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Management Vision

We deliver "Surprise", "Good Impression", and "Comfort" to as many countries/customers as possible in a speedy and timely manner through our package design, packages and services.

Also, we will aim to be an excellent company by strengthening the trust of stakeholders and corporate value.

Company Profile

Company Name KANEPACKAGE CO., LTD.

Establishment September 29, 1976 Capital 50,000,000 JPY

Number of Employees 750 (including employees of affiliates)

Business Lineup •Design, testing, manufacturing and sale of various

types of cushioning products

•Sale of corrugated boards and packages used for

office appliances, such as Soft Pack

•(Management of export kit products, packing and

total distribution services)

Directors

Chairman Sakutaro Kanehira
President Yoshikazu Kanesaka
Managing-Director Kenji Takamura

Greetings

We, the KANEPACKAGE Team, under the motto "Giving "Surprise", "Good Impression" and "Comfort" to all our stakeholders," promote our "Package" technology and offer the "Dream Package" that not only holds the "Product", but also carefully holds the "Heart" of customers and cleans the air, to as many people as possible.

This year, we have caused inconvenience to all of you in the reconstruction of our head office building. But thanks to all of you, we finally completed the building at the end of July. Our new building, situated in a field that grows Sayama tea, is in harmony with nature and has generously applied passive design that is friendly to the environment and to people. Further, we have reinforced our research and development (R&D) initiatives, and in line with our push to promote the Internet of Things (IoT), we have built a system that will let people inside and outside Japan view online the status of testing and evaluation on a real-time basis. We will be pleased if you can drop by when you come visit us in the near future.

The mangrove planting project that began as our CSR activity marked its eighth year this year, with the number of mangrove trees that we have planted exceeding 9.3 million to date. With that, we are now seeing the signpost toward our targeted 10 million mangrove trees. We are currently in our fourth island in the Philippines. At the end of last year, we donated the third school to an island that cooperated in our mangrove planting project. This year, we, as the "KANEPACKAGE Mangrove Fund", also took part in the "Kanmuri Shogakukin Kikin" (Kanmuri Scholarship Fund) of Saitama Prefecture. Further, we joined the prefecture's program on fostering global human resources.

Moreover, each and every one of our employees in Japan and overseas has actively participated in our CSR activities, including performances and exchange by our handbell team in homes for the elderly and hospitals, participation in and donation to charity marathons (domestic and overseas), blood donation (by employees in Japan and overseas), volunteer cleanup activities, and visits to foster-care homes, as well as continued support for the Great East Japan Earthquake recovery efforts and Kumamoto earthquake reconstruction initiatives, acceptance of interns at foreign subsidiaries, donation of stationeries to schools, holding of Christmas parties at children's cancer wards, giving of Christmas presents to orphans from employees, and holding performances for children.

Steadily, we take steps one at a time, with a heart full "omotenashi" (service and hospitality) spirit and devotion toward the next and new era. We look forward to your continued guidance, patronage and encouragement for many years to come.

July 2017
KANEPACKAGE CO., LTD.
President / CEO, Yoshikazu Kanesaka



Here are our activities in the past year.

















"Toward the Future" - Introduction of New Company Office Building

Old Building



Exterior



Operations Office



Employee Entrance



Engineering Room



Display Room

Ground-breaking Ceremony





On September 30, 2016, the ground-breaking ceremony was solemnly held in KANEPACKAGE CO., LTD. Pictured are Chairman Kanehira (left) holding the hoe to break the ground with, and President Kanesaka (right) offering a "tamagushi" (branch of a scared tree) to the gods.

New Building

The newly constructed building that is environment-friendly to its surroundings and to the people has been completed for the new century!

The completion ceremony was held on July 28, 2017 and we moved in the next day. Armed with a new feeling from the new building, all our employees will continue to give our customers the same brand of "Surprise", "Good Impression", and "Comfort".



Exterior of the new building



First floor



Second floor



Front exterior



Complete view of the new building from above



Report on the Mangrove Planting Project

•16th Mangrove Planting Tour

We held the 16th Mangrove Planting Tour on October 21 (Fri) - October 24, 2016 (Sun).

