

KURABE SUSTAINABILITY REPORT 2024

Issued by CSR Promotion Committee Date: June 2024

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Corporate Overview

Chemitronics for Sensing the Future

Company name	KURABE INDUSTRIAL CO., LTD.
Established	February 11, 1938
Incorporated	June 25, 1939
Capital Stock	38,500 million yen
Capital	780 million
Members of the Board	Takenobu Kanazawa, President & CEO Tomokazu Ishiyama, Managing Director Satoru Suzuki, Director Yoshihiro Morimoto, Director Akio Sato, Director Hideo Shibata, Director Norio Ikegaya, Corporate Auditor Takahisa Tabata, Corporate Auditor Toshihiro Suzuki, Corporate Auditor
Employees	860 (Domestic) 4,954 (Consolidated)
Fiscal Period	December
Yearly turnover	41,500 million yen
Bank reference	Mizuho Bank, Hamamatsu Branch
Manufacturing Plants (Domestic)	Shinohara, Hamakita, Shonai, Miyakoda, Miyakoda kita
Manufacturing Plants (Overseas)	KIV (Ho Chi Minh), KIV2 (Ho Chi Minh), KIB (Hanoi), KIS (Shanghai), KIH (Hubei), KMX (Aguascalientes)
Sales Offices (Japan)	Tokyo, Kanto, Tokai, Yokkaichi, Fuji, Nagoya, Osaka, Kyoto, Himeji, and Fukuoka
Sales Offices (Overseas)	KAC (US - Detroit) KEG (Germany - Dusseldorf) KTG (China - Guangzhou), KTH (China - Hong Kong)

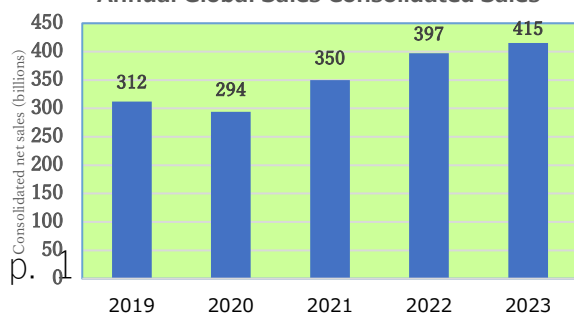


Head office and 5 domestic locations



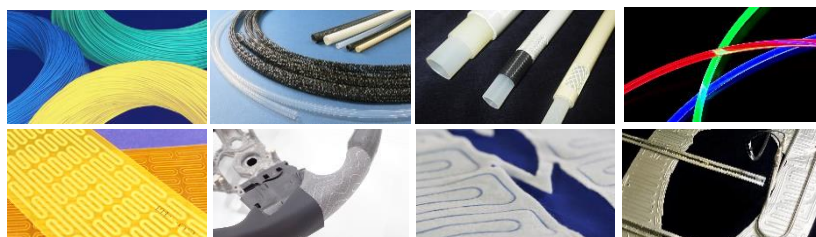
3 plants in Vietnam, 2 plants in China,
1 plant in Mexico

Annual Global Sales Consolidated Sales



41,500 million JPY for 2023

Main Products



Greetings from the President



Our products range widely from special heat-resistant wires that are indispensable in the safe use of electrical equipment even in harsh environments, to heating elements that function safely and optimally in applications that emphasize reliability, such as in automotive applications, to a variety of insulating materials, molded articles, and other niche products making use of unique material technologies developed by KURABE. For more than 80 years, KURABE has shown its creativity and contributed to the development of society.

As human society develops, electricity is used in an ever more diverse range of fields, applications, and new environments. The fields in which we can play an active role grow year by year.

Under the banner of Chemitronics, we will continue to refine our specialized know-how in materials technology, electrical technology, and mechanical design technology, deepen our relationships with leading companies in various industries, and promote global development. As we advance into the future, we will continue to provide high-quality, original products to the world.

Thank you.

KURABE Logo Renewal

On April 1, 2024, we established a new logo that is in tune with today's society and the future.



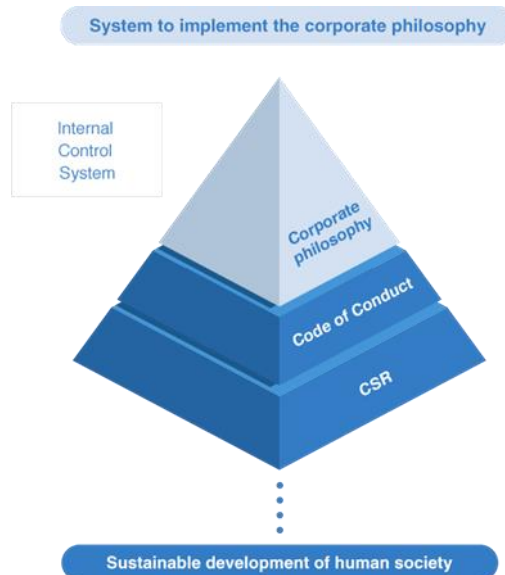
The dark blue color represents the accumulated technological capability and stability of the organization, the dark green color represents the efforts toward a sustainable human society, and the scarlet line represents the passion, challenge, and innovation of the organization, which is created by twisting and fusing the two lines together.

Also, the "K" in KURABE evokes the image of a future that is developing steadily.

