliberates the personnel of the executive officers, and reports to the Board of Directors. Thereby, we ensure the objectivity and transparency of the decision-making by the Board of Directors. In FY 2019, the Remuneration Advisory Committee has held four meetings while the Nomination Advisory Committee has held five meetings.

Audit & Supervisory Board

Pursuant to the audit policy and audit plan formulated by the Audit & Supervisory Board, the Audit & Supervisory Board members attend the Board of Directors meetings and other important meetings to audit the execution of duties by the Board Directors.

Board of Managing Directors

According to the basic management policy determined by the Board of Directors, the Managing Directors conduct prior deliberations on matters to be discussed in the Board of Directors and deliberate on the issues delegated from the Board of Directors as an advisory body to the President & CEO. The Board of Managing Directors meeting is held once a week in principle.

Tabulated list of our corporate governance system

Organization design	Company with Audit & Supervisory Board
Number of Directors (Of which, Outside Directors)	10 people(3 people)
Number of Audit & Supervisory Board members(Of which, Outside Audit & Supervisory Board Member)	4 people(2 people)
Director's term of office	1 year
Adopting an executive officer system	Yes
A voluntary advisory body of the Board of Directors	Yes(Nomination Advisory Committee / Remuneration Advisory Committee)
the Independent Auditor	KPMG AZSA LLC

COMANY Group Executive Committee

Kenta Tsukamoto, the Representative Director, is the moderator of the committee. In addition to the executive officers and the officers of the consolidated subsidiary, the department directors and chiefs also participate in the meeting to share company-wide management strategy and speed up decision-making, thereby leading to respond to changes in the business environment quickly.

Compliance and Risk Management Committee

The committee meeting is held monthly with Masahiro Motoda, the chairperson of the committee. Members selected by our domestic subsidiaries attend this committee meeting every quarter, striving to reduce the Group's key risks and raise compliance awareness among executives and employees. Our overseas subsidiaries also report the details on key risks reduction to the committee every quarter.

Evaluation of the Board of Directors

The members of the Board of Directors and Audit & Supervisory Board conduct "Evaluation of the Board of Directors" every year. We gather and validate the opinions regarding the operation of the Board of Directors. We strive for improvement to enhance the healthy growth and development, as well as our corporate value.

Summary of evaluation results

- The Board of Directors and Audit & Supervisory Board consists of members with diverse knowledge and experience, including three independent outside Directors.
- The Board Directors have been able to conduct meaningful discussions on the matters reported in the Board of Directors.
- The corporate governance code has been reviewed sufficiently and discussed regularly.
- The annual agenda should be used to further enhance discussions on basic policy, medium- to long-term management strategies and management plans.
- The management team should develop an appropriate environment conducive to risk-taking strategies.
- The discussion on risks and opportunities in business execution should be enriched in a balanced manner.
- All of the Board Directors should fulfill their roles from the standpoint of the supervisor concerning the deliberation of the Board of Directors.

Based on the results of this evaluation, we will work to further improve the effectiveness of the Board of Directors by making continuous improvements.

Also, the Audit & Supervisory Board members conduct "Evaluation of the Audit & Supervisory Board" once a year.

Based on the evaluation results, we work to improve the functions of the Audit & Supervisory Board by reflecting them as critical issues in the Audit Plan.

Status of audits by the Audit & Supervisory Board members

As of the filing date of this Annual Securities Report, the Audit & Supervisory Board consists of four members including two outside Audit & Supervisory Board members. Based on the audit policy and audit plan formulated by the Audit & Supervisory Board, the Audit & Supervisory Board members attend the important meetings, including the Board of Directors meetings, and oversee the Board Directors in the execution of their duties. Also, they hold regular meetings with the Representative Director, the Outside Directors, the Independent Auditors, and the internal process audit departments to check the status of internal control development and operation. To audit each department and our group companies, we conduct interviews with Board Directors and employees, and on-site examination in cooperation with the internal process audit department.