We arrived at the Mactan-Cebu International Airport on the evening of October 21st and on the second day, we went to the mangrove planting area in Olango Island by boat and then planted the mangroves. With five employees from Mikado Denshi, the company that installed the vending machine that helps in mangrove planting, joining the tour and employees from our company, there were a total of nine participants from Japan. Meanwhile, around 30 people planted the mangrove trees, including the participating employees from our overseas bases.



Oslob tour





Mangrove planting

A Gift to Blue Earth

+02 Mangrove Planting Project

(as of June 30, 2017)
Number of mangroves planted

9,643,890 trees

(275 3ha

Roughly the same size as 59 Tokyo Domes



Mangrove planting participants



Souvenir photo of tour participants

Report on the Participation in the "Saitama-Cebu Manufacturing PersonnelFostering Project"







Mangrove planting

We joined the "Saitama-Cebu Manufacturing Personnel Fostering Project" sponsored by Saitama Prefecture that was held at Olango Island, Philippines on October 21, 2016 (Monday).

In line with the initiative to foster human resources this fiscal year, we held an interactive lecture at Olango Island which is near Cebu in the Philippines. On the same day, we conducted a lecture on the environment and mangrove ecology for about 100 students from the University of San Jose-Recoletos and the University of San Carlos that are both in Cebu. We planted 1,000 seedlings of the Avicennia Manina (mangrove tree), an endangered species in Japan that our company successfully grew artificially for the first time in the world.



Souvenir photo of the mangrove planting participants





Souvenir photo of the mangrove planting participants

Opening a new factory in Mexico

On January 4, 2017, we established KANEPACKAGEMEXICO, S.A. de C.V. in Guanajuato, Mexico. This company mainly manufactures packing materials for automotive parts, as well as designs, tests and produces reinforced corrugated sheets, foldable plastic reusable shipping boxes, vacuum trays and other high-value added products using local materials.







Establishing the Kashiwa Branch/ Kashiwa KP Warehouse

In May 2017, we established a new branch in Kashiwa City, Chiba Prefecture. This base handles all logistics and distribution aspects for medical equipment/precision equipment and other products, from packing, up to warehousing and transport. It offers a wide array of services that customers want toward the reduction of their management load and costs.







Upgrading Testing Equipment and Facilities



(Biaxial simultaneous vibration testing machine)

- ◆Table size :1,200×1,200
- ◆Max. loading weight : 200kg





[Vibration testing machine]

- ◆Table size :630×630
- Max. loading weight :130kg



[Constant-temperature high-humidity cabinet]

- ♦ Operable ambient temp. range $:+5\sim+35$ °C
- ◆Temp./humidity range :-25~+100°C



[Drop test machine/high-speed camera]

- ♦Min. drop height: 100mm
- ◆Max. drop height: 1,000mm
- ◆Max. loading capacity: 50kg
- ◆Shutter speed: 230,000 frames/sec



[Portable 3D scanner]

- ◆Precision: 0.040mm
- ◆Resolution: 0.100mm
- Measurement speed: 205,000 measurement value/sec



(Compression testing machine)

- ◆Compression plate dimension: 1.000×1.000
- ◆Initial load: 196N, 392N

We strive to improve and upgrade our testing equipment in order to address theneeds of our customers. In 2016, we introduced high-speed cameras and biaxialsimultaneous vibration testing machines. In 2017, we will install compressiontesting machines and portable scanners in order to reproduce the transportenvironment that is closest to the actual condition, thereby giving "Surprise", "Good Impression" and "Comfort" to our customers.

Report on Customer Satisfaction Survey

KANEPACKAGE CO., LTD. conducted a survey for the purpose of further boostingcustomer satisfaction and improving its products and services.

