



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 2020



In order for every individual to reach their fullest potential and live a bright life, we contribute to the creation of a sustainable environment and human resources for better work, better learning, and better living.



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Message from the President and the CEO



Challenge for Change

~To a new world~

Kenta Tsukamoto, Representative Director, President, and CEO

The era has changed from Heisei to Reiwa, and the world is rushing. However, in 2020, people's lives are radically altered by the spread of COVID-19. The lifestyle, including ways of working and learning, has also changed drastically. We, human beings of this world, are now living with many challenges, including those mentioned. The impact of global warming could not be ignored in our daily lives, and the scale of damage caused by typhoons and heavy rains is increasing every year. Large earthquakes are frequently occurring in Japan, and the alarm has been sounding on large-scale earthquakes. Recognizing that many of which are the result of repeated mass production and consumption merely to pursue efficiency for economic development, and we, human beings of this world, have forgotten the coexistence with nature, while at the same time, we

must realize now that there is no real happiness in future if we continue the same practice. It should be our vision to break away from such a society and build a new normal to develop harmony with not only the economy, but also society and the environment. I came to realize this and suddenly recognize it as an immediate problem because of the spread of COVID-19. We aim to contribute to everyone's well-being and create a brighter world for every individual to reach their fullest potential without leaving anyone behind in COMANY Group. Therefore, while adhering to our philosophy, our important management axis, which is universal and should not be changed, we aim to change what needs to be changed boldly. We are working on the "Challenge for Change- "To the new world."

COMANY's founding spirit and philosophy

The beginning of COMANY dates back to 1961 when it was set up as a cabinet manufacturer. Shinkichi Tsukamoto, the founder of COMANY, had suffered a great deal of difficulty since its founding, based on its customers' and employees' trust. In overcoming such a tough founding period, he concluded that what is essential in conducting business is " (not money but) mind." Since then, we have been valuing the spirit of "humanity" and "fraternity." It means to stick to the beliefs of what is right as a human being and to work hard together with one's fellow for joint growth. We also cherish a heart-to-heart relationship above all in conducting our business. Our business started from creating value

in the space by separating it with partitions. Then we improve the design and functionality by applying our accumulated technology and enhance the value by spatial representation. We would continue to pursue the true meaning of the word "partition." The term "partitioning the space" means not only dividing the space but also "organizing the occasion and generating a platform." Similarly, we have been developing our business aiming to create an optimal room for the space. About half a century after becoming a partition manufacturer, we have grown into a leading company in the industry.



Impressions of the first-year President

A year has passed since I became president in June last year. It was indeed a turbulent year as many things happened, including natural disasters and the spread of COVID-19.

When thinking about what should be valued in such a situation, I firmly believe that it should be our founding spirit, that is, "Our spirit is humanity and fraternity," and the belief that "companies must exist to contribute to the well-being of the world." We will continue to value management based on this spirit and philosophy, which has been passed down since our founding and was regarded as a universal one that will never change.

At the same time, we have made every effort to improve corporate value by rapidly making the necessary changes to adapt to the world's drastic changes. We are working toward

growth in the future by embracing challenges without hesitation under the watchword of "challenge for change." In the end, we will further enhance the know-how and technology accumulated so far; face various social issues through partnerships with industry-government-academia-private partnerships. We will also make efforts to realize "creation of interior space" and "development of personnel" so that every individual can reach their fullest potential. We will make further contributions to the world through our partition business. We would realize our mission to develop people and create a sustainable environment for all people to work better, learn better, and live better to contribute to all people's bright life." We will also take on challenges as quickly and proactively as the world needs.

Empower all life-----For everyone to live a bright life----

Currently, the environment surrounding our business is rapidly evolving with technological innovations such as 5G, IoT, and AI. In addition to the various challenges brought by Japan's declining birthrate and aging population, many issues that significantly change people's lifestyles are piled up, such as, widening regional disparities due to accelerated concentration in the Tokyo metropolitan area, the need to address vulnerability to disasters, global environmental issues, and infectious disease issues.

To solve these problems, we will emphasize "self-sufficient and decentralized society," "promotion of innovation through diversity & inclusion," "improvement of interior space value through technological innovation," and "improving responsiveness to environmental protection, disaster risk reduction, etc." Regarding the creation of interior space, we have set four growth domains to solve the issues. These are "Environment- Creating of a sustainable global environment;" "Safety & Security--- City

planning to coexist with disasters;" "Activity-"platform creation to foster people's activities;" and "Well-being-Human resource development that enables each individual to play an active role". We will expand our business by clarifying how these four growth domains will operate in our business areas, such as offices, factories, medical care, welfare facilities, and schools. So we can move from "society in which someone is left behind, or the environment is sacrificed while pursuing the only efficiency by mass production and consumption."

We believe it is crucial to create a "society for every individual to reach their fullest potential without leaving anybody behind, and at the same time, each person can connect and make the most of each other more than ever in coexistence and co-prosperity." Our vision for 2030 is to "Empower all life," we endeavor to realize a society in which all people shines in harmony with the economy and environment.

The COMANY SDGs[∞] (Mobius) Model, a value creation model

To achieve our vision of "Empower all life" by 2030, we are conducting our activities following the COMANY SDGs[∞] Model (hereafter "Möbius Model")*, a value creation model formulated in 2018. To realizing "management that contributes to the well-being of all people" through our efforts to achieve goals outlined in the SDGs, this value-creating model aims to contribute to our stakeholders who are our customers, business partners including our suppliers, employees, local communities, the global environment, and

our shareholders and investors. The right side of the [∞] Model represents how we contribute to the world and our customers through our products and services, while the left side represents how we contribute to the well-being of our stakeholders. Furthermore, these activities are not carried out independently of each other, but rather they interact to create a synergistic effect and a continuous cycle of contribution and development. The aim is to realize these goals through technological innovation.

*Refer to "The Comany SDGs[∞] Model" on page 16

Innovation through diversity

Many talents must gather together and develop diverse ideas to generate innovation to solve various social issues. We believe that the promotion of diversity and inclusion (hereafter "D&I") is indispensable for our continued development as a company, and we have positioned it as a central axis of our growth strategy. By emphasizing diversity, we can bring out the abilities and individuality of each individual and increase the number of such individuals who are motivated and willing to grow their potential to the fullest extent, thereby invigorating the organization and society as a whole and leading to sustainable growth.

In particular, our company has created a male-dominated

workplace due to conventional customs and stereotypes. We see this as an essential issue for us to overcome. We have started to develop a corporate culture of innovation through diversity, including the launch of the Sustainability Management Promotion Committee and the D&I Promotion Working Group in 2019. All our employees, including senior management, are working to achieve D&I.

By 2030, we aim to eliminate various barriers, including the gender gap, and achieve a target of 30% or more female employees and 20% or more female managers, thereby creating a society and a company where all people are respected individually.

Aiming for the Moonshot by 2030

Finally, we believe that the SDGs' goal of "strengthening universal peace in larger freedom" is consistent with our mission of "contributing all people's bright lives." As stated in the COMANY SDGs[∞] Model, our value-creating model, we will set specific plans and targets and steadily implement them while valuing active dialogue with all stakeholders, including customers, employees, suppliers, local communities, the global environment, and shareholders and investors.

Besides, we see that proactively addressing "human rights, labor, environment, and anti-corruption" in the ten principles of the four fields of the United Nations Global Compact is not only a

social responsibility that companies must fulfill but also the possibility of innovation. Thus, we have signed the United Nations Global Compact and promote the realization of 10 principles.

We will continue to carry on the founding spirit and philosophy that we have always valued, while boldly changing what needs to be changed under the watchword "Challenge for Change - To a New World -". We would also actively work on new things so that we can contribute to "all people's bright lives" and strive to be a company that is essential for the world.

Sustained Growth of the COMANY

1961

1988

2019

Period of rapid economic growth

1991 Bubble economy burst

2008 The Financial Crisis 2011 Great East Japan Earthquake 2015 Adopted SDGs and COP25 Paris Agreement

2020 Spread of COVID-19

The Period of Dividing Interior Space (Shinkichi Tsukamoto's Management)

- 1961 Established Komatsu Cabinet Incorporated Company
- 1970 Company name changed to Komatsu Partition Industry.
- 1984 Company name changed to COMANY INC.
- 1985 Received Deming Prize

The Value of Partitioning: The Launch of Partitions

Later, we developed and started manufacturing and selling "partitions" that could be used to freely change the layout of office spaces. Our business was also shifted to specializing in partitions and contributed to the creation of a working environment in Japan by dividing the interior space. In 1984, the company name was changed to the current name, COMANY INC.

Our business was also changed to specialize in partitions, and we contributed to the creation of a working environment in Japan by dividing the space between walls. In 1984, the company name was changed to the current name



Komatsu Cabinet Incorporated Company, the predecessor of COMANY INC.



1970

In 1970, the company name was changed to Komatsu Partition Industry. ⇒ Unify the company name and product image (Photo: the outer appearance at the time)



Delivery examples of Komatsu Partition Industry (from our catalog at that time) Contributing to the creation of a working environment during a period of rapid economic growth by "dividing" the space



In 1984, the company name was changed to the current name, COMANY INC. ⇒ Introduced the "CI" (Corporate Identity) and switched to selling partition to create a comfortable and functional interior space



SS



SL·PL

● Agency Sales



NSW

The Period of Expressing Interior Space & Pursuing the Functions of Interior Space (Mikio Tsukamoto's Management)

- 1989 Listed on the second section of the Nagoya Stock Exchange
- 1995 Introduction of Amoeba Management
- 1996 Received TPM Award for Excellence
- 1996 COMANY International Trade (Shanghai) Co., Ltd.
- 1997 Established Cluster Co., Ltd.
- 1997 Established COMANY (Nanjing) Industry Co., Ltd.
- 2011 COMANY 50th Anniversary
- 2011 Acquisition of Nanjing Jalynger Materials Co., Ltd.
- 2015 Listed on the Second Section of the Tokyo Stock Exchange
- 2018 COMANY SDGs Declaration
- 2012 Established COMANY (Nanjing) New Building Materials Technology Co., Ltd.

Business expansion with a diverse product lineup

Under the keyword of "Comfortable Space and Functional Space," COMANY has continued to grow by using partitions to express the image of various interior spaces and to expand and pursue new functions. As a manufacture specialized in partitions, COMANY has expanded its contribution to the creation of space by listening closely to the voice of its customers and pursuing various possibilities while maximizing the potential of the partition.

The expression of interior space

Partitions can be used to create a variety of interior spaces by changing the dividing method. Sometimes it is bright and colorful and sometimes it is relaxing. Creating an interior space by partitioning engages all five senses and enriches the lives of the users. We sincerely listened to the voices of our customers and worked to create various spaces with our high technological capabilities.



2005

Creating a warm interior space with wooden doors and other features (welfare facility)

- ▶ The "Tender Door" series
- ※Winner of the 2019 Good Design



2010

A large panel decorates the wall of Haneda Airport's International Passenger Terminal, the gateway to Japan's skies.

- ▶ Single-sided decorative panel (CW)



2018

Creating an interior space that encourages new forms of communication by "loosely partitioning" the space

- ▶ KOUSHI

Function of the interior space

Partitions give space new features depending on how it is used, such as the "cleanliness", "ease of use" and "safety and security". As lifestyles and industries have changed dramatically, our partitions have also contributed to the creation of diverse spaces by changing and pursuing their functions.



1984

Entered the clean room business. The "Clean Room Partition" is designed to control dust and debris in the air to achieve optimal cleanliness and improve the function of the interior space.

- ▶ Clean Room Partitio



2004

Universal design is adopted to create easy-to-use, safe and secure toilet spaces for everyone

- ▶ Universal Design Toilet Booth Dear-d
- ※Winner of the 2016 Good Design



2017

High seismic resistant partitions that can withstand earthquakes of intensity 7 or greater, adding value to the interior space in terms of "safety and security".

- ▶ High seismic resistance partitions "Synchron".



MUP

● Business in China ● CR Business



BD



Dear-d

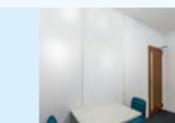
● Medical and welfare services (wooden doors)



Tender Door



DP60s



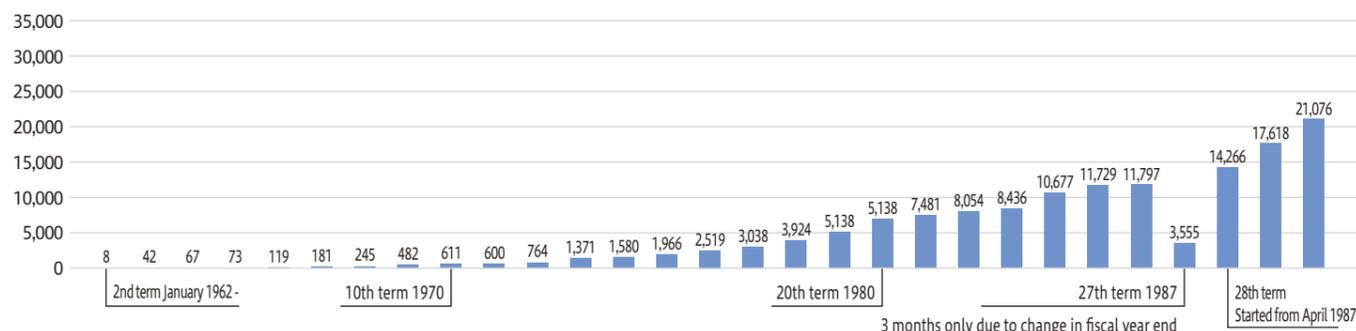
Synchron



KOUSHI

The Era of New Value Creation

Change in sales figures (from establishment to 60th term) (Unit: millions of yen)



Consolidated accounting from 37th term



Sustained Growth of the COMANY

2019 • 1961 Established Komatsu Cabinet Incorporated Company 2030

• 2020 Spread of COVID-19 • 2021 Tokyo Olympics • 2025 Osaka Expo • Achieving the 2030 SDGs

Towards the Age of Building Space and People (Kenta Tsukamoto's Management)

- 2020 Introduction of Design Management
- 2020 Sold COMANY (Nanjing) New Construction Materials Technology Co.
- 2021 60th Anniversary

Social Issues/Environmental Changes ⇒ The Era of New Value Creation

To realize the COMANY Group's mission "to contribute to the creation of a sustainable environment and human resources for better work, better learning, and better living, so that every individual can reach their fullest potential and live a bright life". We will further develop the partition technology we have built up to date and work to solve a wide range of social issues through our business activities, and contribute to the creation of interior space and development of people so that people can lead more fulfilling lives.

To this end, by using technology as a leverage point, we will endorse the SDGs and deploy the "COMANY SDGs∞ Model," our unique business model to encourage innovation and develop our business thereby enhancing our corporate value.



COMANY's declaration in support of SDGs

Recognizing that active corporate participation in SDGs is essential for the realization of SDGs, we announced our declaration in support of SDGs on April 2, 2018. By aligning our management philosophy, policies, and strategies with the goals set forth in SDGs, we will contribute to the realization of SDGs through specific implementation.



Activities related to SDGs

We are actively participating in activities and initiatives related to SDGs in order to improve our knowledge and expand scope of the report.

- August 2018: Signed the UN Global Compact and joined the GCNJ
- October 2018: Joined Japan-CLP
- April 2019: Division of Sustainability Management Promotion established
- June 2019: Formulated the COMANY Group Human Rights Policy
- June 2019: Signed a partnership agreement with Komatsu City to promote SDGs
- October 2019: Joined RE Action, Renewable Energy 100 Declaration
- February 2020: Endorsed the "Declaration on Action" by a group of male leaders who will create "A Society in which Women Shine"
- July 2020: Announced "Declaration of Partnership Building"

Performance Highlights

<p>Net sales</p> <p>32,485 (million yen)</p> <p>FY ended March 31, 2020 (Consolidated)</p>	<p>Operating profit</p> <p>1,715 (million yen)</p> <p>Operating profit margin</p> <p>5.3%</p> <p>FY ended March 31, 2020 (Consolidated)</p>	<p>Market share</p> <p>25.7%</p> <p>Referring to FY 2019 sales of Partition Manufacturers Association</p>
<p>Net worth ratio</p> <p>60.1%</p> <p>FY ended March 31, 2020 (Consolidated)</p>	<p>Number of employees</p> <p>1,234 persons</p> <p>As of March 31, 2020 (Consolidated)</p>	<p>Average age</p> <p>40.7 years old</p> <p>As of March 31, 2020 (non-consolidated)</p>
<p>Technician ratio</p> <p>42.5%</p> <p>As of March 31, 2020 (Consolidated)</p> <p>Percentage of all employees engaged in technology-related work</p>	<p>Granted patent</p> <p>37 patents</p> <p>As of June 24, 2020 (consolidated)</p> <p>Total of patents, utility models and designs</p>	<p>CO₂ emissions</p> <p>4,799.3 t-CO₂</p> <p>Compared to FY2018: 96.1% As of March 31, 2020 (non-consolidated)</p> <p>Scope 1 and 2 of the supply chain emissions</p>

Sustainability Assessment

June 2019	Received Kurumin certification	
March 2020	Recognized by the 2020 Certified Health and Productivity Management Organization Recognition Program	
April 2020	Certified by the SBT Initiative (*1)	

Sustainability Awards

October 2019	Received Good Design Award 2019 for the "Tender Door" series	
November 2019	Received Grand Prize for Green Purchasing Award (Category of Large Enterprise)	
December 2019	Received Excellence Award from Japanese Association for an Inclusive Society. (*2)	
March 2020	Received JMAQA AWARDS 2020	

*1 62 companies in Japan are certified (as of March 1, 2020)
*2 "Study Group on All-Gender Use of Office Toilets" research presentations

Risks and Opportunities

The year 2030, the deadline for achieving the SDGs, is a tipping point for COMANY Group. As we conceptualize the 2030 business environment, we found that four main social issues can be categorized. They carry different risks that we must take note as well as growth opportunities.