Thorough compliance awareness

To instill the COMANY philosophy, which places the human mind at its core, believing that "Our spirit is humanity and fraternity," the COMANY Group has published a "COMANY philosophy pocketbook" to be read at the morning meeting every day. And we hold "COMANY Philosophy Training" every year to spread the idea to our executive officers and employees. Besides, we established the COMANY Group Code of Conduct, which defines the compliance items to be followed by the Directors and employees in performing their duties. To ensure that they comply with laws, regulations, corporate ethics, and internal rules, and take responsible actions following social norms, we keep disseminating the COMANY Group Code of Conduct throughout the COMANY Group.

The COMANY and its domestic subsidiaries conduct compliance education for all executive officers and employees to spread and improve corporate ethics and compliance awareness in the workplace, and we further provide education chances through e-learning courses as well. Also, we continue to disseminate information on compliance with laws and regulations using internal bulletin boards.

Whistle-blower system

We have developed "Compliance Hotline Rules," and we are working to respond to whistleblowing from our executive officers, employees, and our domestic subsidiaries. Also, we have set up a third-party organization as a whistleblowing contact point outside the company to promote early detection and prevention of fraud.

Corporate governance initiatives

FY1999	Executive officer system introduced
FY2004	Director's term of office shortened to one year
FY2008	Remuneration Advisory Committee established
FY2013	Outside Director system introduced
FY2015	The self-assessment of Board of Directors started
	Nomination Advisory Committee established
	Board of managing director established
FY2016	Criteria for independence of outside Directors established
	The number of outside Directors increased to three
FY2017	The COMANY Group Code of Conduct Revised

Management Team



Outside Audit & Supervisory Board Member
Tetsuo Matsugaki

Standing Audit & Supervisory Board Member
Hideaki Kitamura

Outside Board Director
Shunichi Nakagawa

Bord Director, Senior Vice President
Kozo Shinozaki

Board Director, Vice President
Masahiro Motoda

Board Director, Vice President
Tatsuo Matsunaga

Standing Audit & Supervisory Board Member
Kouichi Kawaguchi

Outside Audit & Supervisory Board Member
Tatsuhiko Kamada

Outside Board Director
Miki Yoshimura

Board Director, Vice Chairman of the Board
Kiyoto Tsukamoto

Representative Director, President & CEO
Kenta Tsukamoto

Representative Director, Chairman of the Board
Mikio Tsukamoto

Board Director, Senior Vice President
Katsuhiro Horiguchi

Outside Board Director
Yoshinobu Kikuchi

Stakeholder Engagement

To be a company that is trusted and needed by society and customers, we continuously engage in dialogue with various stakeholders. We aim to create sustainable value while considering and reflecting the opinions we have obtained in our corporate activities as specific improvements.

ROAD to 2030 Dialogue

We carry out regular dialogues to improve knowledge and raise the level of initiatives through exchanges with corporate managers, NGO / NPOs, and experts advanced in promoting SDGs.

<First round> Monday, May 27, 2019

<p>Mr. Takayuki Kondo President of Kaiho Industry Co., Ltd. (Received Deputy-chiefs' Award of the 2nd Japan SDGs Award)</p>	<p>Kenta Tsukamoto Director, Senior Managing Executive Officer of COMANY INC. (As of June 26, Representative Director, President & CEO)</p>
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"Discussion on management and SDGs by two leaders of same generation"

As a corporate manager of the same generation and as a local company that actively promotes the SDGs, the two leaders had a dialogue on topics including what the company values, what kind of management the company pursues, what triggered the start to work on SDGs. We reaffirmed the importance of communication, remarks, and actions involving all the stakeholders to improve the state of the economy, environment, and society.



<Second round> Saturday, August 3, 2019

<p>Ms. Kaori Kuroda the Secretary General, Director of General Incorporated Foundations the CSO Network Japan Advisor of General Incorporated Associations the Japan Civil Society Network on SDGs</p>	<p>COMANY INC. Naoyuki Tsukamoto, Managing Executive Officer, Chief of Corporate Planning Headquarters Manami Kitagawa, General Manager of Sustainability Management Promotion Office</p>
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"What is the diversity that a company should work on?"

Since the 17 goals of SDGs cover a broad range of topics, the three leaders talked about the importance of tackling issues through joint efforts with other corporations and the possibilities and challenges of diversity. Also, it became a valuable opportunity for us to evaluate our initiatives objectively from the perspective of Ms. Kuroda.