Total number of questionnaires sent: 120

Total number of questionnaires answered: 120

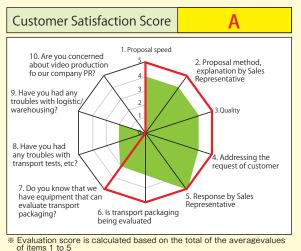
Questionnaire response ratio: 100%

Ranks: 20-25 points: A

15-19 points: B

0-14 points: C

TOTAL		Question naires sent	120	Question naires answered	120	Question naire respons erate	100%
	Opt.	1pt.	2pt.	3pt.	4pt.	5pt.	Average
1.Proposal speed	0	1	3	29	55	30	4
2. Proposal method, explanation 2. bySales Representative	1	0	1	21	45	51	4
3.Quality	0	3	11	38	54	11	4
4. Addressing the request of customer	0	2	17	33	49	16	4
5. Response by Sales Representative	0	0	1	9	37	70	5
6. Is transport packaging beingevaluated?	15	9	6	22	19	42	3
7. Do you know that we haveequipment that can evaluatetransport packaging?	27	2	5	11	14	60	3
8. Have you had any troubles withtransport tests, etc?	46	11	8	23	10	17	2
9. Have you had any troubles with logistic/warehousing?	41	14	14	21	9	19	2
10. Are you concerned about video production fo ourr company PR?	95	12	4	2	0	1	0
Total Score:							



Opinions/Requests from Customers (Partial Excerpts)

- Please cooperate with us in our move to shift to small-lot delivery. (Company A)
- If you search the Internet, you will see that there are many sites that sell packing material-related products. While I think you will be facing tough competition with these traders in the future, I thinkit would be best if you promoted your difference from other companies, including your environmental activities. (Company I)
- The cost of packing is quite high. It may be difficult because the specifications are not clear andthe volume is small, but it would help us a lot if you can determine the cost early on and suggestways to reduce costs. (Company P)
- Our order quantity is just several hundred pieces, so it may be small, but we want you to suggestcheaper products. (Company O)
- Reinforcement of quality system. Packing for overseas shipments. Packing materials that can be eused repeatedly. (Company R)
- I think that the issues and improvement points that arise after actually using it will continue toemerge in the future. We would appreciate if you can team up with us in studying the best materials and plan to address the situation. We look forward to doing more business with you in the future. (Company S)

Based on the results of this questionnaire, we got a lot of valuable feedback fromour customers. We value each of these opinions from our customers, and use them to build a more detailed system that meets their expectations in the future, towardproviding "Surprise", "Good Impression" and "Comfort" to all our customers.

Report on Activities (August 2016 - July 2017)



Report on Appearance in the **RegionalInnovation/Technical Partnership Exchange**

Oct 2016 We took part in the Regional Innovation and Technical Partnership Exchange sponsoredby the Technology Advanced MetropolitanArea Association (TAMA Association) thatwas held at Nakano Sun Plaza on October 7,2016 (Fri)





Report on Appearance in the 17th **Business Fair from TAMA**

Nov

We ran a booth at the 17th Business Fair from TAMAthat was held at the Tokyo Dome City/Prism Hall on November 2, 2016 (Wed). At

the opening ceremony,our President Kanesaka lead the cutting-ribbon togetherwith the guests. Similar to what we did last year, we teamed up with thestudents of the Career Experience Course of HoseiUniversity again this year, and they suggested plans forthe booth from the planning stage. booth from the planning stage. We would like to thank the many guests who visited ourbooth at

the event.







TOKYO PACK 2016 Exhibit

2016

Our product that won the Appropriate Packaging Awardin the 2016 Packaging Contest at the TOKYO PACK2016 - 2016 Tokyo International Packaging Fair -,which was held at the Tokyo Big Sight for four days onOctober 4 - 7, 2016 (Tues-Fri), was displayed inside theGood Packaging







19th Industry Exchange Exhibition for 2016

We reported on the state of the first day of "Industrial Exchange Exhibition 2016" held at Tokyo Big Sight for 3 days in Oct.31 (Mon) -Nov. 2 (Wed).