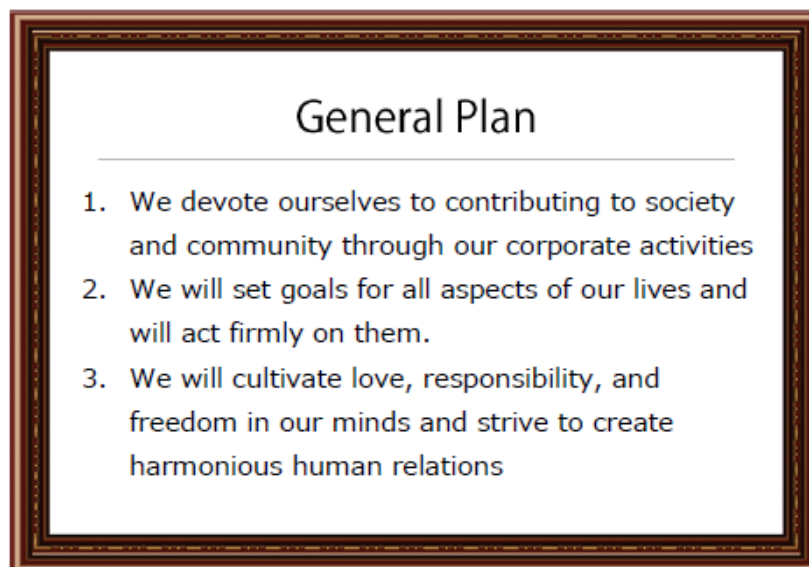
Chip continues to expand globally under the slogan, "We will build fair relationships with all stakeholders for an exciting future society and continue to provide tireless innovation in the form of high-quality products. It is the responsibility of manufacturers to provide innovation to society. We will continue to take on the challenge of further global expansion and innovation with our new logo.

CSR and Environmental Activity

In Accordance with our Code of Conduct and CSR Policies,
We will act in good faith to implement our corporate philosophy.



Corporate Philosophy



Slogan

Being excited about the future of society, we will continue to build fair relationships with all our stakeholders, and will continue to innovate and provide high quality products.

KURABE Group Code of Conduct

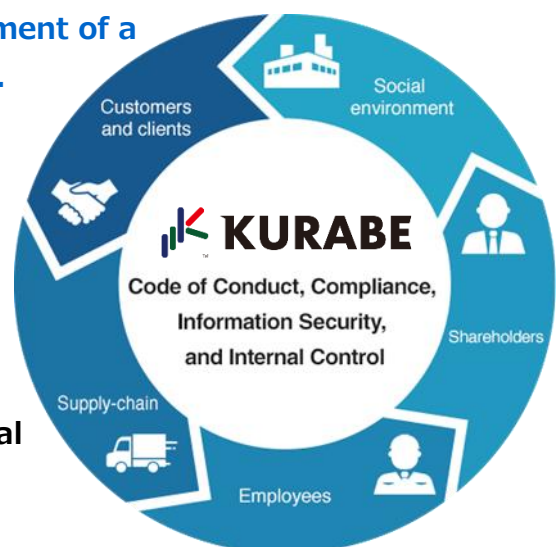
1. We respect human rights in Japan and abroad.
2. We observe laws, social norms, and domestic regulations.
3. Our business and product development activities consider the environment.
4. We provide socially beneficial and safe products and services.
to satisfy customers and earn their trust.
5. We properly manage and effectively utilize tangible, intangible,
and confidential information of high value.
6. We build relationships with our customers, suppliers, and other
business partners that are based on trust, and strive for mutual prosperity.
7. In overseas business development, we comply with international rules, respect
local culture and history, and strive to be a company that is trusted by the
international community.
8. We respect the diversity and individuality of employees, work to eliminate all
forms of discrimination and harassment, and strive to create safe and
comfortable workplaces.
9. We resolutely shun anti-social forces.
10. We contribute to the safety and development of local communities by providing
stable employment and fostering good labor-management relations.
11. We strive to build a strong corporate foundation by pursuing sustainable
expansion of profits.

KURABE CSR Basic Policy

We respect the law and its spirit, observe social norms, meet social expectations, and contribute to the establishment of a sustainable society through our corporate activities.

Key Activities

- For Customers: **Provide Innovation**
- For Supply Chain: **Ensure Fair Trade**
- For Society and the environment: **Foster a Recycling Society**
- For Employees: **Pursuing both physical and mental well-being**
- For Shareholders: **Implementation of Stable Dividends**



Quality Management Policy

The KURABE Group has established a management system to deliver good quality products through all of its development, manufacturing, and sales phases. The KURABE Group is committed to continually improving its systems by implementing PDCA cycles, and is committed to continually providing quality that leads to the peace of mind and satisfaction of its customers.



Quality Improvement Concept and Approach

1. Ensuring Product Safety

We comply with international standards, laws, and regulations of all countries, and employ product design to ensure safety and prevent accidents.

2. Establishment and Operation of a Quality Management System

We will maintain and develop a system to deliver quality products that leads to customer security and satisfaction by establishing and operating a quality assurance system covering all aspects of our organization, including manufacturing.

3. Measures to Address Customer Feedback

Our customers' valuable opinions and requests regarding the quality, delivery time, costs, and other aspects of the KURABE Group's provision are shared with all relevant parties, including top management. All necessary measures will be implemented to improve customer satisfaction and KURABE's value to its customers.

4. Human Resources Development Activities

As part of creating a system to deliver good quality, we are developing human resources mainly by OJT through the operation of our quality management system, strengthening the basis of the operation of the quality management system, and improving the self-education of employees. In addition, our human resource development activities not only provide hands-on experience, but strive to respond to different cultures and achieve results through employee transfers to overseas bases in the KURABE group.