SDGs Panel Discussion

Held at COMANY Headquarters on August 24, 2019 (Saturday)

- From left
 Mr. Kazuo Tase, President & CEO of SDG Partners Inc.
 Ms. Yoko Maeda, Director of Department of Social Service and Cooperation of Komatsu City
 Mr. Tomonobu Fuchigami, Head director of non-profit organization the United Earth
 Ms. Miki Yoshimura, United Nations World Food Programme
 Kenta Tsukamoto, Representative Director, President & CEO of COMANY INC.

Under the theme of "Community development for the local community and the earth," the panelists introduced their activities. They discussed ideas on how to make Komatsu City a sustainable city through the collaboration of the private sectors, the government, academia, and civil groups.



Panel discussion on Cambodia support

Held in 151-A Seminar Room of COMANY Headquarters on July 11, 2019 (Thursday)

- From left
 Ms. Emiko Mori, Representative Director of Specified non-profit corporation Globe Jungle
 Ms. Miwa Kusunoki, Vice president of the same corporation
 Kenta Tsukamoto, Representative Director, President & CEO of COMANY INC.
 Kazuko Tsuji, Purchasing Department of the same company

We have been cooperating with the Globe Jungle in supporting Cambodia. It was a valuable opportunity to reaffirm the significance and potential of companies assisting the developing countries and to shape our future actions.



Introducing our initiatives to shareholders and investors

Held at Komatsu Arts Theater Urara on June 26, 2019 (Wednesday)

To achieve sustainable development, together with our shareholders, we introduced our sustainability management initiatives and prospects at the end of the general meeting of shareholders. We offer the chance for our stakeholders to deepen their understanding of the trigger and background that leads us to work on SDGs. Going forward, we will continue to engage with shareholders and investors actively.



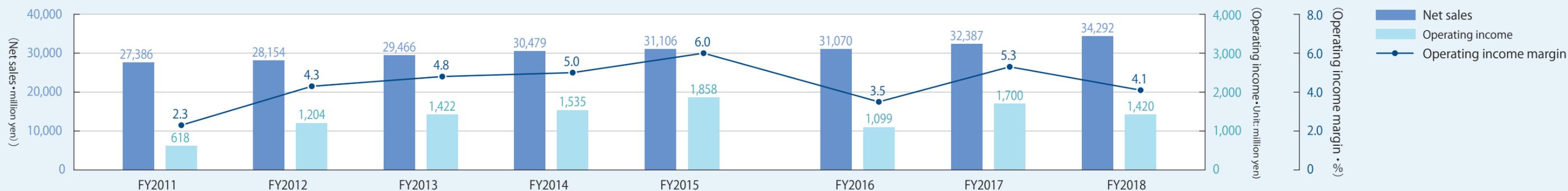
Financial Statements

Major financial data over the last 8 years

(Unit: million yen)

COMANY INC and consolidated subsidiaries (million yen)