Business environment	Four Social Issues	Risk	Opportunity
<p>Geopolitical change</p> <ul style="list-style-type: none"> • Tokyo centralization • Regional disparities • Regional revitalization • Progression of nuclear family <p>Demographic change</p> <ul style="list-style-type: none"> • Depopulation • An aging society with a declining birthrate • Decline in the working-age population • Arrival of the era of the 100-year-life • Shortage of manufacturing /construction engineers <p>Social and economic diversification</p> <ul style="list-style-type: none"> • Increasing diversity/ /the expectations • Globalization • Changes in human rights awareness <p>Technological advancement</p> <ul style="list-style-type: none"> • Creative human resource development • Evolution of AI and IoT • Robotics technology <p>Global Environmental Change</p> <ul style="list-style-type: none"> • Global warming • Frequent natural disasters 	<p>Regional disparities due to over-concentration (Centralization and Decentralization)</p> <hr/> <p>Shortage of human resources due to the decline in the working-age population</p> <hr/> <p>Technological evolution</p> <hr/> <p>Loss of life and production suspension due to natural disasters</p>	<ul style="list-style-type: none"> • Economic upsurge due to concentration in Tokyo • Reduction of office floor space due to concentration in the Tokyo metropolitan area • Further decline of depopulated areas (Depopulation, disappearance of industries) <hr/> <ul style="list-style-type: none"> • Shortage of workers (labor shortage) • The collapse of the social security system <hr/> <ul style="list-style-type: none"> • Changes in partition needs <hr/> <ul style="list-style-type: none"> • Production suspension and collapses of building material and loss of life due to a major disaster • Environmental disruption caused by the use of mass-production-type materials • Economic activity stagnating due to infectious diseases 	<ul style="list-style-type: none"> • Luxury-oriented needs • Environmental proposals that match depopulated areas • Office environment development for U-Turns and I-Turns <hr/> <ul style="list-style-type: none"> • Efforts to improve productivity • Respect for diversity <hr/> <ul style="list-style-type: none"> • Developing new business partners • Developing new business partners • Building business based on user-traffic line <hr/> <ul style="list-style-type: none"> • Protection of machinery and equipment (Creating a Safe and Secure Environment) • Research and development of quake-proof building materials • Use of compatible materials for environmental protection • Creating an environment that responds to new work styles

Bearing such future business environment in mind, we have identified four issues that need to be addressed based on our past efforts to date, and set four growth areas. In each of these growth areas, we will enhance our corporate value through the resolution of social issues and contribute to the well-being of all our stakeholders.

Growth area

Empower all life



1
Initiatives for a self-sufficient and decentralized society



2
Promoting Innovation by Diversity & Inclusion



3
Improving spatial value through technological innovation



4
Improving our responsiveness to environmental protection and disaster risk reduction (DRR).

Environment

Creating a sustainable global environment

Safety & Security

City planning to coexist with disaster

Activity

Platform creation to foster people's activities

Well-being

Human resource development that enable each individual to play an active role




Our Vision for 2030: ROAD to 2030

Moonshot for 2030

Empower all Life

Contributing to a society where each and every individual shines.

We aim to be a company not merely to pursue mass production and mass consumption efficiency as in the past, but to contribute to the realization of a sustainable society and the well-being of all people involved to create a spiritually affluent world. In which each and every one of irreplaceable individuals can shine in their own way while strengthening the people-to-people connections.

Key Indicators for 2030

Key economic indicators

- Collaboration for building a self-sufficient and decentralized society
- Realizing a decentralized work environment
- Disaster risk reduction population: 1 million persons

Key social indicators

- Universal design products: Expansion of product lines
- Percentage of female employees: 30%
- Percentage of women in management positions: 20%
- Percentage of employees with disabilities: 3.5%

Key environmental indicators

- Ratio of eco-friendly products: 100%
- Greenhouse gas emissions: 3,665 tCO₂/year
- Greenhouse gas emissions (compared to FY2013): 50%
- Renewable energy rate (RE Action- Declaring 100%

Vision and Growth Areas

To achieve our moonshot for 2030, which is to "Empower all life: Contributing to a society where each and every individual shines," we have identified four growth areas based on current and projected social issues. Considering a spatial scale that encompasses everything from the global scale to individual consciousness, we are working to create value to contribute to the creation of a sustainable environment and human resources in the four growth areas of "Global environment development," "Community development," "Activity platform creation," and "Human resource development".



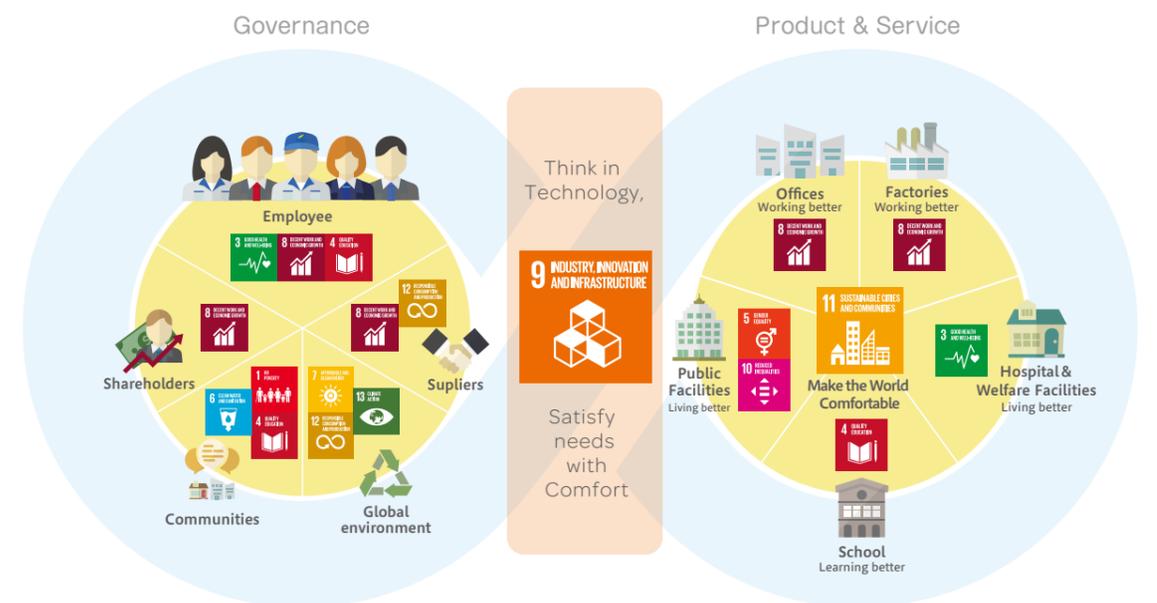
Value Creation Model

COMANY SDGs[∞] (Mobius) Model

The COMANY SDGs[∞] (Mobius) Model is a business model created to implement the SDGs into management, maximize our corporate value through solving social issues, and contribute to the well-being of all people involved. The "Product & Services" (the right side) shows how we will contribute to society in our business areas through the realization of the specific targets. On the other hand, the "Governance" (the left side) shows how we contribute to the well-being of our stakeholders through the realization of the specific targets. Furthermore, we set the SDG Goal 9, "Industry innovation and infrastructure," to be a leverage point of the model so that the initiatives for "Governance" and "Products & Services" do not have to be implemented separately, but work on each other to increase their effectiveness. We strive to maximize our corporate value and continuously circulate the SDGs[∞] (Mobius) model by advancing our "technology" to the global level.

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.

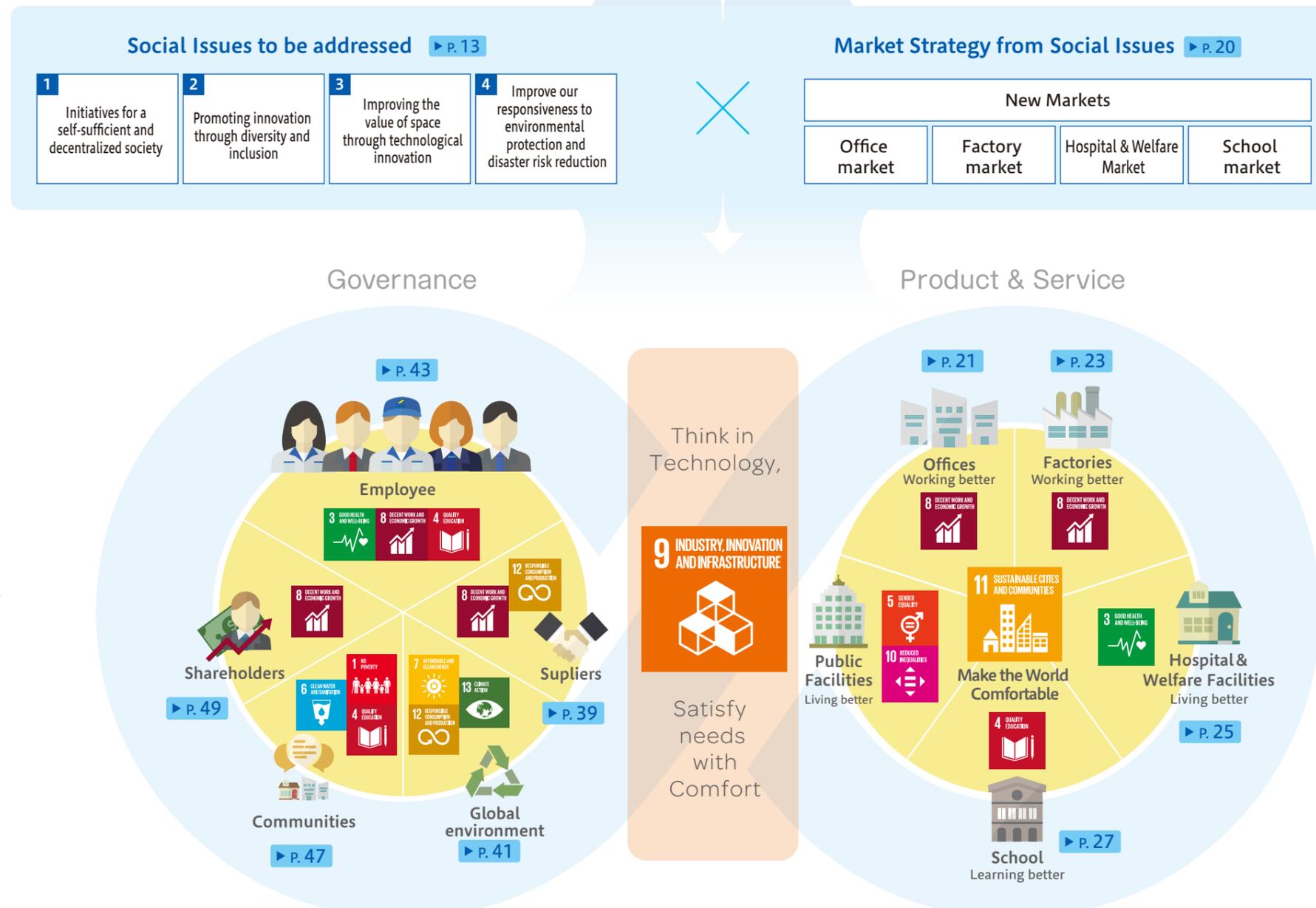


Value Creation Story



Value created together with stakeholders

- Customers** ▶ P. 35
 - Product development to realize "Empower all life"
 - High quality manufacturing
 - Impressive, reassuring and reliable construction system
- Business partners** ▶ P. 39
 - Building a partnership relationship
 - Fair trade
 - Stable procurement
- Global environment** ▶ P. 41
 - Initiatives for a Decarbonized Society
 - Initiatives for a Circular Economy
 - Efforts to Conserve Biodiversity
- Employees** ▶ P. 43
 - Promotion of a safe, secure and comfortable workplace
 - Human Resource Development
 - Diversity and Inclusion
- Communities** ▶ P. 47
 - Contribution to the Communities
 - Contribution to Japan
 - Contribution to the world



COMANY'S Management Resource

- Net sales:** 32,485 (million yen)
- Operating profit:** 1,715 (million yen)
- Operating profit ratio:** 5.3%
- Net worth ratio:** 60.1% (FY Ended March 31, 2020[Consolidated])
- Market share:** 25.7% (Based on FY2019 sales of Partition Industry Association)
- Number of employees:** 1,234 (As of March 31, 2020 [Consolidated])
- Average age:** 40.7 years old (As of March 31, 2020 [non-consolidated])
- Technician ratio:** 42.5% (As of March 31, 2020 [Consolidated]) ※Percentage of all employees engaged in technology-related work
- 37 patents** (As of June 24, 2020 [Consolidated]) Total of patents, utility models and designs

Medium-Term Management Plan - FY2020 MTP

The Medium-Term Management Plan, announced in April 2018, was launched as a plan to create value through solutions to social issues in each market, with the aim of transforming the Group into a highly profitable structure. Up to the second year, we made some progress in improving our profit-making structure by promoting activities that focused on the profitability of each project and streamlining operations, but we fell short of our plan, partly due to the impact of the transfer of our Chinese subsidiary. Furthermore, due to the contraction of economic activity resulting from the impact of COVID-19 pandemic and the following decrease in corporate capital investment, it has become difficult to achieve the financial plan for the third year (FY2020). Therefore, we have decided to withdraw our financial plan. Going forward, we will step up our efforts to improve our profit-making structure, as set forth in our medium-term management plan, and develop business initiatives that will enable us to respond quickly to new partition demand in the COVID-19 calamity.

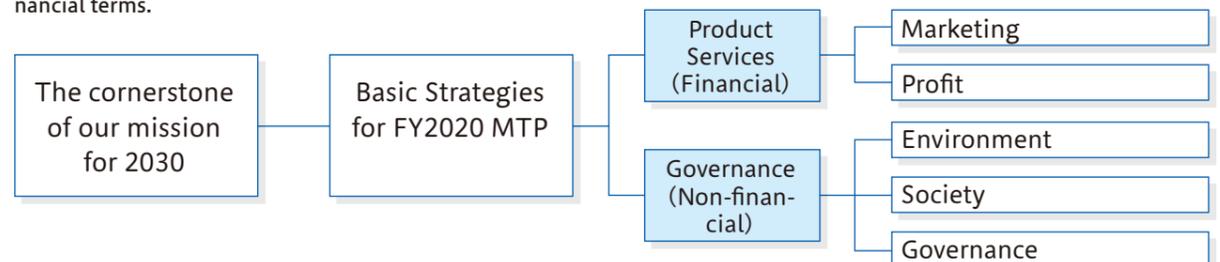
Unit: 1 million of yen, %

		2020 Medium-Term Management Plan (April 2018 to March 2021)						
		FY2018		FY2019		FY2020		
			Growth rate		Growth rate		Growth rate	
Financial	Sales	Japan	32,499	103.6	31,736	97.7		
		China	1,792	178.7	748	41.8		
		34,292	105.9	32,485	94.7			
	Operating profit (Rate)	1,420	83.5	1,715	120.8	The third year financial plan has been withdrawn.		
		4.1	-1.1	5.3	1.2			
Ordinary profit (Rate)	1,341	77.5	1,566	116.8				
	3.9	-1.4	4.8	0.9				
	Net income attributable to parent company shareholders	335	36.1	711	212.2			
Non-financial	Environment	Greenhouse gas emissions (tCO ₂ /year)*1	4,995.2	—	4,799.3	96.1	4,575.6	95.3
	Health	Secondary screening rate (%)	78.3	—	100.0	21.7	100.0	0.0
	Health	Smoking rate (domestic) (%)	31.8	—	25.9	-5.9	19.8	-6.1
	Work style	Number of days of paid leave taken per person (days/person/year)	27.7	1.4	21.8	-5.9	20.0	-1.8
	Work style	Number of days of paid leave taken per person (days/person/year)	8.9	0.7	12.5	3.6	13.3	0.8
	Work style	Female employees' ratio (%)	15.2	-1.5	15.9	0.7	17.3	1.4
	Work style	Female new graduates' ratio (%)	21.6	6.4	37.1	15.5	51.4	14.3
	Safety and security	Number of people in risk reduction (person/year)*2	27,000	158.8	44,000	163.0	45,000	125.0
Safety and security	Number of users for universal design products (10,000 people/year)*3	766	106.7	880	114.9	1,100	125.0	

1) CO₂ emissions from Scope 1+2
 2) Calculated from the delivery ratio of high seismic product (Synchron).
 3) Calculated from the delivery ratio of universal design product (Dear-d).