5. QC (Quality Control) Circle Activities

In order to improve quality in the workplace as part of achieving good quality overall, we conduct voluntary quality improvement activities called QC circle activities. The results of these quality improvement activities are announced at our annual presentation meeting held at selected offices and facilities in order to improve our evaluation system and the motivation of our staff.

Quality Management System

Domestic Production Bases (ISO9001)

Site Name	Acquisition Date	Certification Organization	Registration Chapter number
Head office	May 1998	BVC	4627376
Shinohara Plant	December 2002	BVC	
Hamakita Plant	December 2002	BVC	
Shonai Plant	December 2003	BVC	
Miyakoda Plant	December 2003	BVC	
Miyakoda Kita Plant	August 2021	BVC	
Fuji, Kanto, Nagoya, Himeji (office)	June 2017	BVC	
Tokyo, Osaka, Fukuoka, Yokkaichi, Tokai (office)	July 2020	BVC	

Overseas Production Bases (ISO9001)

Site Name	Acquisition Date	Certification Organization	Registration Chapter Number
KURABE INDUSTRIAL (VIETNAM) CO.,LTD.	August 2006	BVC	VN008278
KURABE INDUSTRIAL BACNINH CO.,LTD.	July 2013	BVC	VN009336
KURABE INDUSTRIAL (SHANGHAI) CO., LTD.	December 2004	BVC	41001
KURABE AMERICA CORPORATION	January 2022	BVC	US016453

Overseas Production Bases (IATF16949)

Site Name	Acquisition Date	Certification Organization	Registration Chapter Number
KURABE INDUSTRIAL (VIETNAM) CO.,LTD.	December 2014	BVC	VN008598
KURABE INDUSTRIAL BACNINH CO.,LTD.	August 2017	BVC	VN008490
KURABE INDUSTRIAL (SHANGHAI) CO., LTD.	December 2022	BVC	CN043147

Environmental Policy

The KURABE Group shall operate an environmental management system with the goals of reducing the environmental burden from procurement of parts and materials to use and disposal of products, achieving a sound material-cycle society, and protecting the global environment, will work continuously to improve its performance in these areas.

In our products and business activities, we will take the following measures to reduce the environmental burden.

1. We aim to become carbon neutral through efforts to conserve energy and resources to reduce greenhouse gas emissions.
2. We (1) manage and control the discharge of waste in order to reduce it, and (2) recycle in order to make effective use of resources.
3. We strictly manage hazardous chemical substances in our products and materials.
4. We strive to implement design/development processes that take the life-cycle of our products into consideration.
5. We endeavor to protect the local environment by preventing pollution (air, water, and soil) and noise.
6. We comply with all environmental laws and regulations as well as all other requirements to which we have subscribed. In order to achieve this policy, all employees will set targets for regional environmental protection and strive to continuously improve our environmental management system.

Issues to be addressed

The entire company works to reduce the environmental burden of issues related to each of our production processes.

Development and Design	Environmental Measures/Resource Conservation
▼	
Procurement	Supplier Activities/Chemical Substance Management
▼	
Production	Recycling/Energy Saving
▼	
Distribution	Reduction of waste and improvement of transport efficiency
▼	
Market	Legal Compliance and Risk Management

Environmental Management System (ISO14001)

Production bases in Japan

Site Name	Acquisition Date	Certification Organization	Registration Chapter Number
Head Office	June 2019	JQA	JQA-EM1594
Hamakita Plant	April 2005	JQA	
Shonai Plant	April 2005	JQA	
Miyakoda Plant	April 2005	JQA	
Shinohara Plant	August 2020	JQA	
Miyakodakita Plant	April 2023	JQA	

Overseas production bases

Site Name	Acquisition Date	Certification Organization	Registration Chapter Number
KURABE INDUSTRIAL (VIETNAM) CO.,LTD.	July 2006	SGS	VN21/00175
KURABE INDUSTRIAL BACNINH CO.,LTD.	August 2013	BVC	VN.009335
KURABE INDUSTRIAL (SHANGHAI) CO., LTD.	May 2005	NQA	E5437

Activity Contents

Implementation and Education of Internal Audits

All plants conduct internal audits of ISO14001 operations and chemical substance management. Education is provided to deepen understanding of the operation.

Environmental Survey (domestic)

1.Verification of Industrial Waste Disposal Sites

We confirm that appropriate disposal is carried out by contractors.

2. Supplier Site Location Audits

We conduct audits of our suppliers regarding their chemical substance management and environmental management systems, including RoHS management.

3.Environment Monitoring

Measurements on air quality, water quality, noise and vibration are taken on a regular basis.

Activity Plan (domestic)

Implementation Items	Monitoring Items	Target Values	Relevant Laws and Regulations
Reduction of Industrial Waste Emissions:	Total Emissions	− 1% (year on year)	waste disposal law
Reduction of Plastic Emissions	Plastic Emissions	− 3% (year on year)	Plastic Resource Circulation Act
Improvement of recycling rate	Recycling rate	+1% (year on year)	Various Recycling laws
Reduction of greenhouse gas emissions	Greenhouse Gas Emissions	− 1.5% (year on year)	Act on Promotion of Global Warming Countermeasures
Thorough Control of Chemical Substances in Products	Reduction of Hazardous Chemical Substances	Zero	Chemical Substances Control Law: RoHS regulations



Purchasing Policy

Fair Trade

We practice rational, logical, and optimal procurement methods based on open competition.