Fiscal year	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Net sales	27,386	28,154	29,466	30,479	31,106	31,070	32,387	34,292
Market segment								
Japan	26,707	26,859	28,032	28,715	29,869	30,055	31,383	32,499
Office	12,627	12,538	12,376	12,876	13,483	13,519	14,184	14,517
Factory	5,991	6,358	5,226	5,334	6,925	6,880	7,378	8,894
Medical and welfare institution	4,079	4,118	5,393	5,652	5,039	5,016	5,357	4,296
School	1,918	1,830	2,578	2,525	2,049	2,289	2,428	2,339
Other	2,092	2,015	2,459	2,328	2,373	2,351	2,036	2,453
China	679	1,294	1,434	1,764	1,236	1,015	1,003	1,792
Cost of sales	17,386	17,205	17,773	18,093	18,313	18,628	19,184	21,139
Gross profit	10,000	10,948	11,692	12,386	12,792	12,441	13,202	13,153
Selling, general and administrative expenses	9,382	9,744	10,270	10,850	10,934	11,342	11,501	11,732
Operating income	618	1,204	1,422	1,535	1,858	1,099	1,700	1,420
Ordinary income	651	1,252	1,463	1,638	1,846	1,143	1,732	1,341
Profit attributable to owners of parent	549	1,178	1,602	1,621	1,079	507	929	335
Capital investment	731	858	946	2,255	2,844	1,259	886	541
Depreciation expense	822	727	694	653	722	975	959	904
Equity	16,895	18,228	20,318	21,916	21,806	21,891	22,641	22,324
Total assets	27,124	27,658	31,164	32,793	34,205	33,923	36,361	34,528
Employee (person)	1,363	1,375	1,399	1,412	1,458	1,468	1,475	1,476
Per share data								
Net income (yen)	61.77	132.45	180.01	182.20	121.26	57.03	104.49	37.67
Net assets (yen)	1,898.41	2,048.24	2,283.15	2,462.77	2,450.42	2,460.10	2,544.41	2,508.65
Annual dividend (yen)	26.00	28.00	30.00	32.00	37.00	46.00	47.00	50.00
Payout ratio (%)	42.1	21.1	16.7	17.6	30.5	80.7	45.0	132.7
Financial indicators								
Return on Equity (ROE) (%)	3.3	6.7	8.3	7.7	4.9	2.3	4.2	1.5
Return on Assets (ROA) (%)	2.4	4.6	5.0	5.1	5.5	3.4	4.9	3.8
Operating profit ratio on sales (%)	2.3	4.3	4.8	5.0	6.0	3.5	5.3	4.1
Equity ratio(%)	62.3	65.9	65.2	66.8	63.8	64.5	62.3	64.7



Financial Statements

● Balance sheet

COMANY and consolidated subsidiaries (Millions of yen) (Unit: million yen)

Fiscal year	FY2017	FY2018
Assets		
Current assets		
Cash and deposits	8,220	7,264
Notes and accounts receivable	10,265	11,002
Merchandise and finished goods	1,529	1,299
Work in process	90	112
Raw materials and supplies	1,368	594
Other	501	518
Allowance for doubtful accounts	△ 7	△ 9
Total current assets	21,967	20,781
Non-current assets		
Tangible fixed assets		
Buildings and structures (net)	3,957	3,821
Machinery and delivery equipment (net)	2,694	2,217
Land	3,400	3,359
Construction in progress	25	20
Other (net)	139	141
Total tangible fixed assets	10,217	9,559
Intangible fixed assets		
Software	394	350
Software in progress	34	54
Other	1	1
Total intangible assets	429	405
Investments and other assets		
Investment securities	1,248	1,407
Long-term loans receivable	37	30
Deferred tax asset	1,391	1,247
Other	1,115	1,130
Allowance for doubtful accounts	△ 47	△ 34
Total investments and other assets	3,745	3,781
Total non-current assets	14,393	13,746
Total assets	36,361	34,528
Liabilities		
Current Liabilities		
Accounts payable	2,439	2,286
Short-term loans payable	546	1,194
Income taxes payable	632	84
Provision for bonuses	838	854
Provision for directors' bonuses	36	24
Other	2,767	2,516
Total current liabilities	7,261	6,960
Non-current liabilities		
Long-term loan payable	2,124	940
Lease obligation	325	280
Deferred tax liability for land revaluation	331	331
Net defined benefit liability	3,375	3,351
Provision for share-based remuneration for directors	31	60
Other	271	277
Total non-current liabilities	6,458	5,243
Total liabilities	13,719	12,203
Equity		
Shareholders' equity		
Capital	7,121	7,121
Capital surplus	7,607	7,607
Retained earnings	8,438	8,325
Treasury share	△ 1,143	△ 1,142
Total shareholders' equity	22,023	21,912
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	204	97
Land revaluation difference	481	481
Foreign currency translation adjustment	66	△ 68
Remeasurements of defined benefit plans	△ 134	△ 97
Total accumulated other comprehensive income	617	412
Total equity	22,641	22,324
Total liabilities and equity	36,361	34,528

● Cash Flow

COMANY and consolidated subsidiaries (million yen)