Basic Strategies for Achieving the FY2020 MTP

The "FY2020 Medium-Term Management Plan" for the three years beginning in April 2018 is the first medium-term management plan for realizing the vision we aim to achieve by 2030 after we announced our declaration in support of SDGs. During this period, we focused on establishing a highly profitable business structure as we worked to build a corporate structure capable of simultaneously creating a social impact and increasing corporate value through our business activities. We have decided to withdraw our financial plan for the fiscal year ending March 31, 2021 (FY2020), the third year of the plan. However, we will continue to work on the basic strategies that we laid out in our medium-term management plan: "implement measures in the area of Marketing" and "Profit" in financial terms, and "Environment," "Society," and "Governance" in non-financial terms.

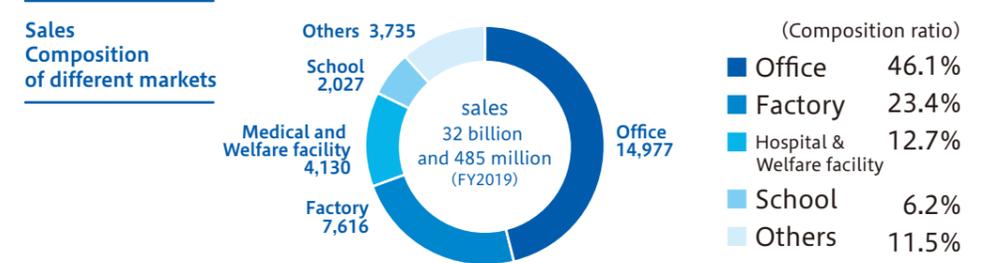


Future Business Strategy

We manufacture various types of partitions for different purposes, and we supply our products to the four main markets: "Office", "Factory", "Hospital and welfare facility", and "School". To contribute to a society where each and every individual shines, we always have our products close by our customers to provide an interior space where everyone feels comfortable as a leading manufacturer of partition.

The types of partitions

- High partitions:** partitions that completely divide a room from floor to ceiling.
- Low partitions:** freestanding partitions.
- Movable partition:** partitions that can be moved to meet a particular usage.
- Toilet partitions:** partitions mainly used for toilet cubicles.
- Clean room partitions:** partitions that help maintain a clean environment properly.
- Door products:** skeleton mounting steel and wooden door products.



Office market

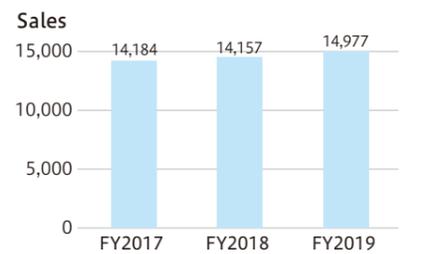


Create a space where people can work in a variety of ways to support their individual work

Sales +3.2%

	FY2017	FY2018	FY2019
Sales	14,184	14,157	14,977

(Unit: millions of yen)



(Unit: millions of yen)

Sales

As demand for redevelopment in the Tokyo metropolitan area is growing, overall demand in the office market increased. The whole concept of office has changed due to the change in marketability and the work style reform. The demands for partition capable of changing the value of office space emerged, the creation of new added value in our product contributing to our moderate growth in sales.

Challenges and Changes in the Office Market

The office market will continue to diversify in terms of ways of working and the people who work there. This means each office will be given its personality rather than remaining as a conventional space.

Besides, the office market is not limited to the spaces provided by companies, and a variety of spaces are being used as offices in a recent trend. Since cafes, private homes, and even tourist facilities such as inns have been used as worksites, we will aim to provide spaces suited to a variety of work styles.

Key risks and opportunities

— Risk —

Changes in the whole concept of the office due to progress in telework

Changes in the whole concept of office due to the diversification of work styles

Bipolarization of office investment

Unexpected situations such as earthquakes, etc.

— Opportunity —

Place for working is not limited to office permitting new working places to be created.

Creating a new purpose and value for working at the company

Needs for both active and passive investment

Provision of space for BCP measures

Office Market Strategies

● Medium-Term Strategy

In view of the redevelopment of the Tokyo metropolitan area, which is likely to continue even in the age of after-corona, the needs of the city center are expected to remain flat to slightly increase. On the other hand, we predict that more people will seek new ways of working in rural areas. These two movements are not in conflict, and more and more people will gain value from both. We will provide spaces that create new value by capturing the spatial needs in relation to the changing ways of working.

▶ It is expected to see a change in the requirements of working and the culture in the first place. (The impact of COVID-19)

● Long-term strategy

As telework moves forward with full-scale implementation, most workers will be able to choose where to work in corresponding to their purpose. Recognizing that what is necessary for personal spaces is different from what is necessary for public spaces; we will create and provide spatial values that meet the objectives of all forms of working.

Office Market Initiatives

We continue to conduct environmental surveys in our offices using sensing technology and vital data. We are also conducting environmental research in individual booths as part of business-academia collaboration with the Japan Advanced Institute of Science and Technology (JAIST). In addition to researching how the environment, such as CO₂ concentration, changes, and how these changes affect people, we are also experimenting with an environment capable of operating lightings with smartphones by utilizing sensing technology.



“Wherever Booth--KAKOU”

It is expected that people would have more choices when deciding where to work in future while the social infrastructure is improved. In addition to the impact of COVID-19, people are starting to work from home at a rapid pace.

In other words, we should think of our homes as a different form of offices now. To address the issue of homes being used as offices, we have focused on the traditional Japanese way of partition, the folding screen and released our new product “Wherever booth--KAKOU” in July 2020.



Factory Market

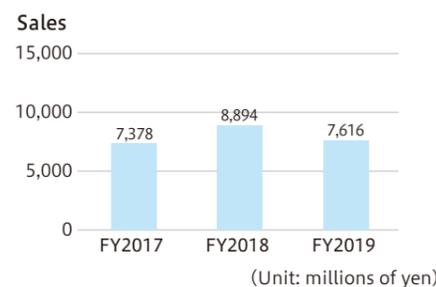


Create a safe and productive work environment for all workers in factories

Sales **-14.4%**

	FY2017	FY2018	FY2019
Sales	7,378	8,894	7,616

(Unit: millions of yen)



Sales

Capital expenditures by companies have begun to decline from fiscal 2018, which have had a negative impact on sales. The factory market is heavily dependent on specific end users and sales to those companies. This is an issue for the future, and we are working to resolve it.

Challenges and Changes in the Factory Market

The factory market is undergoing a major transformation. With the challenges in handing down of technical expertise and a shrinking workforce, there is an urgent need for a shift to digitalization, and efforts are being made to automate and reduce the manpower through the introduction of robots and to streamline production processes by utilizing IT, IoT, big data, AI, and other technologies. Besides, there has been an increase in the recruitment of diverse human resources to secure the workforce.

Key risks and opportunities

— Risk —

Lack of human resources

Stoppage of production activities due to natural disasters

Review of overseas bases due to national policies and trade frictions

— Opportunity —

Proposals for interior spaces by introducing IT robots, etc.

Proposals for interior spaces that can accommodate people with various backgrounds

Strengthen disaster countermeasure product for BCP

Addressing the needs for shifting overseas base back to Japan

Factory Market Strategies

● Medium-Term Strategy

Capital investment in the manufacturing industry is expected to shrink over the next three years or so. However, we believe that even in this context, the demand for more comfortable and easier working spaces for factory workers will continue to grow in the future. We will continue to meet the needs for new ways of working in factories in the age of after-corona and provide products that are ideal for creating spaces in which factory workers can work at high productivity.

● Long-term strategy

We will develop new services by applying the know-how we have cultivated in the clean room business and further expand our sales channels.

Besides, we will develop products and provide interior space that is useful for establishing production systems that meet the high-mix, low-volume production requirements of future manufacturing industry.

Factory Market Initiatives

The era of mass production has changed to an era of high-mix, low-volume production. The customer needs are diversifying and the factories which can cope with such change are necessary. For this reason, we believe that the product line and the layout of partition within the factories are required to change flexibly. We are conducting market research to respond to these changes in factory operations.



“Mobile Robot” for factories is now in operation

We have started operating a "mobile robot" at our main factory. The mobile robot is a transport robot that transports finished products and members in the factory. In anticipation of future needs, we started a trial operation of the robot in our factories. We will commercialize the robot as a proposal for creating new value in industrial solutions, mainly for existing users, and expand the range of services we offer.



Hospital and Welfare Market

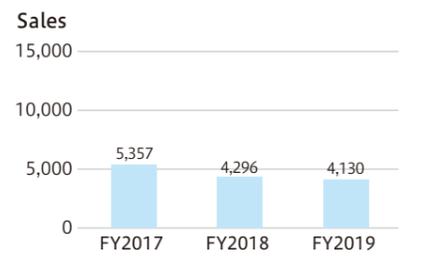


Create a space that considers the safety and security of patients and the ease of working for medical and nursing staff

Sales **-3.9%**

	FY2017	FY2018	FY2019
Sales	5,357	4,296	4,130

(Unit: millions of yen)



Sales

As the Long-Term Care Insurance Act is revised once three years, there was a strong demand for construction work in fiscal 2017, the final year before the revision. However in fiscal 2018, the year of the revision, our sales were affected by drastically drop in construction work due to a wait-and-see stance of the market. Besides, new construction of nursing care facilities outside of major cities was also declining.

Challenges and Changes in the Medical and Welfare Market

The medical market in Japan has more hospital beds per population than any other country in the world, and the diversification of healthcare needs has led to a shortage of human resources and long working hours for physicians, both of which are long-term issues.

To solve this problem, the medical practice has been changed thanks to the technologies such as ICT and robotics, and the medical technology has become sophisticated, but it is still not a user-friendly environment.

We aim to provide an interior space where medical staff can work comfortably without reducing the medical quality while ensuring the privacy of users.

Key risks and opportunities

— Risk —

Shortage of human resources due to diverse medical needs

Changes in hospital bed functions due to low birthrate and aging population

Deficit-ridden hospitals

Impact of the COVID-19

— Opportunity —

Interior space proposals through the introduction of ICT, robots, etc.

Meeting the needs of hospital bed functions and facility standards

the abolition or merger of hospitals

Strengthening measures against infectious diseases

Strategies for the Hospital and Welfare Market

● Medium-Term Strategy

The demand for inpatient care is expected to rise as the number of chronic invalid increases due to the rapid growth of the elderly population in the later stages of life and the increase in life expectancy, while the workforce is expected to decline further. We will continue to provide a comfortable space for medical staff to work in and for users to stay in the future.

► Changes are expected to occur in the medical and welfare facilities from the perspective of privacy and infection prevention.

● Long-Term Strategy

With the aging society, the shortage of medical and nursing personnel will become even more weighty issue than ever, and the role of hospitals will also change as a result of the need to collaborate with local medical and welfare facilities. We would help research and provide a safe, secure and comfortable medical environment at each facility to maintain the quality of medical care.

Hospital and Welfare Market Initiatives

Although it used to curtain off a room in the past, there is a growing demand for partitions that are easily cleanable to prevent infections caused by COVID-19 and to protect privacy. Therefore, we are researching how to create medical spaces that are safe for users and comfortable for medical staff to work in.



Development of a Used Diaper Transfer Robot

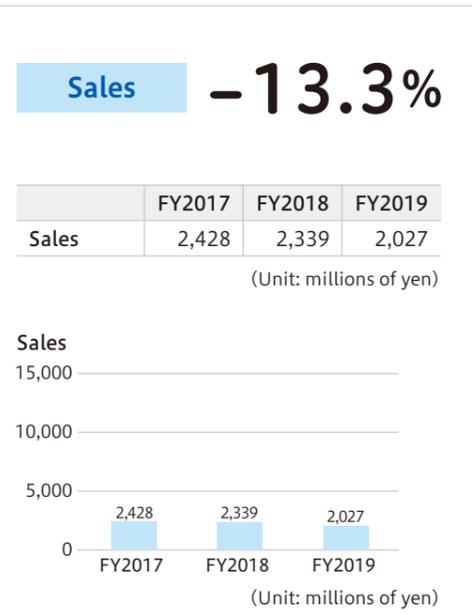
We have developed a robot to transport used diapers for hospitals and welfare facilities. Our idea was to make the disposal of used diapers more hygienic and convenient. The robot moves to a hospital room to collect and pack the used diapers and then automatically transport them to a garbage station. We will continue to provide services and spaces that ease the burden on medical and nursing staff and make it easier for them to work.



School Market



Create a comfortable learning space for all children and teachers



Sales
Many school facilities are coming up for rebuilding or renewal. To systemically conduct the renewal plan of these facilities, local governments are working to formulate the construction plans by March 2021. Currently, the number of school facilities being upgraded is declining as the construction planning period is not yet over, and this has led to a continued decline in sales.

Challenges and Changes in the School Market

With the emergence of new forms of teaching that require more space (e.g., group learning) and "inclusive education" initiatives that allow all children, regardless of disabilities, to learn together, the demand for more diverse classroom space is increasing. The optimal classroom space pursued by each school varies widely from child to child and from teacher to teacher, and each child has a different sense of ease of learning, concentration and comfort. The classroom space of the future should not be a monotonous space, but rather a flexible and diverse space that allows pupils to learn freely by trial and error in school.

Key risks and opportunities

— Risk —	— Opportunity —
Further diversification of classroom needs Social distance in the classroom	Further increase in the flexibility of the partitions
Fierce competition in school construction and entry of different sectors	Developing products that accurately grasp the needs
Increase in online learning	Creating a home learning environment
Decreasing birthrates and increasing school closures	Developing the current learning field

Strategies for the School Market

● Medium-term strategy

The aging of public school buildings has become a problem. In response to this, local governments are now drawing up "Individual Facility Plans" for the future with the target of completing them by March 2021. Once the plans are completed, the construction work on aging facilities is expected to begin. We will provide products to enhance the value of classrooms by accurately grasping the needs of the diversity in classrooms.

● Long-term Strategy

We believe that the digitalization of educational settings will continue to advance. Therefore, we will continue to develop new products for the classroom that utilize digital technology. In addition, the necessity for remote teaching is increasing, and there is a need for spaces that facilitate learning at home and other places outside of schools. We will also contribute to the diversification of these places of learning.

School Market Initiatives

We continue to visit leading schools across the country to interview teachers and study the learning environment. We also invite experts in the field of school facility design to exchange opinions while developing our products. In addition to accurately grasping the potential needs of schools, we will continue to develop products that incorporate the elements required for future school spaces.



Release of "SPart-W" which uses a welding-free method

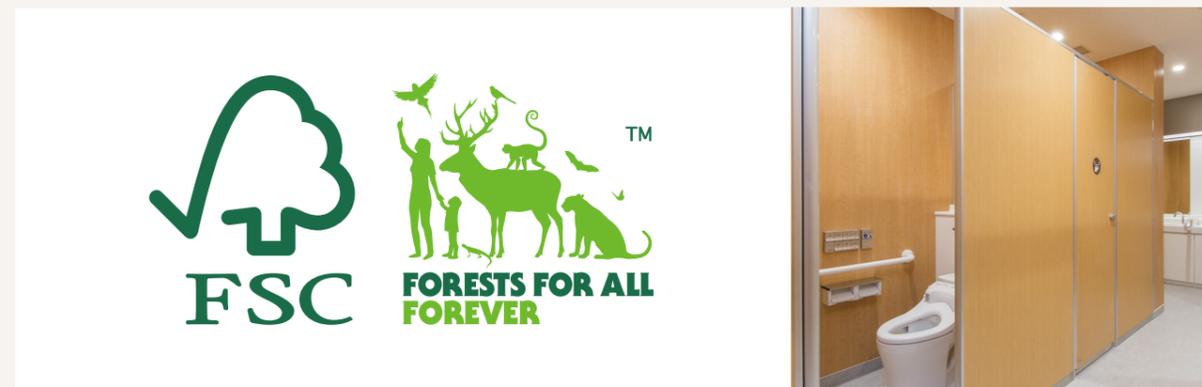
In April 2020, we released SPart-W (SPart-Double), the industry's first wooden school partition using the "weldless" method. Neither being installed with welding, nor being directly attached to the beams of a building, the "SPart-W" does not require any extensive work. This allows for relocation and addition of partitions enabling flexible use of the classroom. The SPart-W can flexibly adapt to the increase in the number of vacant classrooms due to the declining birthrate and the change of use of classrooms in the future.