Building Sound Business Relationships

We truly value our relationships with our customers, and strive for mutual development and growth.

Compliance with Laws

We comply with the relevant laws and regulations of the countries in which we do business.

Appropriate Pricing, Quality, and Stable Procurement

We set evaluation criteria for the suppliers, including pricing, lead time, quality, technological capabilities, environment, information ability, proposal capabilities, communication capabilities, etc., in order to maintain stable procurement conditions.

Promotion of Corporate Social Responsibility (CSR) Procurement

Our procurement activities take into consideration of important social aspects such as the environment and human rights. We also require our suppliers to practice CSR procurement following these standards.

Occupational Safety and Health Policy

We recognize ensuring the safety and health of our employees in every workplace and in every business activity as our top priority. We will promote the creation of a safe and comfortable work environment.

1. With company-wide safety subcommittee activities led by the CEO at the core, we aim to establish safety and health committees at all locations, we continuously promote awareness, education, and improvement of occupational health and safety with respect to consultation and participation with employees.
2. We conduct risk assessments of facilities, equipment, and chemical substances used, and make ongoing efforts to reduce risks.
3. By complying with the Occupational Safety and Health Law and other labor-related laws and regulations, we aim for a safer work environment by voluntarily establishing standards.
4. We are enriching employee health management through medical examinations and collaboration with industrial physicians
5. We strive to create and maintain a safe and comfortable workplace for people with disabilities and the elderly.

ISO45001

Occupational Health and Safety Management Systems

Obtained at head office and all domestic plants



Information Security Policy

The information held by the company is a management resource, and it is the responsibility of each employee to (1) recognize the importance of information security, and (2) effectively protect and utilize it.

1. We establish and comply with rules to properly protect and manage customer information, our know-how and intellectual property, all confidential business information, and all personal and other information.
2. All employees who handle information will receive education and training about the importance of information security and specific codes of conduct governed by regulations and the "Information Security Handbook."
3. The information infrastructure will be updated to maintain and improve confidentiality and safety. We will also continue to properly learn and incorporate the latest security technologies for the advancement of information technology.
4. We ensure the security of information, and make continuous system improvements, by the conduct of internal audits and other activities of The Information Security Committee.
5. In the event of, or the possibility of, an information leak, we will take every necessary measure to minimize damage and prevent a recurrence.

ISO27001 International Standards for Information Security Management

Obtained for some departments that handle confidential information



Compliance Policy

We, as members of society, respect the law and its spirit, act in accordance with social norms, and aim to be a company that is trusted by the international community.

1. As members of society, all employees shall observe and obey applicable laws and regulations, and act with common sense and responsibility.
2. All employees receive training and education in the Code of Conduct, including laws and regulations, in-house rules, and work regulations.
3. We monitor the status of compliance with internal audits and work to prevent problems in advance.
4. In the event of a problem, we will promptly resolve the situation, clarify the cause, and implement preventive measures.

Support for the Development of the Next Generation

1. Formulation of General Business Owner Action Plan

Under the Next-Generation Development Support Measures Act, business owners are expected to promote the next-generation development support. We will formulate a General Business Owner Action Plan to promote the maintenance of an employment environment necessary to achieve a balance between work and childcare, and will announce this as follows:

2. Planning Period

April 1, 2020-March 31, 2025

3. Targets

Goal 1: Introduction of a system to enable workers to take time off to care for their children
[Measures]

-
- Revision of the childcare leave rules: Employees will be able to take childcare leave in one-hour units. A system will be developed that exceeds the amount required by law, up to 10 days annually.
-

- Internal announcement of system allowing for childcare leave to be taken in one-hour units (communication via administrative communication form)
-

- Revision of the rules concerning accumulated leave (paid)
Revision so that accumulated leave can be used when leave is necessary for the care of a child who is injured or ill for 5 or more working days in a row.
-

- Creation of policy allowing annual paid leave to be taken in one-hour units
-

Goal 2: Introduction of a shortened work time system to expand a diverse set of working options
[Measures]

-
- Interviews with employees regarding the current system, and analysis of results
-

- Revision of childcare leave rules Modifications based on employee interviews.
Expand for using childcare leave from "children under 3 years old" to "children up to preschool age".
-

- Communication of shorter working hours system to employees via in-house newsletter
-

- Hold an explanation meeting with all workers who have returned to work after childcare leave and all workers who are currently caring for children
-

Goal 3: Support of participation in parenting when spouses give birth
[Measures]
Facilitate the taking of parental leave by male employees when their spouses give birth

•Display pamphlets in each department that provide information about childcare leave for male employees.