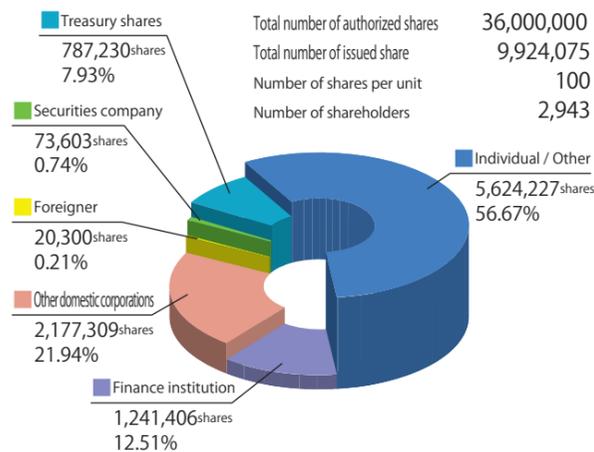
Fiscal year	FY2017	FY2018
Cash flow from operating activities		
Net income before income taxes	1,648	832
Depreciation	959	904
Impairment loss	123	93
Increase (decrease) in net defined benefit liability	121	30
Increase (decrease) in provision for bonuses	16	16
Increase (decrease) in provision for directors' bonuses	11	△ 12
Increase (decrease) in provision for share-based remuneration for directors	31	29
Increase (decrease) in allowance for doubtful accounts	7	△ 10
Interest and dividend income	△ 24	△ 22
Interest expense	43	26
Loss (gain) on sales of property, plant and equipment	-	△ 0
Loss on retirement of property, plant and equipment	8	11
Loss (gain) on sales of investment securities	△ 47	△ 216
Loss on valuation of inventory	-	622
Decrease (increase) in notes and accounts receivable	△ 456	△ 735
Decrease (increase) in valuation of inventory	△ 851	304
Increase (decrease) in notes and accounts payable	398	△ 136
Other	588	33
Subtotal	2,577	1,769
Interest and dividends received	24	22
Interest expenses paid	△ 42	△ 26
Income taxes paid	△ 353	△ 962
Refund of income taxes	0	-
Net cash provided by operating activities	2,206	802
Cash flows from investing activities		
Payments into time deposits	-	△ 339
Proceeds from withdrawal of time deposits	-	145
Purchase of property, plant and equipment of tangible fixed assets	△ 516	△ 634
Purchase of property, plant and equipment of intangible fixed assets	-	41
Purchase of intangible assets	△ 135	△ 97
Purchase of investment securities	△ 101	△ 402
Proceeds from sales of investment securities	98	305
Subsidy received	83	0
Other	△ 0	△ 11
Net cash used in investing activities	△ 572	△ 993
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	△ 546	-
Proceeds from long-term loans payable	900	-
Repayment of long-term loans payable	△ 410	△ 509
Repayment of lease obligations	△ 3	△ 40
Proceeds from sale of treasury share	-	1
Purchase of treasury shares	△ 0	△ 0
Cash dividends paid	△ 423	△ 446
Net cash used in financing activities	△ 483	△ 996
Effect of exchange rate change on cash and cash equivalents	22	37
Net increase (decrease) in cash and cash equivalents	1,172	△ 1,149
Cash and cash equivalents at the beginning of the year	7,047	8,220
Cash and cash equivalents at the end of the year	8,220	7,070

Corporate Information

Company overview (as of March 31, 2019)

Trade name	COMANY INC.	Group companies	(Domestic) 1 company (Overseas) 3 companies
Head Office	1-93, 1-93 Kogyo-Danchi, Komatsu-shi, Ishikawa-ken	Fiscal year end	March 31
Establishment	August 18, 1961	Stock Listing	Tokyo Stock Exchange Second Section
Paid-in capital	7,121 million yen	Securities Code	7945
Nmployees	(consolidated) 1,476 (non-consolidated) 1,071	Shareholder registry administrator	Sumitomo Mitsui Trust Bank, Limited
Main business	Development, design, manufacture, sale and installation of partitions.Partition-related interior finish work and joinery work	Accounting auditor	KPMG AZSA LLC

Stock information (as of March 31, 2019)



Major shareholders/Top 10 (as of March 31, 2019)

Shareholder name	Number of shares held	Shareholding ratio (%)
Komatsu Kosan Corporation	923,300	10.10
COMANY Co-prosperity Association	702,751	7.69
Employee Shareholding Association of COMANY	649,986	7.11
Hokuriku Bank, Ltd.	444,002	4.85
Toshio Yoshida	265,500	2.90
Hokugoku Bank, Ltd.	260,000	2.84
Japan Trustee Services Bank, Ltd.	237,704	2.60
The Master Trust Bank of Japan, Ltd.	235,800	2.58
Naoko Kimura	223,296	2.44
Mikio Tsukamoto	215,700	2.36

(Note) The shareholding ratio is calculated by deducting the treasury shares.