Business Topics

Product development that consider the global environment

FSC Certified Products



Procurement of environmentally friendly materials

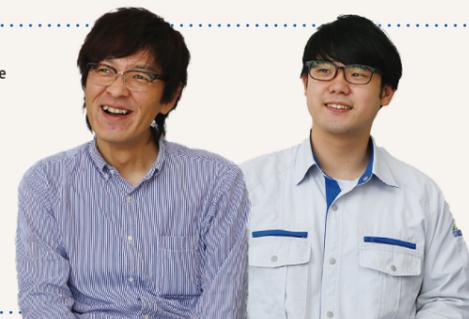
We acquired FSC certification in July 2020, and plan to launch FSC-certified toilet booths in October.

FSC certification means making good use of properly managed forest timber and familiarizing it as a product. It helps us to ensure that supply chain is free of environmental problems as well as child labor and other problem when procuring materials. Though the FSC-certified products are still not widely used in the construction industry, we will strive to popularize it while expanding our product lineup, aiming for coexistence with the global environment.



<Product Development Section 2> Naoyuki Morota and Kyohei Kawanabe

As a signatory to the "Declaration in support of SDGs" and the "UN Global Compact", we are committed to the responsibility for product manufacturing aiming for the top position from an environmental perspective. Bearing this in mind, and based on the bitter experience of not being able to respond to customer's request to use FSC-certified materials in the past, we are working hard with daily thought to release it as soon as possible in developing FSC-certified toilet booths. The FSC-certified toilet booth is the industry's first attempt, and through this activity, the product will be able to appeal to a large number of customers for safety and security in the future when environmental consideration will be even more important.



<Outsourcing and Purchasing Section> Takeda Naoki

We began by learning about FSC certification and we continued to work towards certification, believing that each step we took would lead directly to actions contributing to the "Environment", the "Society", the "Economy" and our "Customers". We have acquired the certification, and now we are moving toward commercialization. We would continue to involve in developing new products with the hope of delivering them to our customers as soon as possible.



FSC Certificate

High seismic resistance partitions, Synchron that contributes to the creation of disaster resilient interior spaces

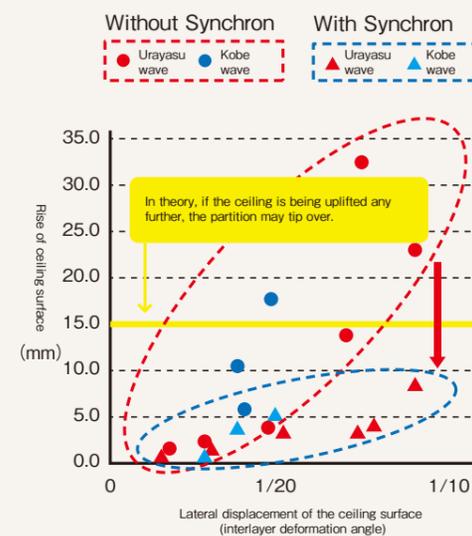


More than 700 vibration tests have been conducted, accumulating 300 million data for analysis

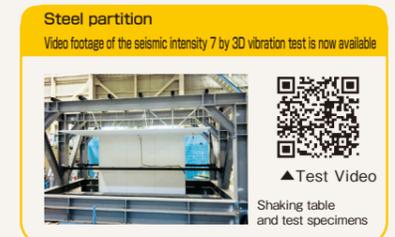
We have thoroughly analyzed the damage mechanisms to find out what is an effective high seismic resistance. We verify the ceilings and floors by reproducing the actual construction conditions in pursuit of effectiveness.

Suppressing ceiling from being uplifted

The ceiling, which supports the partitions, will move up and down and undulate even only with horizontal excitation if the tremor is huge. We have confirmed the effect of preventing the ceiling from being uplifted by installing the Synchron.



※The above test data is for a steel partition. Please note that the above test data does not guarantee the performance.



<Product Development Section 1> Takao Kura

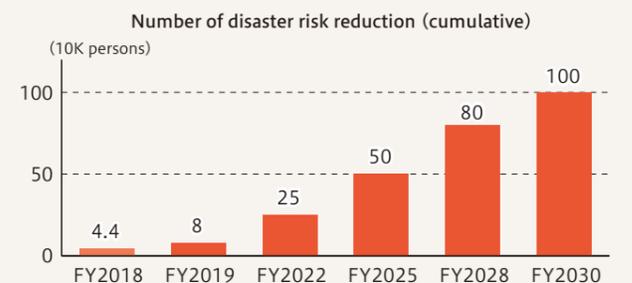
It was found that partitions were corrupt in the past major earthquakes such as the Great East Japan Earthquake and the Kumamoto Earthquake, so a single false move will result in a fatal disaster. This made us realize that conventional earthquake-resistant standards might not be able to protect people's lives, so we have been researching a high-seismic partition, Synchron. Through more than 1,000 tests, including excitation tests using actual earthquake motions and loading tests for ascertaining the high flexibility and strength of the partitions, we have realized the partition with high quake resistance. We aim to create a truly safe space with Synchron.



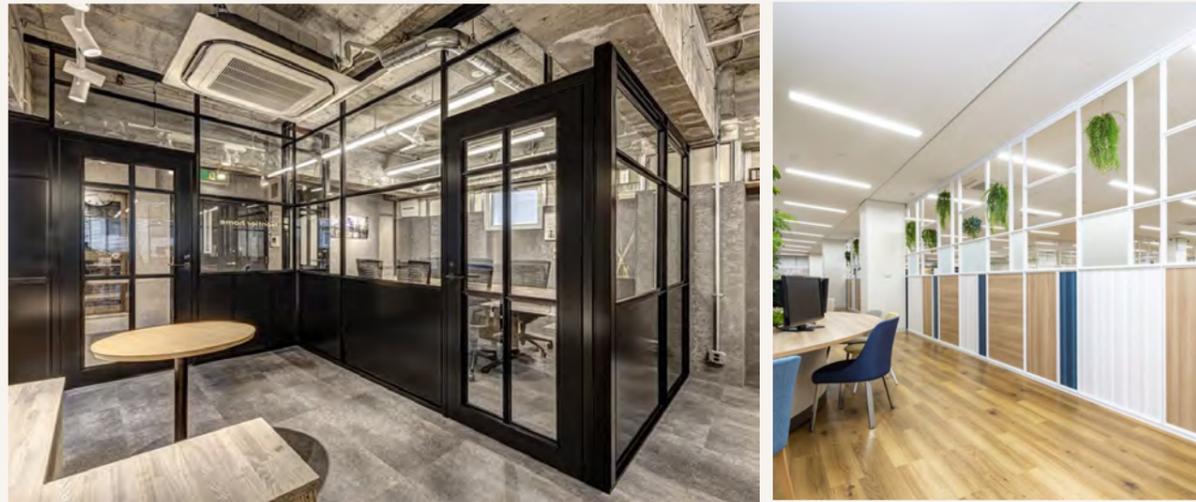
Expanding the range of Synchron target products to provide more spaces with security and safety

In March 2017, COMANY and the Kanazawa Institute of Technology jointly announced and released the "Synchron" system, a partition that withstands earthquakes of 7, the maximum seismic intensity on the Japanese scale, and we have been installing it on our standard model "EUP Synchron" and other partitions as needed.

Nowadays, we are able to equip the existing aluminum partitions with the SYNCHRON system to turn it into a retrofitted Synchron product. We also make it possible to install Synchron system to the glass partition series--"Bridia" of sophisticated design, which used to be considered a high hurdle, with the aim of reducing earthquake risks and providing safe and secure spaces in more situations. With this breakthrough, we are making good progress in achieving our goal of having one million earthquake risk reduction customers in 2030.



Realizing New Communication Value KOUSHI

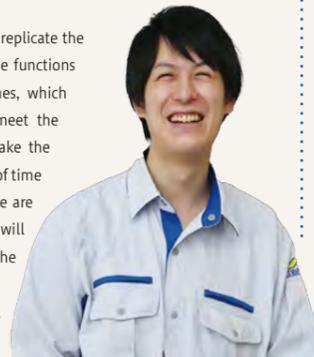


Loosely partitioning the room for encouraging new communication.

In October 2018, in response to the recent diversity of ways of working, we launched KOUSHI, which enables us to create a space that generates new communication values. The concept of "loosely partitioning" creates new type of communication by inducing small groups' communication, which is essential for work. Besides, the way it is partitioned helps control over visibility and realize a creative way of working by creating a proper size of space to focus on work and ventilate one's opinion in meeting.

[Product Development Section 1] Yuki TADA

The selling point of KOUSHI is its capability to replicate the elaborate design by using existing products. The functions are integrated into unprecedentedly thin frames, which allow the layout to be flexibly changed to meet the customer's needs. We have worked hard to make the KOUSHI it is today, but we have also spent a lot of time taking care of post-launch issues, and I think we are getting closer to perfecting the product. We will continue to make efforts to develop KOUSHI in the future.



Planning and validating the demonstration experiments to pursue optimization of the workplace



As one of office workers, we have set up "COMANY LAB TOKYO" in our Tokyo office to create a better office space by becoming a test subject ourselves. To research the future of office space, we have conducted a variety of experiments on work productivity, communication methods, and the environment for users to focus on work.



Antiviral coating to protect your precious ones Health Bright Evolution®



Antibacterial and antiviral coating of the entire space

In addition to "partitioning", we have been creating a safe and secure environmental space by adding a coating with antibacterial and antiviral functions. This coating agent (HBE) is a special liquid, which is water-clear and odorless, made of 100% natural minerals. It can be applied to all materials, including glass, fixed walls, desks and chairs, as well as partitions, to create an antibacterial and anti-viral effect in the entire space.

[Amenities & Services Division] Isao NISHIMURA

Unlike the disinfection measure, HBE lasts for about five years, so it does not only help ensure a safe place for office workers and visitors, and users of commercial and sports facilities, it also reduce the burden on those who maintain and clean the facilities on a daily basis, making it a very effective tool in providing a safe space for all. We are proud for being able to offer such a helpful product. Incidentally, we sell it in Covid-19 catastrophe; we will continue to contribute to the creation of a comfortable space for even more customers, as these products are useful for safety and security in different aspects far more than inactivating the viruses.



Six effects can be expected from its properties.



It inactivates the viruses including influenza viruses that are contagious by touch.



It prevents E. coli, Staphylococcus aureus and other bacteria that can cause food poisoning.



It inhibits mold growth.



It decomposes VOCs (Volatile Organic Compounds) such as formaldehyde.



It decomposes odor-causing substances such as acetic acid, formic acid, and hydrogen sulfide.



Its ion-conductivity makes it difficult for dust to adhere to it.

Award Topics

Topics
1

Winner of the 2019 Good Design Award for the Tender Series door through 14 years of efforts since its launch



やさしいドアシリーズ

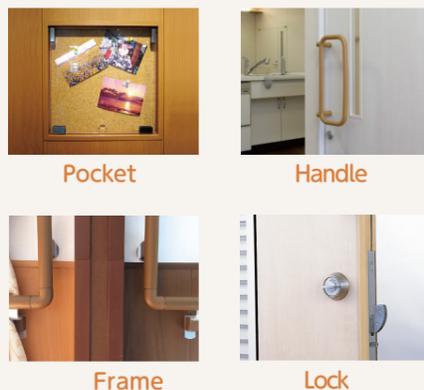
GOOD DESIGN AWARD
2019年度受賞

We received the Good Design Award for our efforts in developing "Tender" series.

We launched the "Tender Door" 14 years ago. At that time, white steel doors were used in welfare facilities, which gave a clean but inorganic impression. This door was developed in response to a customer's request to turn a room in a welfare facility into one's home. Because this door is made of wood, its distinctive taste and aroma create a warm and welcoming atmosphere giving the elderly a sense of comfort and security. Moreover, wishing to be always at the side of facility staffs and users, we listen carefully to their voices and implement various improvement ideas. Each of these efforts has built up today's "Tender door."

The "Tender door" has been repeatedly improved in response to feedback from facility staff and users. For example, compared to general steel doors, the "Tender door" can be opened and closed easily by the elder and women reducing their burden in opening and closing. Also, it can be operated without stress for the staffs who come in and out on a daily basis for nursing and care. After listening to customers' comments, we have developed the entire "Tender" series, including "Tender handles" that allow wheelchair users to operate the door in a comfortable position, "Tender frame" that is less vulnerable to scratching and maintains a clean appearance, and "Tender pockets" that make it easier for residents to recognize their own rooms. We have been working on this project for a long time, and our efforts were recognized by the Good Design Award.

"Tender" series.



Comments from the Jury of the Good Design Award

It is understandable that this product has been studied for a long period of time by listening to users' opinions so that patients and residents can feel a sense of security and warmth in medical and welfare facilities. Basically, the sliding door is characterized by its wooden design. Besides, it is also impressive that various innovative ingenuities have been incorporated into the product from the opinions of customers and a rich variety of product has been developed. In this review, the product development efforts of the series as a whole were highly evaluated.

Topics
2

Won JMAQA AWARDS 2020 for the integration of SDGs and ISO with business process

In March 2020, we were awarded the JMAQA AWARDS 2020 by the Japan Management Association Quality Assurance Registration Center (JMAQA). We have been highly regarded for the uniqueness of the COMANY SDGs[∞] (Möbius) model in conducting business, and the integration of ISO and SDGs with business processes which is structured and operated under the ISO management system. Also, the clear clarification on the risks and opportunities for each theme, as well as its linkage to the 17 targets of SDGs in the goal management process are also highly evaluated.



Topics
3

Won Grand Prize at the Green Purchasing Awards (Large Company Category) for COMANY SDGs[∞] (Mobius) Model, a value creation model

We were awarded the Grand Prize in the Large Company category at the 20th Green Purchasing Awards. The award was given in recognition of the company's efforts to maximize its corporate value by developing business activities that involve the entire company under the COMANY SDGs[∞] (Möbius) Model. It is an original value creation model established by COMANY to implement the SDGs in its management.



Topics
4

Research Presentation at the Study Group on Office Toilets for All-Gender Use Won the Excellence Award from Japanese Association for an Inclusive Society

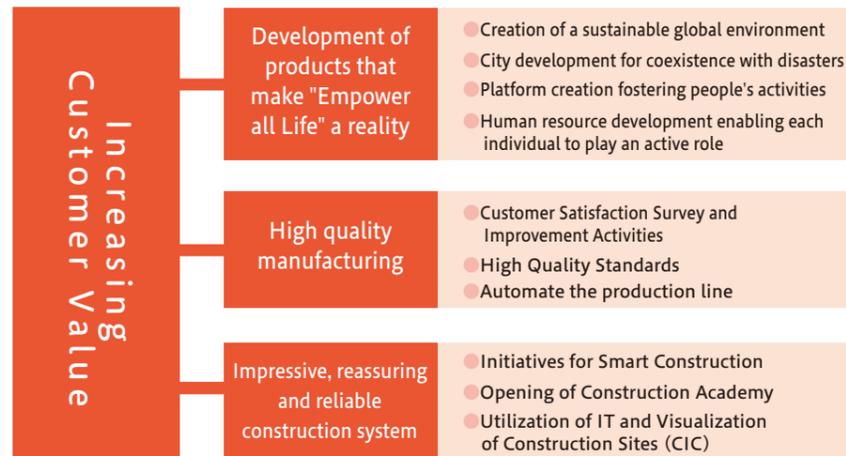
We launched the "Study Group on Office Toilets for All-Gender Use" with Kanazawa University and LIXIL Corporation to conduct a joint study. Part of the study was compiled as "Study on Office Toilets for All-Gender Use Part 2: Gender Comparison of Satisfaction Factors in the Use of Office Toilets" and presented at the 22nd National Conference held by the Japanese Association for an Inclusive Society in August 2019 in Tokyo, where we received the Excellence Award.



Pursue a customer-first policy



To contribute to the world's happiness through our business activities, we strive to meet the true needs of our customers by accurately grasping the social issues faced by each market and creating spatial value through technology and design thinking. We also believe that developing, producing, selling, and constructing safe, high-quality, and environmentally friendly products will improve customer satisfaction. Therefore, we are focusing on those efforts and human resource development. We will realize our sustainable growth by continuing to create new value.



Four Product Development Concepts and Design Thinking

Based on the numerous technological knowhow cultivated over the years, we are developing products based on the four concepts of "Safety and Security," "Quality and Functionality," "Environment and Social Contribution," and "Dignity and Comfort," to provide value that will impress our customers. Moreover, to contribute to the 17 goals of the SDGs, we are working on research and development and business operations by defining our vision for 2030 and clarifying the issues we need to address through backcasting (backwards calculation thinking). To achieve this, we use design thinking to promote innovation.