•Communication via in-house newsletter about the revision of the Child Care and Family Care Leave Law

•Hold a workshop for management

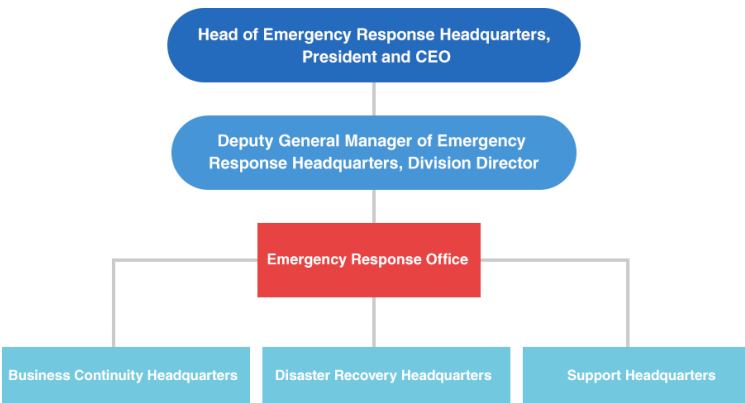
Business Continuity Plan (BCP)

Basic Policy

We establish procedures for responding to unforeseen situations caused by natural disasters, accidents, disruptions, pandemics in electricity and water supply utilities due to war, breakdown of major facilities, problems with parts and raw materials delivery, transportation disruption, fires, earthquakes, typhoons, floods, and/or product quality problems at domestic and overseas bases. The goal of these procedures is to protect the safety of employees, their families, and visitors, ensure the early resumption of business, maintain employment, avoid loss of business opportunities and customers, fulfill supply responsibilities, and protect our credibility with our customers.

Organization Chart

The CEO decides on the establishment and suspension of the contingency response organization.
The organizational chart is as follows.



Internal Control System

1. System to Ensure that the Execution of Duties by Directors and Employees Conform to Laws, Regulations, and the Articles of Incorporation

To provide guidance on compliance with laws, regulations, and the Articles of Incorporation, the company conducts reviews of internal rules and employee rules when needed, and makes the results known throughout the company. In addition, we have established compliance rules and have a system in place for checking compliance.

2. System to Store and Manage Information Related to the Execution of Duties by Directors

Information relating to the execution of duties by directors is appropriately stored and maintained in each department to prevent disclosure of sensitive information in accordance with the rules for the management of confidential information.

3. Regulations and Other Systems for Managing the Risk of Loss

The Board of Directors, the SD (System Design) Committee, the approval system, the design review, and the Production Preparation Council discusses, evaluates, and makes decisions about risks relating to important business matters. If a situation occurs that entails a risk of loss, a committee made up of the relevant departments will be established to deal with it. In addition, we have put together contingency response regulations and business continuity plans (BCPs) and have a system in place to respond to disasters.

4. System to Ensure that Directors Perform Their Duties Efficiently

Periodic meetings of the Board of Directors are necessary for the efficient execution of the duties of the Board of Directors. The Board of Directors holds executive meetings as necessary to respond to changes in the business environment. Also, Corporate Auditors attend project team meetings and other meetings to enhance the efficiency of the execution of the Directors' duties.

5. System to Ensure the Appropriateness of Operations in the Corporate Group Consisting of Our Parent Company, Subsidiaries, and Us

The "KURABE Group Code of Conduct" has been created in order to ensure proper business operations in the corporate group, and a committee has been established for overseas subsidiaries to determine the measures to be taken to resolve problems. In doing so, we respond in a timely manner to issues that we believe require assistance, including business trips to overseas sites.

6. System for Employees to Assist the Corporate Auditors When Required

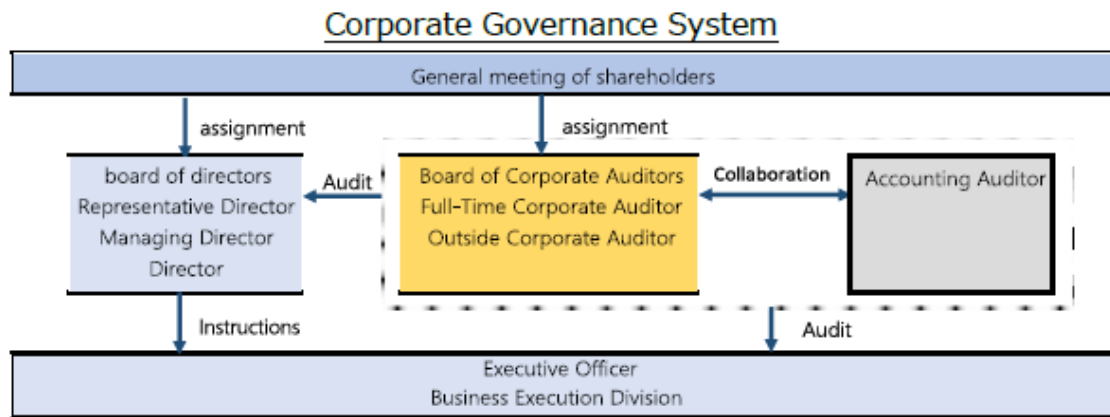
Depending on the contents of the audit, or as the auditor requires, the auditor shall appoint a staff member within the department concerned for assistance.

7. System for Directors and Employees to Report to Corporate Auditors and Other System for Reporting to Corporate Auditors

Directors and employees shall promptly report any violations of laws and regulations or any matters that may significantly harm the Company to the Audit & Supervisory Board members and the Audit & Supervisory Board.

8. Other Systems for Ensuring Effective Auditing by Corporate Auditors

Corporate Auditors attend meetings of the Board of Directors to fulfill their duties, and attend meetings of the System Design (SD) Committee, which are held as necessary. To ensure that audits are conducted effectively, close communication with accounting auditors is maintained. In addition, the audits require the inspection of necessary approval documents, submission of related documents, and interviewing of the parties concerned as parts of the process.



CSR Promotion System



Activity Report 2023



*Shonai Plant office Renovation

For Our Customer



Establishing a Local Production for Local Consumption System

To enhance our global production and sales efforts, we are committed to developing local production for local consumption systems in major global markets.