History

Year	Outline
Aug.1961	Komatsu cabinet incorporated company founded.
Jun.1970	Changed company name to Komatsu Partition Industry.
Dec.1980	Took first place in the industry by its sales.
Nov.1984	Changed 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 Company) as subsidiary.
Oct.1996	Received TPM Prize for excellence.
Dec.1996	Established COMANY International Trade (Shanghai) Co., Ltd.
May.1997	Komatsu Flash Co., Ltd. (current Cluster Co., Ltd.) became a subsidiary of COMANY.
Dec.1997	Established COMANY (Nanjing) Industry Co., Ltd.
Oct.1999	Received TPM Prize for continued excellence.
Dec.1999	Acquired ISO 9001 certification.
Nov.2001	Acquired ISO 14001 certification.
Aug.2011	Nanjing Jalynger Material Co., Ltd. became a subsidiary of COMANY Inc.
Feb.2012	Established COMANY (Nanjing) New Building Materials Technology Co., Ltd.
Apr.2015	COMANY (Nanjing) New Building Materials Technology Co., Ltd. acquired certifications of ISO 9001 and ISO 14001.
Jun.2015	Listed on the second section of the Tokyo Stock Exchange.
Sep.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	COMANY (Nanjing) New Building Materials Technology Co., Ltd updated the certifications to ISO9001:2005 and ISO14001:2005.
Apr.2018	Took over the subsidiary COMANY Engineering Co., Ltd.
Apr.2018	Announced "COMANY 's declaration in support of SDGs."
Aug.2018	Singed the UN Global Compact.
Feb.2019	Earned certification of Health & Productivity Management Outstanding Organizations (500 working groups).
Jun.2019	Formulated the COMANY Group Human Rights Policy.
Jun.2019	Concluded a partnership agreement with Komatsu City regarding SDGs promotion.
Jun.2019	Acquired the next-generation support certification logo "Kurumin."

Assessment of sustainability by external parties

We are certified as one of "Health & Productivity Management Outstanding Organizations 2019 (500 working groups)" jointly selected by the Ministry of Economy, Trade, and Industry as well as Nippon Kenko Kaigi. Besides, our subsidiary CLUSTAR Inc. is also honored in the same recognition program in the SME category.



We received Kurumin certification from Japan's Ministry of Health, Labor, and Welfare as a "child-rearing support company" based on the "Act on Advancement of Measures to Support Raising Next-Generation Children."



Editorial policy

We have prepared this integrated report to introduce the value creation model of the COMANY Group and its vision in an easy-to-understand manner with specific examples of initiatives.

Now that the values of the world are about to change drastically, we strive to become a company that creates new values through "Challenge for Change" based on our company credo, a universal principle we have valued so far.

We hope that this "COMANY Group Integrated Report 2019" will help deepen the understanding of our stakeholders about our initiatives and become more familiar with us than ever. We will continue to place great value on dialogue with everyone involved. We look forward to hearing your honest opinions in this regard.



Introduction of various informational tools

Activities and data not listed in this report can be viewed on our website. We have released various information on our corporate information site.

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

Initiatives for SDGs



The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. The COMANY Group endorses 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 forge a sustainable future.

Signing the "UN Global Compact"



The UN Global Compact was announced by then UN Secretary-General Kofi Annan in an address to the World Economic Forum on January 31, 1999. It was officially launched at UN Headquarters in New York City on July 26, 2000. The COMANY Group signed the UN Global Compact (UNGC) advocated by the United Nations on August 15, 2019. By supporting and practicing the UN Global Compact 10 principles in four areas: human rights, labor, environment, and anti-corruption, we will promote the initiatives to realize a sustainable world.