※Design Thinking is not about design or superficial embellishments, but rather a method of solving business problems from the user's perspective, using the five senses as a method of thinking to express intangible concepts in a form.



Development of products that make "Empower all Life" a reality

● Creating a sustainable global environment

To preserve the beautiful environment for future generations, we are developing products that make use of the eco-friendly characteristics of the "partition" itself, such as relocatable, replaceable in parts of partitions, and reduce the environmental burden. COMANY's eco-products refer to the product which meets the standards of "Eco-Mark certified products", "Products in compliant with Act on Promoting Green Procurement" and "COMANY Original Eco-labeled Products". We are also working on the development of FSC-certified products*, which have been expanding worldwide in recent years.

Section	Standard
Eco-mark certified products	Products with Eco-mark certified by Japan Environment Association
Products in compliant with Act on Promoting Green Procurement	Products that comply with the standards set forth in Act on promoting Green Procurement
COMANY Ecolabel Products	COMANY's original products that meet our company's standards

*FSC certification is a system that promotes the sustainable use and protection of forests by affixing a certificated mark to wood, paper and other products made from well-managed forests and or recycled sources.

● City planning for coexistence with disaster

To provide a safe living environment for people in Japan, the earthquake-prone country, we continue to incorporate Synchron, a quake-resistant technology developed through joint research with Kanazawa Institute of Technology, into more of our products. Besides, the Synchron has obtained a Certificate of examination for Construction Technology based on an ordinance of the Ministry of Land, Infrastructure and Transport and Tourism, which further proves the safety of the Synchron through technical knowledge.



Glass partition "Bridia" with Synchron

● Platform creation fostering people's activities

In the midst of the accelerating changes in the environment due to the technological innovation of IoT and 5G and the reform of working practice, COMANY is also engaged in research and product development to contribute to the creation of customers' environment. We have developed and launched the KOUSHI partition, a partition that allows people to recognize the change in atmosphere and territory as a "boundary" rather than dividing a space by planes, as telework and free-address system are becoming more common.



Design partition "KOUSHI"

● Human resource development enabling each individual to play an active role

We continue to research on universal design to create a safe and secure environment for all people. We are creating interior spaces that can be used stress free by everyone regardless age and background. Besides, we will provide a safer and more secure environment by coating it with "Health Bright Evolution®" (HBE), which is made of 100% natural minerals with anti-virus and anti-bacterial characteristics.



Universal design folding door "Dear-d"

1 Pursue a customer-first policy

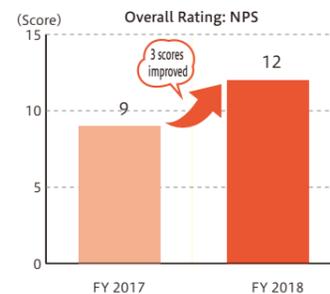
High quality manufacturing

We believe that the products and services we provide must be of reliable quality in order to satisfy our customers, and so we are developing initiatives based on the principle of quality supremacy. We will create comfortable and functional spaces by providing safe, secure and high-quality products that are friendly to the environment by combining the technical capabilities we have developed with new technologies through technological innovation.

Customer Satisfaction Surveys and Improvement Activities

Our sales department periodically conducts customer satisfaction surveys to evaluate our activities to date. We evaluate four major survey items: products, construction, delivery time, and representative, to identify areas for improvement and areas that are valued. The change in NPS in our customer satisfaction survey improved from 9 scores in FY 2017 to 12 scores in FY 2018. In particular, satisfaction with product quality has improved, and we will continue to manufacture products to satisfy our users. On the other hand, we were down 1 score in construction, down 3 scores in delivery time, and down 8 scores in response of sales and engineering representatives, highlighting the importance of improving not only our products but also our services. Considering the impact of the Covid-19 catastrophe, we plan to conduct the next survey in the second half of fiscal 2020, but we will take the results of fiscal 2018 seriously and strive to improve our services, including internal training.

Moreover, as part of our activities to improve customer satisfaction, we have increased the amount of time we spend meeting with our customers to get a true picture of the space they want to achieve, and more recently we have been using IT tools to conduct remote business meetings, make proposals, and hold product study sessions.



NPS, which stands for Net Promoter Score, is an index that quantifies customer loyalty (the degree of attachment and trust in a company or brand). We perform a comprehensive customer evaluation using these NPS.



Negotiating with customers using IT tools

High Quality Standards

In addition to operating a quality management system, we have established a high level of quality standards and repeatedly conduct various tests to ensure safety and security at all times. We have a product inspection room with adjustable light sources at our headquarters where we conduct product inspections in the environment that our customers actually use.

Product inspection room for customer inspection



Light source which displays the outdoor light color



Light source which displays the indoor light color

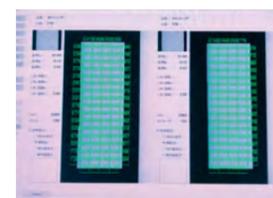
※Right: Differences in visibility due to differences in light sources

Automation of the production line

In 1981, we introduced the Total Quality Control (TQC) program to train our employees in manufacturing, and it has become an integral part of our company's culture of improvement activities. As part of our efforts to improve quality, we are also working on automating information such as automatic panel inspection system and production information feedback. We will continue to promote production efficiency and quality control using IoT technology and data analysis that connects all things to the Internet.



Automatic sheet metal line system



Automatic panel inspection system

Impressive, reassuring and reliable construction system

Our unique COMANY Smart Construction program is designed for our installation technicians to complete their job perfectly with a sense of pride and satisfaction while impressing our customers. The installation technicians not only hone their construction skills, but also develop their character and learn to behave with dignity. Thereby, we can build a construction framework that our customers can entrust us with their work in relief more than ever before.

Approaches to smart construction

Every year, we hold the "Smart Construction Competition" for the installation technicians to compete with each other to improve their construction techniques and practices. In addition to sharing the vision of COMANY's construction work, elite construction technicians from across the country compete with each other for spirit and skill in order to promote construction innovations with our construction partners.

Besides, 626 construction workers from nine bases across the country participated in the annual health and safety promotion conventions held in each region in fiscal 2019.



A brief glimpse of Smart Construction Competition

Construction Academy opened

In 2020, we opened the "Construction Academy" in-house as an educational institution specializing in construction, the final assembly process. The Academy aims to develop not only construction techniques, but also the skills and mindset necessary for working adults, and to train future specialists in a wide range of construction fields.

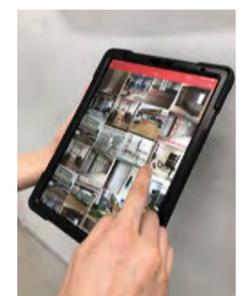


IT and Visualization of Construction Work (CIC)

CIC (COMANY i-construction) is a system that allows the user to check drawings and processes using a smartphone or tablet, as well as construction procedures, safety and quality standards in real time at the construction site using video. By using IT technology to visualize the work site, we are promoting productivity improvement and work style reform.



Confirmation at a construction site

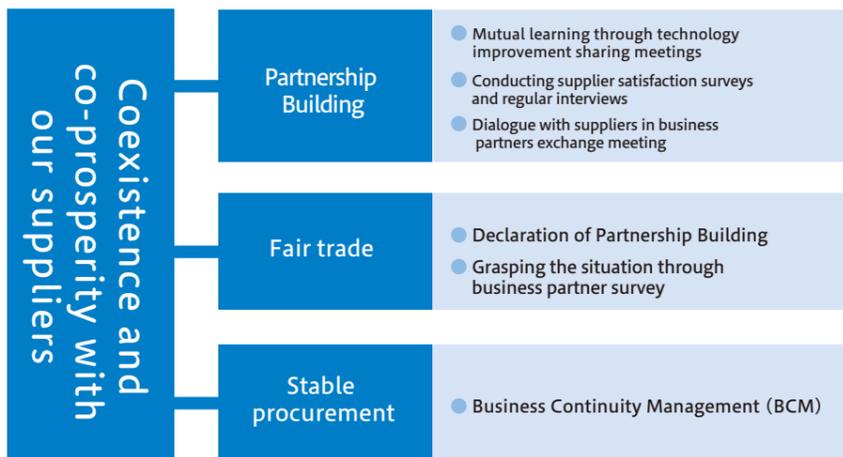


Visualization of work using tablets

Partnership with business partners (suppliers)



We work together with our suppliers to build a sustainable supply chain to ensure a stable supply of the most appropriate products to our factories that are technologically advanced and environmentally and human rights conscious. We conduct regular supplier satisfaction surveys to resolve issues and build long-term cooperative relationships with our suppliers, who are our business partners. We are committed to fair and impartial procurement activities, valuing a mutually beneficial relationship that allows us to grow and develop while achieving the best performance.



Partnership Building

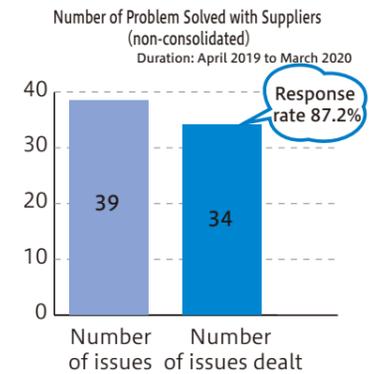
Mutual learning and problem-solving collaboration through Technological Improvement Study Meeting

We have been holding a technological improvement study meeting with our suppliers. The basis of manufacturing is the production and processing drawings, and we are striving to maintain quality by clarifying inspection key points at the design stage with the aim of reducing unclear drawings and deficiencies. In the future, we will continue to actively involve ourselves in cooperation in the field of computerization and utilize the digitization of drawings to promote efficient, error-free manufacturing, while further strengthening our mutual collaboration to solve problems and improve our technology and added value.



Conducting supplier satisfaction surveys and regular interviews

To build a better relationship with our suppliers, we have been conducting a Supplier Satisfaction Survey. Considering the satisfaction survey not only an assessment for us on a routine basis, but also the expectations for us, we collect a wide range of opinions and requests on future improvements aiming at further increasing satisfaction. In addition to regular interviews, we will also continue to investigate, check and improve our relationships with our suppliers to build long-term relationships of trust and improve our QDC. In fiscal 2019, we finished responding to 34 out of the 39 issues we received in the survey.



Dialogue at supplier exchange meetings

In January 2020, we invited our suppliers to our first supplier exchange meeting. On the day, we proceeded the meeting focus on reporting the results of the supplier satisfaction survey and the status of improvements to their requests, as well as shared our purchasing policies and explained our sustainability initiatives. On the same day, we also held a factory tour and get-together providing a great opportunity to deepen mutual exchanges. We will continue to hold these social gatherings on a regular basis in the future, aiming for co-existence and co-prosperity with our suppliers, who are our business partners.



Fair trade

Declaration of Partnership Building

In support of "Declaration of Partnership Building" introduced and agreed upon the "Council on Promoting Partnership Building for Cultivating the Future" organized by the Ministry of Economy, Trade and Industry, the Small and Medium Enterprise Agency and other related ministries and agencies for the purpose of helping large enterprises and SMEs to build a mutual beneficial relationship, we are working to achieve this goal by cooperating with our business partners to coexist and prosper together.



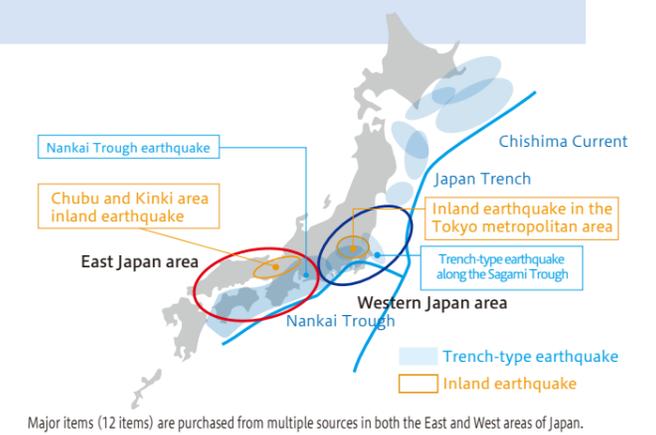
Grasping the situation through the supplier survey form

To build a sustainable supply chain, it is important to process and produce the right raw materials in the right environment. Following the COMANY Group Human Rights Policy formulated in FY2018, the Purchasing Department conducts regular interviews with our suppliers by using a supplier survey form to grasp the situation. We also require our supply chain to respect human rights and not to violate them in case of negative impacts on human rights by our suppliers or their associates that are directly linked to our business, products or services. We will continue to implement management practices with respect to human rights, labor, environment and anti-corruption.

Stable procurement

Business Continuity Management (BCM)

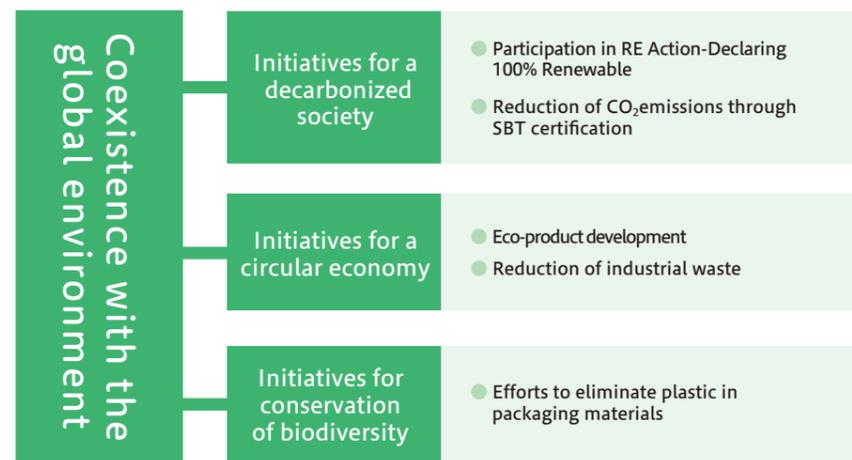
The environment surrounding us is changing day by day, with natural disasters such as the COVID-19, the Tokyo metropolitan area inland earthquake, and the Nankai Trough earthquake. In anticipation of these risks, we are changing our approach to procurement by diversifying our suppliers and reviewing appropriate inventory levels so that we can continue to provide products to our customers even in a contingency without impacting their business activities. In addition, we are working with our suppliers to ensure a stable supply of products to our customers by proactively obtaining prior information and inventory turnover.



Coexistence with the global environment

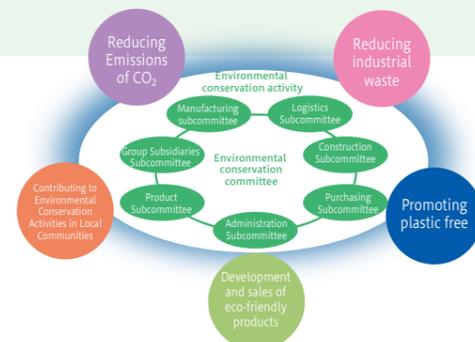


We believe that conducting our business activities in harmony with the global environment is an essential prerequisite, and we strive to protect the global environment through energy conservation, renewable energy, recycling, and other efforts. We are working to achieve a sustainable society through measures such as reducing CO₂ emissions based on SBT certification, improving energy efficiency through FEMS, promoting the introduction of solar power generation systems, and reducing industrial waste emissions.



Environmental Management System

To promote energy conservation measures and the use of renewable energy, we have established an environmental management system led by the "Environmental Conservation Committee", which is comprised of seven / subcommittees from manufacturing, logistics, construction, purchasing, administration, products, and group subsidiaries, to promote environmental conservation activities.



Initiatives for a decarbonized society

● Participation in RE Action – Declaring 100% Renewable

We joined "RE Action – Declaring 100% Renewable," a framework to declare conversion to 100% renewable electricity, as an initial participant organization in October 2019, and committed to 100% renewable energy for our electricity use by 2040. Going forward, we will work to reduce CO₂ emissions by introducing self-consumption solar power generation systems and increasing the ratio of renewable energy by switching the existing solar power generation systems from selling electricity to self-consumption and purchasing green energy.



● Reduction of CO₂ emissions through SBT certification

Reduction targets of CO₂ emissions

In April 2020, we received certification from the SBT Initiative in recognition that our medium- to long-term CO₂ emissions reduction targets are science-based and in line with "1.5°C target" set by the Paris Agreement. We are committed to reducing our emissions in Scope 1+2 by 50% by 2030 compared to 2018 levels. In the meanwhile, as supplier engagement, we also are committed to completing a goal setting of supplier equivalent to 80% of our emissions for purchased goods and services by 2024.



Changes of CO₂ emissions

With an emphasis on business transformation and corporate value improvement, we increase productivity by eliminating waste from customer proposals to receiving orders, production and installation. Thereby, we reduce the Scope 1+2 CO₂ emissions from our internal energy use by 196t (3.9%) compared to 2018 levels. Going forward, we will continue to work to reduce CO₂ emissions through energy conservation and renewable energy and collaborate with our suppliers in this regard.