In 2023, we successfully launched two new plants in different regions.

In 2024, we plan to complete the construction of another new plant in a new region.

KURABE MEXICO INDUSTRIAL S.A DE C.V.

Aguascalientes, Mexico

Established : June 3, 2021

Started Operation : October, 2023

Products: Car seat heaters, Steering wheel heaters

Established a plant in Mexico to meet

We established this plant in Mexico primarily

to meet the demand in the North American market.



KURABE INDUSTRIAL(HUBEI) CO., LTD.

Xiaogan City, Hubei Province, China

Established : June 6, 2022

Started Operation : November, 2023

Products: Car seat heaters

We established this plant in China

to cater to the domestic market demand.



KURABE INDUSTRIAL PHILIPPINES INC.

Lipa City, Batangas, Philippines

Established : July 6, 2022

Plant Completion : November 2024

Scheduled Mass Production Start : July 2025

Planned Production Items: Automotive heaters



※Image of completed plant

Exhibition Room at Miyakoda Kita Plant

Miyakoda Kita Plant houses the engineering units for all our products. It is the hub where KURABE's diverse product range for various industries is developed and designed. Last year, we opened the largest exhibition room within the KURABE Group at this plant. This room features panels and showcases that introduce our technologies and products. It also includes an automobile mock-up where visitors can experience our in-vehicle heaters (for steering wheels, seats, and other interior components), ventilation systems, and light guides.



Solvent-free Tube

Following the "2050 Carbon Neutral Declaration" issued at the Extraordinary Session of the Diet in October 2020, the business community's efforts to address environmental issues, with a focus on ESG management, have become more advanced. In this context, to fulfill our corporate social responsibility as a member of the supply chain, we have ceased the production of solvent-based tubes and developed an environmentally friendly solvent-free tube manufacturing process.

Previously, solvent-based tubes were produced by applying a solvent varnish to the surface of glass or Tetoron yarn sleeves and drying them in a hot-air furnace powered by oil. This process consumed large quantities of organic solvents and petroleum energy. By transitioning to solvent-free tubes, we have significantly reduced the use of both organic solvents and petroleum energy, as detailed below. As a responsible member of the supply chain, we will continue to develop and manufacture environmentally friendly products to fulfill our corporate social responsibility.

Reduction item (unit)	2022	2023	Reduction
Organic solvent (kg)	38,254	12,087	-26,167
Kerosene (L)	207,662	125,273	-82,389
LPG (kg)	44,360	15,842	-28,518
CO2 emissions (t)	650.1	359.4	-291

New Product and Adoption information

Resin Fitting Assembled Hose

Typically, metal fittings are used for faucet hose joints, but KURABE has developed a resin joint using our new technology. Resin fittings are lighter, more cost-effective, and more rust-resistant than metal fittings, making them a product that achieves three key benefits. They are suitable for use in water supply applications in residential facility piping.



Expansion of Solvent-Free Tubes

We have discontinued the production of solvent-based tubes, and most of our customers have already transitioned to our new solvent-free tubes.

In 2023, the production volume of solvent-free tubes reached 2.44 million meters.



Expansion of Car Seat Heater Adoption

We are intensifying our efforts to globally expand our car seat heater business, which has primarily been adopted by Japanese and European automakers. Recently, an European automaker has decided to incorporate our products.



Logistics Improvement Initiative



Addressing the 2024 Logistics Challenges

We are implementing the following measures to enhance the working conditions for truck drivers:

(1) Truck Loading Areas and Container Yards

Installed 13 truck loading areas and 2 container yards.

(2) Optimized Truck Arrangements

Using a Warehouse Management System (WMS), we have optimized the number and size of trucks.

(3) Forklift Availability

Seven forklifts (4 dedicated for loading and 3 spare) are available for use.



These improvements have resulted in zero waiting time for drivers and the timely completion of loading tasks.

Enhancing Marine Transportation Efficiency by Increasing Loading Ratios

To improve container loading efficiency for our main products, we assessed the feasibility of increasing the stacking height of corrugated boxes from 6 tiers to 7 tiers by revising work procedures.

As a safety measure, we appointed a bulk loading safety officer and conducted transportation tests to ensure there were no quality or safety issues. This initiative improved the container loading rate by 17% and reduced the number of containers used by 4 to 6 TEU per month, leading to a decrease in CO2 emissions.



7-tiered stacks

6-tiered stacks

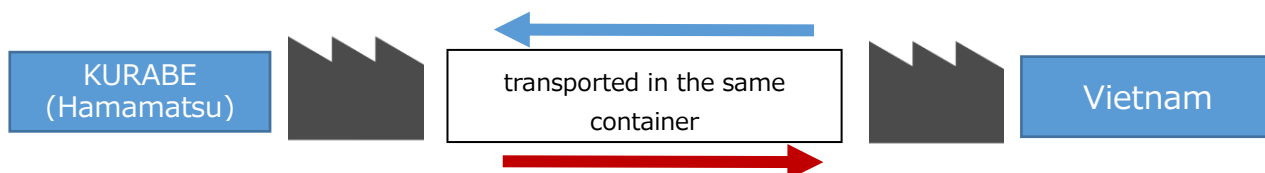
Elimination of 20-Foot Containers

We have ceased using 20-foot containers by adjusting the number of orders and delivery schedules for transactions among our overseas group companies. This initiative began in February 2023 and by November 2023, we achieved a reduction of 89 TEUs. This improvement has enhanced transportation efficiency and reduced CO2 emissions by approximately 2 tons.

Contributing to Society through Container Round Use (CRU)

Last year, we implemented Container Round Use (CRU) within Japan, collaborating with local companies. This year, we extended CRU to our overseas group companies. Previously, containers exported from Japan to our Vietnam plants were not used for CRU due to inconsistent shipping schedules and different shipping companies. However, we have resolved these issues and successfully implemented CRU with our Vietnam plant.

The CRU was implemented for 64 TEUs from July 2023 to December 2023. This initiative has contributed to the elimination of driver shortages, reduction in drivers' working hours, decrease in CO2 emissions, and alleviation of container shortages.



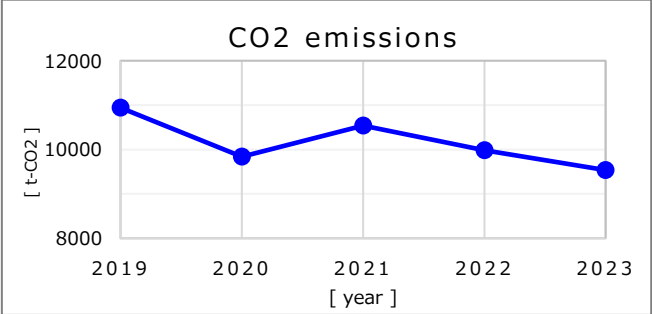
For the Environment

① Report on Environmental Impact Reduction Activities in Our Products and Business Operations

We are committed to reducing CO2 emissions to achieve carbon neutrality.

Calculation: All Domestic Business Offices

Year (Jan-Dec)	CO2 Emissions [t-CO2]	Compared to 2019
2019	10,941	-
2020	9,835	-10%
2021	10,535	-4%
2022	9,980	-9%
2023	9,536	-13%

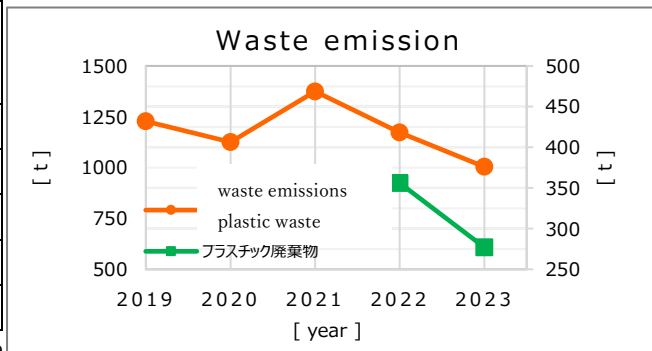


②Waste Emissions

We are reducing waste emissions to minimize environmental impact.

Calculation: Head Office and All Domestic Plants

Year (Jan-Dec)	Waste emissions [t]	Plastic Waste [t]	Compared to 2019
2019	1,228		-
2020	1,125		-8%
2021	1,375		12%
2022	1,173	356	-5%
2023	1,004	277	-19%



※In 2021, waste emissions increased slightly due to the relocation of the new Miyakoda-Kita plant.

③Large-Scale Solar Power Operations

Domestic Plants

In addition to the Miyakodakita and Hamakita Plants, solar power generation began at the Miyakoda Plant in May 2023.

Miyakodakita Plant (Operational since 2021)

Hamakita Plant (Operational since 2022)

Miyakoda Plant (Operational since 2023)



Overseas Offices

KIS (Operational since 2023)

KIH (Operational since 2022)



Solar Power Generation (3 plants in Japan)

Results for 2023: 1,140,938 kWh (443 t-CO2)

Target for 2024: 1,305,382 kWh (599 t-CO2)

Solar Power Generation (2 overseas plants)

Results for 2023: 153,265 kWh (67 t-CO2)

For Employees

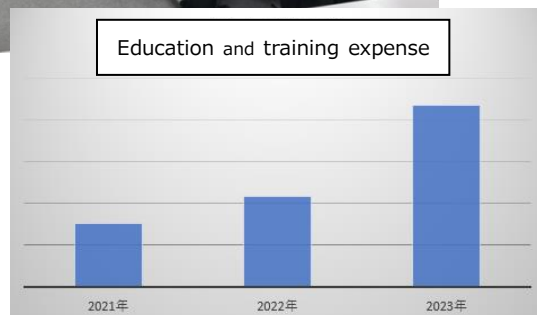


Enhancement of Education for Human Resource Development

We have cultivated an environment where employees can challenge themselves by offering position-specific training, necessary skills for their work, and opportunities to acquire skills they wish to learn. The number of employees receiving training has increased, as have education and training expenses each year.



Education and training expense



Introduction of Defined Contribution Plan (Elective DC)

In response to numerous employee requests, we revised our wage rules and introduced a new defined contribution pension plan (elective DC) in June 2023. This plan is available not only to full-time employees but also to part-time employees. At the plan's inception, we provided comprehensive explanations and investment education to all eligible employees.

KIV Company Trip

KIV company trip, which is held biennially, could not be conducted during the COVID-19 pandemic. However, approximately 500 employees participated in the recent two-day trip, fostering deeper interactions among them.



Labour Relations

We respect the rights of workers and prioritize resolving issues through labor-management cooperation. We maintain a labor agreement with the KURABE Works Union, built on a foundation of high trust. This agreement facilitates sincere discussions on issues that need resolution and guides the company's direction to foster a good relationship with the union. Additionally, we hold "labor councils" which serve as forums for dialogue and discussion with the union regarding employee health, safety, and overall treatment. Through these activities, we are committed to improving the workplace and systems to create a comfortable working environment for all employees.