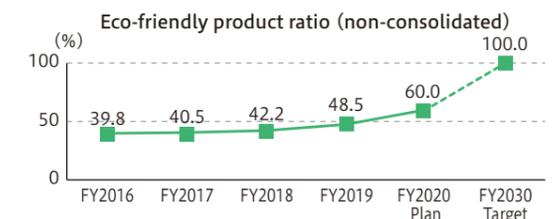
CO₂ emissions (non-consolidated) Unit: t-CO₂

		Scope1	Scope2	Scope3
FY 2018 (SBT reference year)	Emissions	1,985.2	3,010.0	68,875.3
	Ratio	2.7 %	4.1 %	93.2 %
FY2019	Emissions	2,162.6	2,636.7	87,091.7
	Ratio	2.4 %	2.9 %	94.8 %
	Amount of change Year-on-year comparison	177.5	-373.3	18216.4
		108.9 %	87.6 %	126.4 %

Initiatives for a circular economy

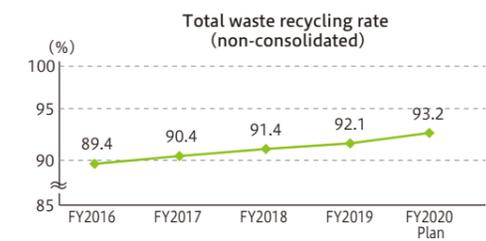
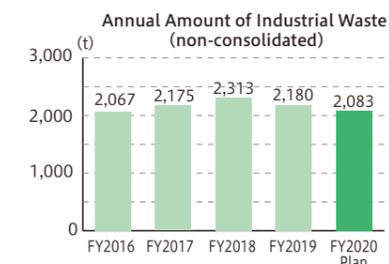
● Eco-friendly product

To pass on the beautiful earth that nurtures diverse lives to the next generation, we are working on development of eco-friendly product. We promote our development of eco-friendly through "Eco-mark certified products", "Products in compliant with Act on Promoting Green Procurement", and "COMANY Ecolabel Products" that meet our original environmental standards.



● Reduction of industrial waste

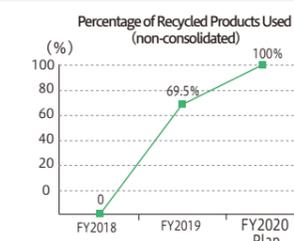
In the production process, we have reduced the amount of industrial waste by purchasing actual size materials and improving the yield rate. Besides, the recycling rate of the total amount of waste has been improving every year by thorough separation of waste at the industrial waste storage site. We will continue to review our material purchasing, production, and packaging methods to improve our recycling rate and reduce amount of industrial waste with the aim of realizing a circular economy.



Initiative for conservation of biodiversity

● Efforts to eliminate plastic in packaging materials

Regarding the packing material that we use to deliver our products, we are working to shift to recycled plastic and establish a recycling system. Further, we are also switching to environmentally friendly packaging materials, such as those made of biomass plastic.



Reduce packaging materials using the jigs

Creating a Workplace of Respect for Humanity



To realize our management philosophy of "the material and intellectual growth of all employees," we aim to achieve the physical, mental and social well-being of each and every one of our employees. With values becoming increasingly diverse, conventional working styles are being reviewed, and it is necessary to create an environment in which people can work in their own way. Our goal is to increase corporate value through continuous improvement of our own abilities and allowing each individual to shine in their own ways.

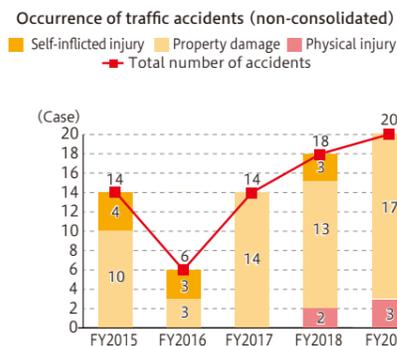
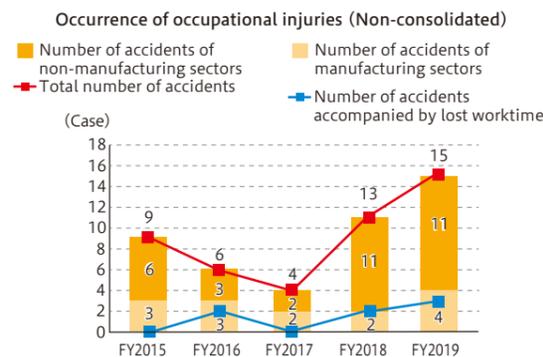


Promotion of a safe, secure and comfortable workplace

Considering that employees spend approximately one-third of their time in the workplace, our management team and employees work together to improve workplace morale, prevent occupational accidents and health problem in order to create a comfortable workplace. Creating a comfortable, safe and secure work environment plays a role in enhancing our corporate value.

Health and Safety Initiatives

In fiscal 2019, the case number of non-manufacturing occupational injuries was flat compared to the previous year, with the majority of these being due to commuting injuries. We were fortunate that there were no occupational injuries occurring in fiscal 2019 that resulted in more than four days of lost time. We will continue to implement risk assessment, safety patrols, and KYT activities at our manufacturing and construction sites with the aim of achieving zero occupational injuries.



Health Management Initiatives

We promote health management based on our belief that good mental and physical health for both employees and their families are important for the employees to take part in work actively with job satisfaction. This year, we were again recognized under the "2020 Certified Health & Productivity Management Organizations Recognition Program". We will continue to take measures to maintain our health, such as subsidizing costs through the recommendation of comprehensive medical examinations, providing health guidance by nurses, conducting stress checks, and encouraging employees to quit smoking. The Ministry of Health, Labor and Welfare (MHLW) commends the outstanding health and safety-related businesses and organizations, as well as individuals who have made a remarkable contribution to health and safety. In 2020, we received honorable mention from the Director of Ishikawa Labor Bureau in recognition of our efforts to maintain and improve our health



2020 Health and Productivity Management Award



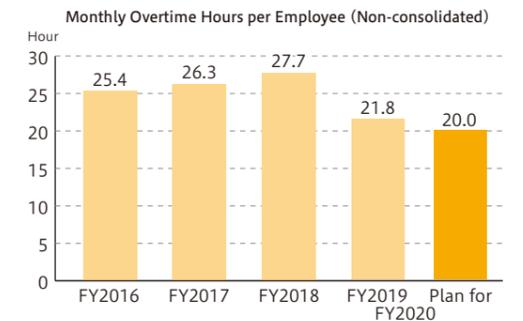
Received honorable mention from the Director of Ishikawa Labor Bureau

Work style Reform and Work-Life Integration

To create an environment that allows employees to enjoy their work and private lives with vitality, we are working to establish a corporate culture that is not only easy to work in, but also is easy to take time off work, expands our childcare and nursing care support systems, and eradicates long working hours, which were frequently cited as an issue in employee satisfaction surveys. To this end, we have established a premium bonus system for employees who reduce overtime work and take time off, as well as a "paid leave promotion day" to encourage employees to take paid leave.

Controlling long working hours

To improve working conditions, we will keep promoting our existing "No Overtime day" to reduce overtime work. We will also work on the target of average monthly overtime hours as 20 hours by promoting various work styles such as telecommuting and using a mechanism to notify daily overtime hours. Besides, we will also ensure that employees who work on weekends and holidays are provided with days off in lieu of workdays to ensure their health.



Promotion of Flexible Work Style

In addition to introducing diverse work styles, we are expanding our telecommuting program, which includes long term telecommuting and temporary telecommuting, and promoting new ways of working, such as the "work-interval system" and the "flexible work time system. Besides, by establishing new systems such as staggered working hour system and short working hour system that expands the scope of eligible employees, we promote a flexible work environment for employees who are raising children or have family members who require nursing care.



Obtained Kurumin certification
In June 2019, we received the Kurumin certification from Japan's Ministry of Health, Labor and Welfare as a "Child-rearing Support Company".

	FY 2016	FY 2017	FY 2018	FY 2019	Plan for FY 2020
Rate of employees taken childcare leave	85.7 %	100.0 %	100.0 %	100.0 %	100.0 %
Rate of employees working shorter hours	90.0 %	100.0 %	83.3 %	90.5 %	80.0 %
Continuous employment rate for the first childbirth	90.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Male employees taking childcare leave (persons)	0	0	0	2	3

Taking Children to Work System

The number of male employees taking childcare leave is gradually increasing, prompting a change in attitudes toward participation in childcare. As part of our efforts to create a childcare environment for our employees, we have introduced a new system for employees to take their children to work. With the closing of elementary schools due to the effects of the COVID-19, there are more opportunities for our employees to take care of their children, and we are glad to see the new work style began to take root in our company.



Creating a Workplace of Respect for Humanity

Human Resource Development

Since its establishment, COMANY has always managed business with respect for humanity, valuing "human mind" above all else. For this reason, we believe that the most important thing for a company is its employees. Therefore, we are actively developing educational opportunities to enhance both our philosophy based on the spirit of "humanity and fraternity" that we value, as well as the technology backed by this philosophy that can contribute to society. Our training programs use the HPC System (developed by GAIASYSTEM Co.,Ltd.), which enables employees to engage in honest heart-to-heart dialogue and contributes to the creation of a corporate culture that allows employees to form strong relationships of trust, and to demonstrate their autonomy and independence. In addition, to ensure the company's continued growth, we focus on "education tailored to the year and rank," "diversity of human resources," and "development of the next leaders," with the goal of creating a corporate culture for each individual to reach their fullest potential and live a bright life.

● Internal education and training system

Category	Training course	Training type		Target participants			
		Cultivation of humanity	Executives	Executives	Division chiefs & Section	Annual 5th/3th/2nd year	Fresh recruit
Personnel training	COMANY Philosophy training	○		○	○	○	○
	Executive training		○	○			
Training by rank	Division chief & section chief training	○	○		○		
	5th year training	○				○	
	3rd year training	○				○	
	2nd year follow-up	○				○	
	Fresh recruit training	○	○				○
Skill training	Engineering education		○		○	○	○
	E-learning		○	○	○	○	○
OJT training	Brother & Sister system	○	○		○	○	○
Self-development	Brother & Sister system		○	○	○	○	○
	Company essay system	○		○	○	○	○

● Cultivation of humanity (Philosophy Training)

Based on the COMANY Philosophy, this training aims to cultivate employees' humanity which enables them to do the right thing as a human being with a strong will. The philosophy training is conducted every year for all group employees to attend. Under the premise that everyone has a conscience, it is designed to foster a sense of value by drawing out the conscience of employees through honest dialogue and encouraging them to learn from each other. Besides, we work to instill the philosophy in our employees through repeated learning of the role-specific concepts and practices in executive training, general manager and section manager training, and annual training.



● Enhancement of technical capability (Engineering Education)

This training program is designed to improve our technical capabilities (development technology, design technology, manufacturing technology and construction technology). For each type of job, employees learn the skills necessary to provide high quality products and services. In addition to technical education and training aimed at acquiring specialized skills, we also actively adopt e-learning for training as a mechanism for passing on and accumulating our know-how.



Engineering education



E-learning

● Leadership development training

An internal D&I survey conducted in 2019 showed that 38% of male and 85% of female employees were reluctant to be promoted. In light of this situation, we planned to create an environment in which employees could learn to envision the kind of leader they wanted to be and started the 2020 Leader Development Training program. We have been developing an environment internally where the employees could chart their career path from a young age, aim to be a leader in a proactive manner, and realize it through active learning.



Diversity and Inclusion

In order for every individual to reach their fullest potential and live a bright life, we will formulate and implement missions, strategies, and measures to create workplaces where employees with diverse values can be who they are, and strategically refine and utilize those differences and personalities as a corporate advantage.

● Launched the D&I (Diversity and Inclusion) Promotion Working Group

We positioned respect for diversity as a central axis of our growth strategy in achieving innovation, and in October 2019 we launched the D&I Promotion Working Group at the same time as the Sustainability Management Promotion Committee.

To help our employees to correctly understand D&I and to promote the policies, we held a D&I Online Seminar which allowed employees to freely participate. We will continue to proactively create opportunities to improve our knowledge and accelerate internal understanding and penetration of D&I.

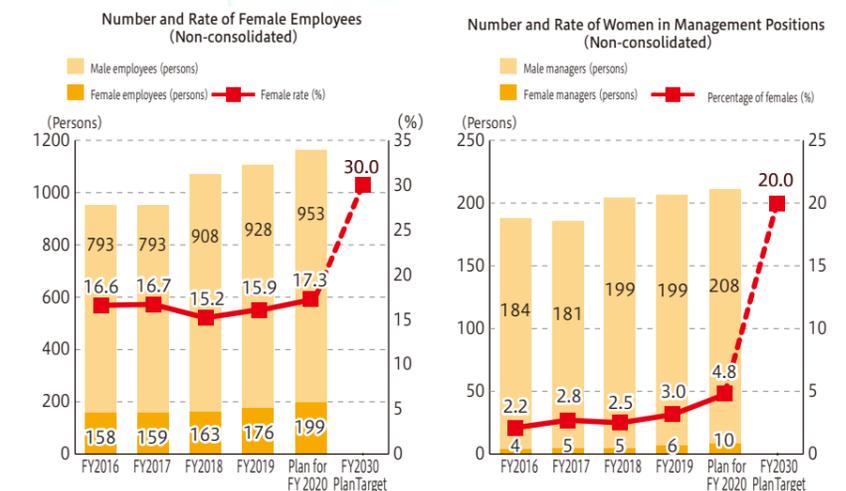


● Women's empowerment

Currently, we have 176 female employees (15.9%) and six female managers (3.0%). As we continue to promote diversity, women's empowerment is a major issue for us. To address these issues with speed, our top executives take action and speak out themselves. We are working to achieve a female employee ratio of 30% and a female manager ratio of 20% by 2030 with different efforts, including setting a gender ratio of 50% as standard for new graduate recruitment.

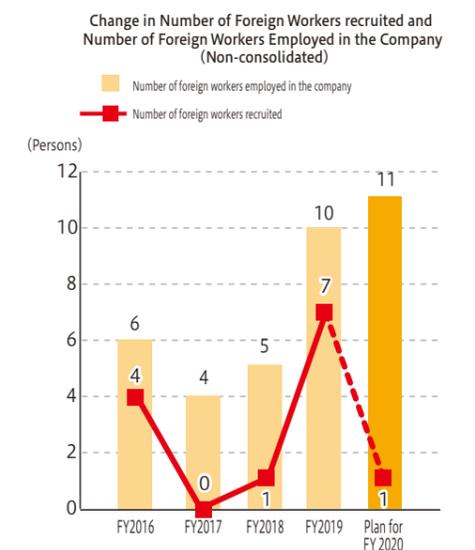
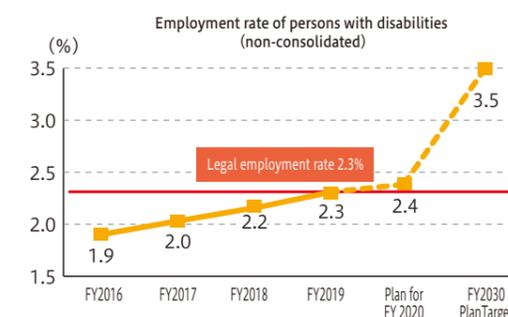


In February 2020, we endorsed the "Declaration of Action by A Group of Male Leaders Who will Create a Society in which Woman Shine" supported by the Cabinet Office.



● Promotion of employment of persons with disabilities and foreign workers

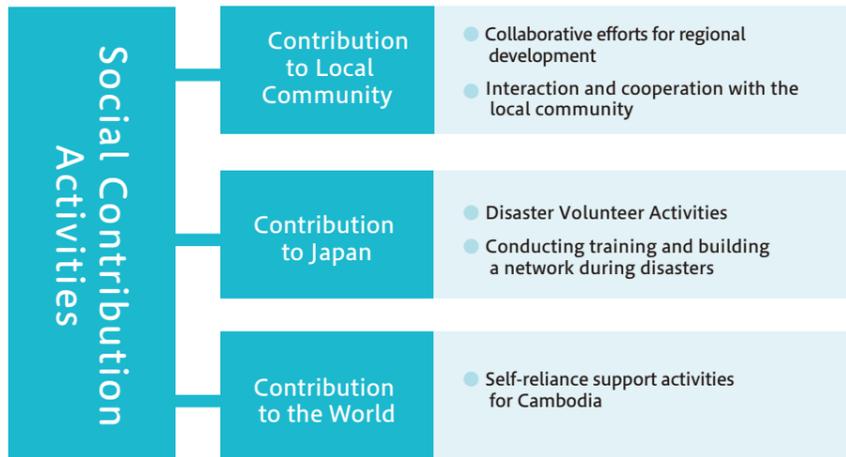
In FY 2019, as a result of our active employment of persons with disabilities in collaboration with disability employment-related organizations, the current employment rate of 2.3% is sufficient to maintain the legal employment rate, but it is a challenge to develop a stable employment environment throughout the year, and as the legal employment rate will be 2.3% from 2021, we will continue our activity with an aim to achieve a high level of the employment rate. Besides, we will also work to reduce the shortage of construction technician. As a solution to the sudden shortage of construction technician, we are promoting the employment of foreign workers. We believe that relieving the labor shortage and allowing foreign workers to acquire advanced construction skills will help to revitalize the partition industry in the future.