For Society



High School Visit and KURABE Plant Tour

In February and June 2023, we hosted a high school visit and a tour of our Miyakoda Plant for 36 students from the System Science Department of Hamamatsu Kogyo High School. During the February visit, we provided an introduction to KURABE, followed by a presentation from an alumnus employee about their job. We also conducted a hands-on workshop where students could interact with our products, such as car seat heaters, steering wheel heaters, hoses, and light guides. In June, following the high school visit, we conducted a factory tour at the Miyakoda Plant, where students observed the ceramic heater and etched foil heater processes. Moving forward, we aim to continue such interactions with high school students, striving to be a company that contributes positively to society.



Emergency Drill with Local Community Associations

In October 2023, we conducted an emergency drill in collaboration with the local community association around our head office, an activity that had been delayed due to the COVID-19 pandemic. As the head office is designated as a tsunami evacuation site, the drill focused on confirming evacuation routes in case of a tsunami and providing information about the evacuation site. Eleven people, including the leader of Takatsuka Group 4, participated in the drill. We will continue to conduct emergency drills in cooperation with local community associations in the future.



Donation for Noto Peninsula Earthquake in 2024

We donated 2 million yen through the Ishikawa Branch of the Japanese Red Cross Society to Ishikawa Prefecture, which was severely damaged by the Noto Peninsula Earthquake on January 1, 2024. We extend our deepest sympathies to those affected by the Noto Peninsula earthquake and pray for their swift recovery.

Cross-Industry Participatory Group Discussion

At the 14th Annual Meeting of the Seirei Nursing Society held in September 2023, a cross-industry participatory group discussion was held on the theme of "Creating New Businesses from Cross-Industry Collaboration." Participants shared challenges and R&D issues faced in the nursing field and discussed future prospects for realizing monozukuri (manufacturing). We aim to further strengthen this collaboration to build the future of nursing together.



Respect for Human Rights

As our activities expand globally, we at KURABE Group have developed a Human Right Policy to clarify our basic actions. We comply with the laws and regulations of all countries and regions, respect internationally recognized human rights, and investigate and mitigate negative impacts on human rights.

KURABE Group Human Rights Policy

We comply with the laws and regulations applicable to the countries and regions in which we operate, respect human rights as stated in International Bill of Human Rights, including the Universal Declaration of Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

We support the Guiding Principles on Business and Human Right and the ten principles of the UN Global Compact, and we strive to respect human rights based on these principles.

1. We promote human rights due diligence to identify, prevent, and mitigate human rights risks within the company and in the supply chain. We require our suppliers to respect human rights in accordance with the KURABE Group CSR Purchasing Guidelines.
2. We strive to enhance understanding and interest in human rights through communication with our employees, business partners, local communities, and other stakeholders. Additionally, we establish a contact point for consultation and complaints regarding human rights violations, discrimination, and harassment, and we build a system to address such complaints.
3. If it becomes clear that our business activities are causing negative human rights impacts or contributing to human rights violations through our supply chain or business relationships, we will work to correct and remedy the situation through appropriate procedures.
4. We provide the necessary education and skill development to ensure that every employee understands and practices this policy.
5. We regularly evaluate the implementation and results of this policy and make continually make improvements. We will also disclose the details of our activities in various reports and on our website.

We identify the following as the main human rights issues related to our business activity.

Prohibition of Forced labor

We strictly prohibit forced labor and human trafficking. We ensure that employees are hired voluntarily and can leave employment freely.

Prohibition of Child Labor and Consideration for Young Workers

We strictly prohibit child labor and ensure special consideration for young workers. We do not employ individuals below the minimum working age as stipulated by the laws and regulations of each country or region. Employees under 18 years of age are not employed in roles that could impair their development.

Consideration for Working Hours

We ensure that employees do not work beyond the limits set by the laws and regulations of each country or region. We manage working hours and holidays appropriately, taking international standards into account.

Appropriate Wages and Benefits

We comply with the laws and regulations of each country and region, striving to provide our employees with better working conditions for an improved quality of life. We ensure payment of at least the legal minimum wage and do not unreasonably reduce wages.

Prohibition of Inhumane Treatment

We do not engage in inhumane treatment, including abuse, physical punishment, or various forms of harassment. We respect the human rights of all our employees.

Prohibition of Discrimination

We prohibit discrimination of any kind in all aspects of employment, regardless of race, color, age, gender, ethnicity, nationality, religion, pregnancy, or any other factor, to achieve fairness and equal opportunity. We also respect the individuality and diversity of our employees and promote an environment where each employee can fulfill their potential.

Freedom of Association and the Rights to Collective Bargaining

We respect the right of employees to organize as a means of achieving labor-management consultations on the working environment and wage levels, in accordance with the laws and regulations of each country and region.

Safe and Healthy Work Environment

We place the highest priority on the safety and health of our employees and providing a work environment where they can continue to work with peace of mind.

Respect for the Rights of Local Communities and Indigenous Peoples

We understand the culture and history of local communities and conduct our business activities in a manner that respects the rights of local residents to prevent negative impacts on their safety, health, and environment. In areas where indigenous peoples exist, we respect their rights as stipulated in international agreements.

KURABE INDUSTRIAL CO., LTD.
Takenobu Kanazawa, President & CEO
November 1, 2023