Social Contribution Activities



We are developing our social contribution activities by considering what we can do to expand our contribution beyond our business activities. We believe that if our employees honestly act on their conscience, they will be able to help many people, which will result in broadening our horizons and quickening our consciences, thereby being beneficial to our business activities. To build a brighter future, we will contribute to the happiness of the world by solving a variety of problems, expanding our activities from our local communities to Japan and the rest of the world.



COMANY's Social Contribution Activities

● Respect for Initiative of Employees

In our social contribution activities, we place great importance on the "initiative of our employees". It is important to do what we sincerely want to do for others, not just what has been decided. A characteristic of our social contribution activities is that we meet face-to-face with the persons we support. We are involved in a wide range of activities at local welfare facilities, in disaster-affected areas around the country, and in Cambodia. In each case, our employees visit the sites and interact with each other through dialogue. This has expanded into ongoing and more developed activities.

● Activities as the United Earth Secretariat in Ishikawa

To realize dynamic activities by utilizing stronger partnership and networks with United Earth, an NPO that we have been cooperating with in deploying our social contribution activities to date, we have assumed the role of the secretariat of United Earth Ishikawa, supporting its activities as well as our own social contribution activities. We are working on more effective activities such as supporting activities for the disaster areas using our nationwide network and community revitalization activities in cooperation with civil society.



Contribution to local community

● Collaborative efforts for Regional Development

On June 27, 2019, we signed a "Partnership Agreement on SDGs Promotion" with Komatsu City, which has been selected as "SDGs Future City", and we are working for sustainable development of the region by leveraging each other's strengths and resources, including local development and business development for regional revitalization.



Concluded a Partnership Agreement



Donation of droplet infection control partitions

● Interaction and Cooperation with Local Communities

For the development of the local communities, we believe that the cooperation of industry, government, academia, and the private sector is the most important factor, and so we deepen our ties by providing platform for idea exchange while actively participating in events organized by local governments. The "COMAFES" charity event held in the summer attracts a large number of participants every year.



New Employees' Yosakoi Performance (COMAFES)



Experience work in COMANY

Contribution to Japan

● Disaster Volunteer Activities

As a company with sales offices all over the country, we are using this network to actively engage in social contribution activities across the country. There were 137 of our employees volunteering in the severely affected areas caused by Typhoon No. 19 in October 2019. Among these, 105 employees from the Kanto region volunteered in Kanuma City, Tochigi Prefecture, while 32 employees from the head office volunteered in Nagano City, Nagano Prefecture.



Activities in Kanuma City, Tochigi Prefecture



Activities in Nagano City, Nagano Prefecture

● Conducted disaster training and built a network

We participated in the "Social Innovation Disaster Training" organized by United Earth, a non-profit organization with a proven track record of setting up volunteer bases in various areas during natural disasters in Japan, and learned about human resource development and new community development to enable our employees to act as leaders during disasters.



Social Innovation Disaster Training



Think and learn through workshop

Contribution to the world

● Various Support Activities in Cambodia

Since 2016, we have been focusing on educational support and supporting the rural Cambodia, such as digging wells and building a library. In August 2019, Saen, who is being placed under foster care that we are supporting, visited Japan and interacted with our employees. We are currently building a multimedia classroom, which will provide an environment where children in the village can learn computer skills and foreign languages online.



Saen visited Japan

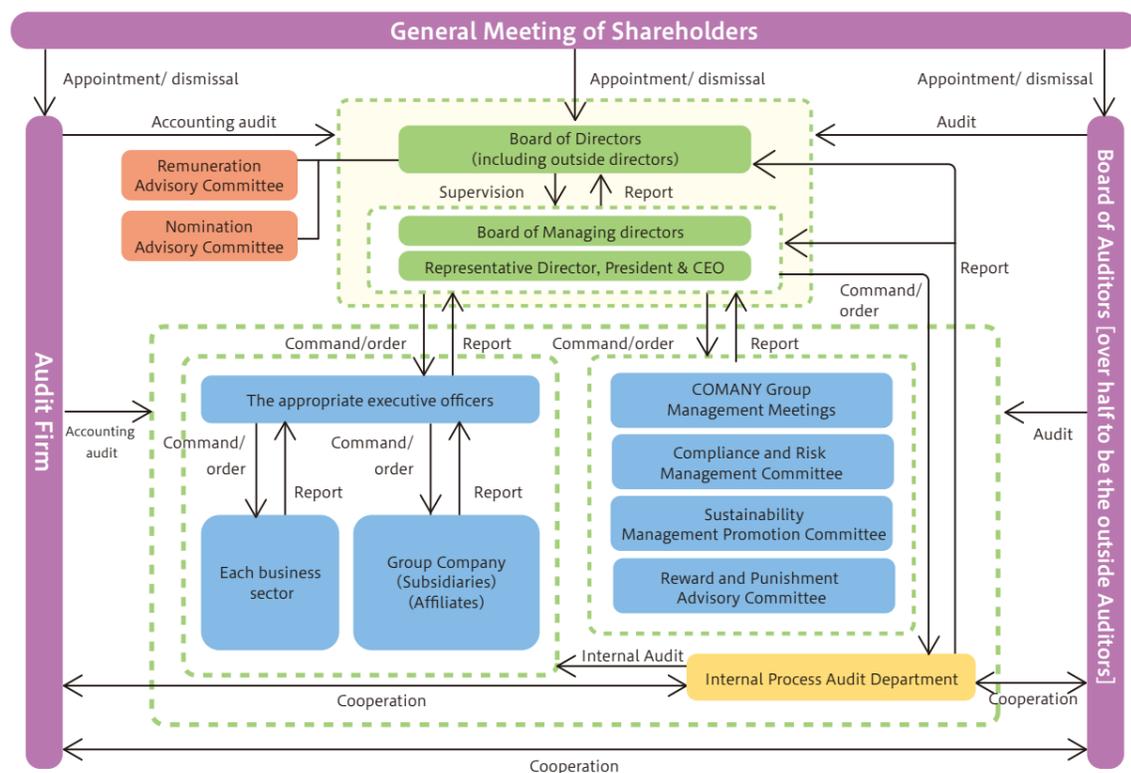


Self-reliance support for mothers in the village

Corporate Governance

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

The structure of corporate governance



Board of Directors

Following the bylaws on matters to be discussed and reported by the Board of Directors, the Board of Directors decide the basic policies of the Company's management and receives reports on the status of important business operations. In principle, the Board of Directors meets once a month and extraordinary meetings are convened from time to time when necessary. Eighteen meetings have been held in total during FY 2020. To build a management system that can respond quickly to changes in the business environment, we set the term of office of directors to one year.

Advisory Board of Directors

The Remuneration Advisory Committee deliberates on the remuneration of executives and other relevant matters in response to inquiries from the Board of Directors, and the Nomination Advisory Committee deliberates on the personnel affairs of executives and other relevant matters in response to inquiries from the Board of Directors, and reports to the Board of Directors to ensure objectivity and transparency in these matters, and to strengthen corporate governance. The Remuneration Advisory Committee and the Nomination Advisory Committee met four times respectively during the business year under review.

Board of Auditors

Pursuant to the auditing policy and work assignments, the members of Board of Auditors attend meetings of the Board of Directors and other important meetings, receive reports on the status of operations from directors, inspect important decision-making documents, investigate the status of operations and assets at the head office and major business offices, and request business reports from subsidiaries when necessary. Besides, the members of the Board of Auditors also collect information about the competitive transactions of the Members of the Board of Directors, transactions involving any conflict of interest transactions, benefits without compensation provided by the Company, and verifies the status of such transactions. The Board of Auditors meets monthly prior to the Board of Directors meetings and extraordinary meetings are convened from time to time when necessary. The Board of Auditors has held 19 meetings during the business year under review.

Board of Managing Directors

In accordance with the basic management policy determined by the Board of Directors, the Board of Managing Directors deliberates on important management matters in advance of the Board of Directors' meeting, as well as matters delegated by the Board of Directors to the President & CEO as an advisory body to the President & CEO. The Board of Managing Directors meets once a week in principle.

Comany Group Management Conference

Chaired by President Kenta Tsukamoto and attended by executive officers, officers of consolidated subsidiaries, and those in charge of related departments, the meetings are designed to share management strategies with the entire company and speed up decision-making, thereby leading to respond to changes in the business environment.

Compliance and Risk Management Committee

Our Group has established a Compliance and Risk Management Committee as an institution that meets monthly to deliberate on compliance and risk management measures. Selected members of this committee from our domestic subsidiaries also participate in this committee every quarter to reduce the Group's key risks.

Sustainability Management Promotion Committee

The committee is chaired by President Kenta Tsukamoto and meets twice a year. The committee makes strategic decisions and promotes the "COMANY SDGs[∞] (Mobius) Model" that our group pursues by deploying the business model continuously in a way that creates synergy between "Finance and Non-finance" and "Product, Service, and Governance".

List of Collaborative Governance Systems

Institutional Design:	Company with a Board of Auditors
Number of directors (including outside directors):	9 (3)
Number of auditors (including outside auditors):	4 (2)
Term of office for directors:	1 year
Adoption of an executive officer system:	Yes
Voluntary Advisory Committee to the Board of Directors:	Nomination Advisory Committee and Compensation Advisory Committee
Accounting Auditor:	KPMG AZSA LLC

Corporate Governance Initiatives

1999	Introduced the executive officer system
2004	Shortened term of office for directors to one year
2008	Established the Compensation Advisory Committee
2013	Introduced the outside director system
2015	Started evaluation of the Board of Directors
	Established a Nominating Advisory Committee
	Established a Board of Managing Directors
2016	Established criteria for determining Outside Officers
	Appointed three Outside Directors (one newly appointed)
2017	Revised COMANY Group Code of Conduct

Efforts to Ensure the Effectiveness of the Board of Directors and Board of Auditors

Currently, our Board of Directors consists of nine directors and four auditors. Out of these, three are outside directors and two are outside auditors. The Company has determined that the number of director restricted to no more than ten is an appropriate number to facilitate more substantive discussions on the Board of Directors. The Nomination Advisory Committee deliberates on the candidates for directors based on the criteria for selecting candidates, which stipulate knowledge, experience and abilities to enhance the corporate value of the Company, and the Board of Directors selects the candidates after deliberation. The reasons for the selection of the candidates were disclosed in the notice of the General Meeting of Shareholders.

Important concurrent positions of directors and auditors are disclosed in the business report in the notice of the general meeting of shareholders every year.

Self-evaluation of the Board of Directors

Each member of Board of Directors and Auditors carries out a self-evaluation of the Board of Directors once a year, which serves as a general view of their opinions on the operation of the Board of Directors. Through discussing highly effective management, we make improvements leading to the sound growth and development of the company and to the enhancement of corporate value.

<Points of evaluation>

- Appropriate composition of Directors and Auditors with diverse knowledge and experience, including three independent outside directors
- The board's deliberations contribute to the medium- to long-term enhancement of corporate value.
- The Board of Directors should be more proactive in providing opinions and having meaningful discussions to strengthen the supervision of business execution.
- The Board of Directors should work to secure more sufficient time for deliberations on basic management policies, mid- to long-term management strategies and management plans.

Self-evaluation of the Board of Auditors

The Auditors also carry out a self-evaluation of the Board of Auditors once a year. Based on the evaluation results, we reflect them in the audit plan as a priority item to improve the functioning of the Board of Auditors.

Compliance Initiatives

To instill the COMANY Philosophy that "Our Spirit is Humanity and Fraternity", the Group has created the COMANY Philosophy Handbook, which contains the Corporate Motto, Management Philosophy, COMANY Credo and COMANY Philosophy, and during the business year under review, we did some addition and made some changes to the COMANY Credo and the COMANY Philosophy. We read the "COMANY Philosophy" in turns during the morning meeting every day, and conduct the "COMANY Philosophy Training" every year as a philosophy education program to ensure that the philosophy is understood by all officers and employees. Besides, we have established the "COMANY Group Code of Conduct" as a set of guidelines for officers and employees to follow in the execution of their duties, and ensures that all officers and employees are aware of the Code of Conduct to ensure compliance with laws and regulations, corporate ethics and internal rules, and to act responsibly in accordance with social norms.

Including our subsidiaries in Japan, we conduct compliance education for all officers and employees to instill and improve corporate ethics and compliance awareness in the workplace. In addition, we continuously disseminate information on compliance with laws and regulations through internal notices and other means.

Whistleblower System

We have established "Compliance Hotline Regulations" to respond to internal reports from our officers and employees and our subsidiaries in Japan. Besides, we have established a whistle-blowing hotline outside the company with a third party as a contact point for early detection and prevention of wrongdoing.

Board Members

● As of June 23, 2020



Representative Director, Chairman of the Board
Mikiyo Tsukamoto

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



Representative Director,
President and Chief Executive Officer
Kenta Tsukamoto

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



Director, Senior Managing Executive Officer
Katsuhiko Horiguchi

Apr. 1978 Komatsu Partition Industry Corp.(Currently the COMANY INC.)
Jun. 2007 President and Representative Director, CLUSTAR Inc.
Executive Officer, COMANY INC.
Apr. 2010 General Manager, Manufacturing Headquarters, COMANY INC.
Jun. 2010 Director, COMANY INC. (Currently in office)
Managing Executive Officer, COMANY INC.
Apr. 2012 General Manager, Manufacturing Control Headquarters.
(Currently in office)
Jul. 2014 General Manager, Engineering Control Headquarters
Jun. 2017 Senior Managing Executive Officer (Currently in office)



Outside Directors
Shunichi Nakagawa

Apr. 1972 Joined Kao Soap Co., Ltd. (Currently the Kao Corporation)
Jun. 1992 Manager, Legal Division, Kao Corporation
Jun. 2002 Director, Executive Officer, Kao Corporation
Mar. 2004 Overall control on Legal and Compliance Division, Kao Corporation
Jul. 2004 Overall control on Corporate Communications Division,
Kao Corporation (additional post)
Jan. 2006 Outside Director, Kanebo Cosmetics Inc. (additional post)
Jun. 2006 In charge of Risk Management Office, Kao Corporation
(additional post) In charge of Information Systems Division,
Kao Corporation (additional post) Director,
Managing Executive Officer, Kao Corporation
Jun. 2013 Outside Director, COMANY INC. (Currently in office)
Jun. 2014 Outside Director, SANSHIN ELECTRONICS Co., Ltd.



Outside Directors
Miki Yoshimura

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



Outside Directors
Takahiko Ijichi

Apr. 1976 Joined Toyota Motor Co.,Ltd.
(Currently the Toyota Motor Corporation)
Jun. 2004 Managing Director, Toyota Motor Corporation
Jun. 2008 Senior Managing Director, Toyota Motor Corporation
Jun. 2011 Director and Senior Managing Officer, Toyota Motor Corporation
Jun. 2013 Advisor, Toyota Motor Corporation
President, TOWA REAL ESTATE CO., LTD.
Jun. 2015 Executive Vice President, Toyota Motor Corporation
Jun. 2017 Advisor, Toyota Motor Corporation
Chairman of the Board, Aoi Nissay Dowa Insurance Co., Ltd.
Jun. 2020 Outside Director, COMANY INC. (Currently in office)
Outside Director, NAGASE & CO., LTD. (Currently in office)



Director, Senior Managing Executive Officer
Kozo Shinozaki

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



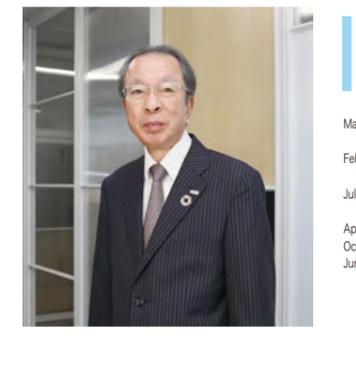
Director, Managing Executive Officer
Takashi Higashiki

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



Director, Managing Executive Officer
Naoyuki Tsukamoto

Jun. 2007 Joined COMANY INC.
Apr. 2010 Section chief, Manufacturing Administration Division
Jul. 2011 Section Chief, Manufacturing Planning Section, Manufacturing
Administration Division,COMANY INC.
Jan. 2013 Manager, Corporate Planning Division, COMANY INC.
Jun. 2015 Executive Officer, COMANY INC.
General Manager, Management Headquarters, COMANY INC.
Apr. 2016 General Manager, Corporate Planning Division, COMANY INC.
(Currently in office)
Jun. 2018 Managing Executive Officer, COMANY INC. (Currently in office)
Jan. 2019 Division Director, Southeast Business Division, COMANY INC.
Apr. 2020 General Manager, Research and Development Division,
COMANY INC.
Jun. 2020 Director, COMANY INC. (Currently in office)



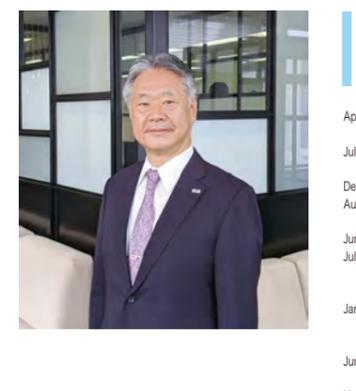
Full-time Auditor
Hideaki Kitamura

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



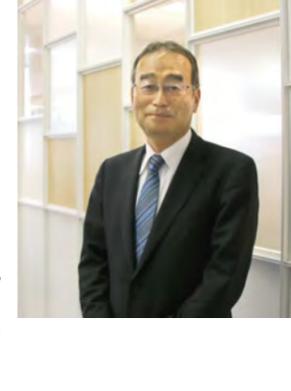
Full-time Auditor
Masahiro Motoda

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



Outside Auditors
Tetsuo Matsugaki

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



Outside Auditors
Tatsuhiko Kamata

Oct. 1988 Joined Tohatsu Awaki & Sanwa
(Currently the Deloitte Touche Tohmatsu LLC)
Jun. 2005 Partner, Tohatsu & Co.
(Currently the Deloitte Touche Tohmatsu LLC)
Aug. 2018 Representative, Kamata C.P.A Office (Currently in office)
Jun. 2019 Outside Auditor, COMANY INC. (Currently in office)
Outside Director, REALGATE INC.
Oct. 2019 Outside Auditor, PLANET,INC. (Currently in office)
Jun. 2020 Part-time Auditor, TriValue Inc. (Currently in office)

Financial Information

Major financial Data (from FY 3/2011 to FY 3/2019)

Unit: Millions of yen

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

Fiscal Year	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Net Sales	27,386	28,154	29,466	30,479	31,106	31,070	32,387	34,292	32,485
By Market Segment									
Japan	26,707	26,859	28,032	28,715	29,869	30,055	31,383	32,499	31,728
Office	12,627	12,538	12,376	12,876	13,483	13,519	14,184	14,517	14,977
Factory	5,991	6,358	5,226	5,334	6,925	6,880	7,378	8,894	7,616
Medical & Welfare institution	4,079	4,118	5,393	5,652	5,039	5,016	5,357	4,296	4,130
School	1,918	1,830	2,578	2,525	2,049	2,289	2,428	2,339	2,027
Other	2,092	2,015	2,459	2,328	2,373	2,351	2,036	2,453	2,987
China	679	1,294	1,434	1,764	1,236	1,015	1,003	1,792	748
Cost of sales	17,386	17,205	17,773	18,093	18,313	18,628	19,184	21,139	19,203
Gross Profit	10,000	10,948	11,692	12,386	12,792	12,441	13,202	13,153	13,282
Selling, general and administrative expenses	9,382	9,744	10,270	10,850	10,934	11,342	11,501	11,732	11,566
Operating Profit	618	1,204	1,422	1,535	1,858	1,099	1,700	1,420	1,715
Ordinary Income	651	1,252	1,463	1,638	1,846	1,143	1,732	1,341	1,566
Net income attributable to COMANY INC. shareholders	549	1,178	1,602	1,621	1,079	507	929	335	711
Capital Expenditure	731	858	946	2,255	2,844	1,259	886	541	1,022
Depreciation	822	727	694	653	722	975	959	904	817
Net worth	16,895	18,228	20,318	21,916	21,806	21,891	22,641	22,324	22,482
Total Assets	27,124	27,658	31,164	32,793	34,205	33,923	36,361	34,528	32,533
Number of employees (person)	1,363	1,375	1,399	1,412	1,458	1,468	1,475	1,476	1,378
Per share data									
Net income (yen)	61.77	132.45	180.01	182.20	121.26	57.03	104.49	37.67	79.93
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	2,525.36
Annual cash dividends (yen)	26.00	28.00	30.00	32.00	37.00	46.00	47.00	50.00	51.00
Payout ratio (%)	42.1	21.1	16.7	17.6	30.5	80.7	45.0	132.7	63.8
Financial Indicators									
Return on Equity (ROE) (%)	3.3	6.7	8.3	7.7	4.9	2.3	4.2	1.5	3.2
Return on Assets (ROA) (%)	2.4	4.6	5.0	5.1	5.5	3.4	4.9	3.8	4.7
Operating Profit on Sales (%)	2.3	4.3	4.8	5.0	6.0	3.5	5.3	4.1	5.3
Net worth ratio (%)	62.3	65.9	65.2	66.8	63.8	64.5	62.3	64.7	69.1



Financial Information

Balance Sheet

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

Fiscal Year	FY2018	FY2019
Assets		
Current Assets		
Cash and deposits	7,264	8,236
Notes and Accounts Receivable - trade	11,002	9,709
Merchandise and Finished goods	1,299	819
Work in progress	112	138
Raw materials and supplies	594	485
Other	518	1,270
Allowance for doubtful accounts	△ 9	△ 16
Total Current Assets	20,781	20,645
Non-current Assets		
Property, plant and equipment		
Buildings and structures, net	3,821	2,381
Machinery, equipment and vehicles, net	2,217	1,623
Land	3,359	3,359
Construction in progress	20	86
Other, net	141	154
Total property, plant and equipment	9,559	7,604
Intangible assets		
Software	350	342
Software in progress	54	71
Other	1	1
Total Intangible Assets	405	415
Investments and other assets		
Investment Securities	1,407	1,124
Long-term loans receivable	30	22
Deferred tax assets	1,247	1,767
Other	1,130	986
Allowance for doubtful accounts	△ 34	△ 33
Total Investments and Other Assets	3,781	3,868
Total non-current assets	13,746	11,888
Total Assets	34,528	32,533
Liabilities		
Current Liabilities		
Accounts Payable - trade	2,286	1,877
Short-term borrowings	1,194	900
Income taxes payable	84	61
Provision for bonuses	854	801
Provision for bonuses for directors (and other officers)	24	20
Other	2,516	2,024
Total Current Liabilities	6,960	5,685
Non-current Liabilities		
Long-term borrowings	940	-
Lease obligations	280	240
Deferred tax liabilities for land revaluation	331	331
Retirement benefit liability	3,351	3,351
Provision for share-based remuneration for directors (and other officers)	60	90
Other	277	351
Total Non-current Liabilities	5,243	4,365
Total Liabilities	12,203	10,050
Net Assets		
Shareholders' equity		
Share capital	7,121	7,121
Capital surplus	7,607	7,607
Retained earnings	8,325	8,571
Treasury shares	△ 1,142	△ 1,135
Total shareholders' equity	21,912	22,163
Accumulated Other Comprehensive Income		
Valuation Difference on Available-for-sale Securities	97	△ 93
Revaluation reserve for land	481	481
Foreign Currency Translation Adjustment	△ 68	8
Remeasurements of defined benefit plans	△ 97	△ 78
Total accumulated other comprehensive income	412	318
Total Net Assets	22,324	22,482
Total liabilities and net assets	34,528	32,533

Cash Flow

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

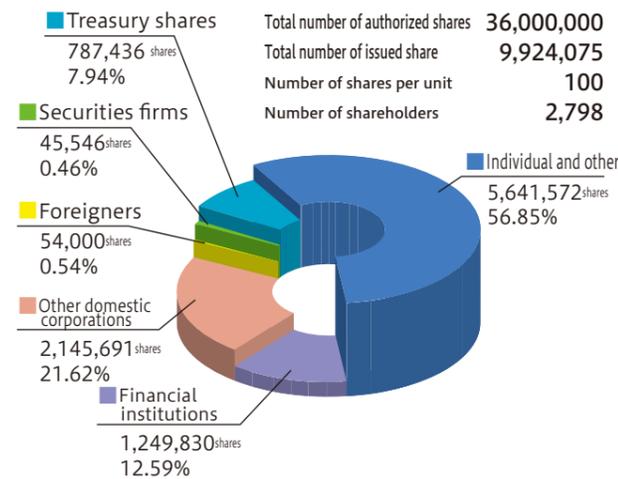
Fiscal Year	FY2018	FY2019
Cash flow from operating activities		
Profit before income taxes	832	356
Depreciation	904	817
Impairment losses	93	-
Increase (decrease) in retirement benefit liability	30	26
Increase (decrease) in provision for bonuses	16	△ 52
Increase (decrease) in provision for bonuses for directors (and other officers)	△ 12	△ 4
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	29	29
Increase (decrease) in allowance for doubtful accounts	△ 10	5
Interest and dividends income	△ 22	△ 24
Interest expenses	26	10
Bad debts expenses	-	21
Loss (gain) on sales of property, plant and equipment	△ 0	△ 0
Loss on retirement of property, plant and equipment	11	28
Loss on retirement of intangible assets	-	0
Loss (gain) on sales of investment securities	△ 216	3
Loss (gain) on sales of shares of subsidiaries and associates	-	1,178
Loss on valuation of inventories	622	-
Decrease (increase) in trade receivables	△ 735	986
Decrease (increase) in inventories	304	76
Increase (decrease) in trade payables	△ 136	△ 260
Other, net	33	△ 355
Subtotal	1,769	2,843
Interest and dividends received	22	24
Interest paid	△ 26	△ 10
Income taxes paid	△ 962	△ 160
Income taxes refund	-	136
Net cash provided by (used in) operating activities	802	2,832
Cash flow from investing activities		
Payment into time deposits	△ 339	△ 151
Proceeds from withdrawal of time deposits	145	181
Purchase of property, plant and equipment	△ 634	△ 523
Proceeds from the sales of property, plant and equipment	41	0
Purchase of intangible assets	△ 97	△ 249
Purchase of investment securities	△ 402	△ 1
Proceeds from the sales of investment securities	305	4
Subsidies received	0	-
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	584
Other, net	△ 11	△ 10
Net cash provided by (used in) investing activities	△ 993	△ 165
Cash flow from financing activities		
Repayment of long-term borrowings	△ 509	△ 1,104
Repayment of lease obligations	△ 40	△ 40
Proceeds from sales of treasury shares	1	6
Purchase of treasury shares	△ 0	△ 0
Dividends paid	△ 446	△ 465
Net cash provided by (used in) financing activities	△ 996	△ 1,604
Effect of exchange rate change on cash and cash equivalents	37	103
Net increase (decrease) in cash and cash equivalents	△ 1,149	1,166
Cash and cash equivalents at beginning of period	8,220	7,070
Cash and cash equivalents at end of period	7,070	8,236

Corporate Information

Company overview (as of March 31, 2020)

Trade name	COMANY INC.	Group companies	(Domestic) 1 company; (Overseas) 2 companies
Head Office	1-93, Industrial Park, Komatsu City, Ishikawa Prefecture, Japan	Fiscal year end	March 31
Established	August 18, 1961	Stock Listing	Tokyo Stock Exchange Second Section
Capital	7,121 million yen	Securities Code	7945
Nemployees	(Consolidated) 1,234, (Non-consolidated) 1,081	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, 2020)



Major shareholders/top 10 (as of March 31, 2020)

Shareholder Name	Number of shares held (shares)	Shareholding Ratio (%)
Komatsu Kosan Corporation	923,300	10.10
COMANY Co-prosperity Association	725,551	7.94
Employee shareholding association of COMANY	644,855	7.27
Hokuriku Bank, Ltd.	444,002	4.85
Toshio Yoshida	265,500	2.90
Hokkoku Bank, Ltd.	260,000	2.84
The Master Trust Bank of Japan, Ltd. (Trust Account)	260,000	2.84
Japan Trustee Services Bank, Ltd. (Trust Account)	233,928	2.56
Naoko Kimura	223,296	2.44
Mikio Tsukamoto	217,500	2.38

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

Year Month Overview

Year Month	Overview
Aug.1961	Komatsu Cabinet Incorporated Company founded.
Jun. 1970	Changed trade name to Komatsu Partition Industry
Dec.1980	Took first place in the partition industry by its sales
Nov.1984	Changed the company name to COMANY INC.
Nov.1985	Received Deming Prize in SMEs category
Nov.1989	Listed on the second section of the Nagoya Stock Exchange.
Apr. 1991	Established CAP Incorporated Company (later COMANY Engineering Incorporated Company) as subsidiary
Oct.1996	Received TPM Prize for excellence
Dec.1996	Established COMANY International Trading (Shanghai)
May.1997	Co.,Ltd.Komatsu Flash Co.,Ltd. (current Cluster Corporation) became a subsidiary of COMANY INC.
Oct. 1999	Received TPM Excellence for continued excellence
Dec. 1999	Acquired ISO 9001 certification
Nov. 2001	Acquired ISO 14001 certification
Aug. 2011	Nanjing Jalynger Materials Co.Ltd. became a subsidiary of COMANY INC
Feb. 2012	Established COMANY (Nanjing) New Building Material Technology Co.,Ltd.
Jun. 2015	Listed on the Second Section of the Tokyo Stock Exchange

Year Month	Overview
Sept.2016	Universal design folding door "Dear-d" won the Good Design Award 2016
Nov.2017	Updated the certifications to ISO9001:2005 and ISO14001:2005
Jan.2018	Took over the subsidiary COMANY Engineering Incorporated Company
Apr.2018	Announced the "COMANY's Declaration in support of SDGs"
Apr.2018	Signed the UN Global Compact
Aug.2018	Recognized under the 2019 Certified Health and Productivity Management Outstanding Organizations Recognition Program (500 working group)
Feb.2019	Formulated "COMANY Group Human Rights Policy"
Jun.2019	Signed "Partnership Agreement on SDGs Promotion" with Komatsu City.
Jun.2019	Acquired the next-generation certification logo "Kurumin".
Oct.2019	Tender Door Series won Good Design Award 2019
Oct.2019	Joined "RE Action - Declaring 100% Renewable."
Nov. 2019	Received Green Purchasing Award (Large Enterprise Category)
Jan. 2020	Transferred COMANY (Nanjing) New Building Material Technology Co.,Ltd
Mar.2020	Recognized under the 2020 Certified Health and Productivity Management Outstanding Organizations Recognition Program
Mar.2020	Awarded JMAQA AWARDS 2020
Apr.2020	Acquired certification from the SBT Initiative
Jul.2020	Acquired FSC certification

Assessment of Sustainability by external parties

We were recognized under the "2020 Certified Health and Productivity Management Organization Recognition Program (Large Enterprise Category)" approved by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.



We were certified by the Ministry of Health, Labour and Welfare as a "child-rearing support company" based on the "Act on Advancement of Measures to Support Raising Next-Generation Children" and acquired the "Kurumin"



Editorial Policy

This integrated report is prepared to introduce the COMANY Group's value creation model and its goals in an easily understood manner with specific examples of our initiatives.

Nowadays, the world has changed drastically including the global environment, disasters and infectious diseases. People's values are also changing along with these changes. The COMANY Group is working on the "Challenge for Change" to create a company capable of producing new value, based on our "Corporate Motto", an universal principle that we have always valued. We also strive to play a role in creating a new society.

We hope that this "COMANY Group Integrated Report 2020" will help deepen the understanding of our initiatives and become more familiar with us than ever. We will continue to value dialogue with all of our stakeholders as we conduct our business operations. We look forward to hearing your honest opinions in this regard.



Period covered by this report

It covers the fiscal year ending March 31, 2020 (from April 1, 2019 to March 31, 2020). However, we also refer to the period before and after the applicable period, as necessary.

Various informational tools

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

- COMANY's corporate information site <https://www.comany.co.jp>
- Financial Information and IR <https://www.comany.co.jp/ir/>
- Initiatives for Sustainability <https://www.comany.co.jp/sdgs/>
- Corporate Governance Report https://www.comany.co.jp/wp/wp-content/uploads/2020/06/20200624_CG.pdf
- Financial statements <https://www.comany.co.jp/ir/settlement/library/>

Initiatives for SDGs



The Sustainable Development Goals (SDGs), otherwise known as the Global Goals adopted by the United Nations member states, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

We endorse the Sustainable Development Goals (SDGs) based on the spirit of "humanity and fraternity" and the belief that "companies should exist to contribute to the happiness of the world" in its sustainability policy, and strives to build a sustainable future.

Signing the "UN Global Compact"



The UN Global Compact, a voluntary initiative proposed by then UN Secretary-General Kofi Annan in an address to the World Economic Forum in Davos on January 21, 1999. It was formally launched at UN Headquarters in New York on July 26, 2000.

We are committed to act as a responsible company on a global scale and to solve problems. By supporting and practicing the UN Global Compact 10 principles in four areas: human rights, labor, environment, and anti-corruption, we will continue to make efforts to realize a sustainable world.