BIZ SAITAMAReport on Participation in the Saitama CityIndustrial Exchange **Exhibition 2016**

We joined the BIZ SAITAMA - Saitama City IndustrialExchange Exhibition 2016 that was held in SaitamaCity's Sonic City Building on Nov. 14-15, 2016 (2days).



technical innovation CSR Report 2016.8-2017.7

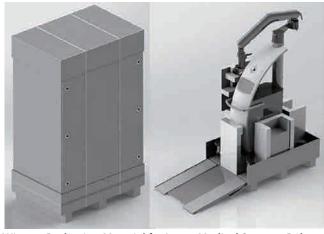
状 適正包装賞 大型医療支援口水小用相包材。 カネハッケージ株式会社 殿 全性のは単10回 8・・・ケーシング コンテストとおいて火塩さりました のではにも大利します **创** 1000年100日本生教技術協会 ▶ * 浅野 茂太郎

Appropriate Packaging Award at the 2016 **Japan Packaging Contest**

Winning the Appropriate Packaging Award at the 2016Japan Packaging Contest

The "Packaging Material for EMARO", a productthat we developed for Riverfield Inc., won theAppropriate Packaging Award at the 2016 JapanPackaging Contest that was held at the Tokyo GardenHotel on August 30, 2016 (Tues).





Winner: Packaging Material for Large Medical Support Robot

This is a packaging material for large robots that does not needwood frame packing. The slope and inclined board for packingthe product can be stored inside the box, so products that areabove 100kg can be packed by two persons. It may be extremelylarge in size, but it can fit in an elevator and offers superiortransportability.





Holding the 6th KP Group Design Contest

Oct 2016

We held the 6th Design Contest at KPPI (Philippines) on October 21, 2016 (Fri). One that day, teams ofdesign engineers from Japan, Philippines, Thailand, Vietnam and Indonesia competed with their latest technical innovations. Based on the result of rigorous judgment, the winning team of the 6th Design Contest was the "corrugated sheet tray cushioning material" by the KPPI team. We will continue to capitalize on our global response capabilities and strive to further improve our design capabilities. strive to further improve our designcapabilities.

Champion: Corrugated sheet cushioning material(KPPI)

2nd Place: Shifting to corrugated sheets, from iron crate, for CKD motorcycle frame cushioning material (KPIN)

3rd Place: Packaging material design with an allowableimpact value of 30G or less (KPJP)





The best returnable box for hauling heavyobjects

This is the best returnable box for carrying heavy objects!

• Uses lightweight and durable plastic corrugated sheet.
Convenient to carry and move around.

• Comes with a slope for product storage, and it can be

- storedinside the packaging.



Purpose: Returnable box for transporting heavy load Dimensions 520×350×900 Weigh: Approx. 70kg Material: Plastic corrugated sheet (interior/polyethylene foam)

Cushioning material to prevent breakageaccident during transport

For companies worriedabout damage to largeelectronic equipmentduring transport.

- •We will offer cushioningmaterials that address thetransportationrequirem ents of customers.
- It will reduce transportand packaging materialscosts based onaccumulated designtechnology.

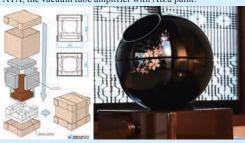
Purpose: Cushioning materialfor export of large electronicequipmentDime nsions: 600×600×600 Weight: Approx.35kg Material: Polyethylene foam

(PE), pallet plywood



The best box for packing audio equipment

Used in the AYA, the vacuum tube amplifier with Aizu paint!



- Packaging is designed in such a way that the cushioning material is reinforced to avoid scratches onthe product, and forwithstanding strongimpact
 • It can be used foroverseas transport

Purpose: Packing box for audio equipment Weight: Approx. 11.7kg

Dimensions: 300 x 395 x 300 Material: Corrugated sheet (interior material/foam EPE 38x, urethane)

Transport box that can be reused for a long period of time



Purpose: Transport box for electric/precision equipment's repair partsDimensions 324×245×55

Weight: Approx. 360g Material: Sumiceller (interior material/urethane foam)

It is the best returnable box fortransporting electric andprecision

- equipment.
 Uses a special coat on thewhole surface. Stays cleanwithout adhesive residue andpaper residue.
- Uses Sumiceller Superiorflexibility and impactresistance. Uses urethane foam
- (bottom: profiled) in interiormaterials.
- · Guaranteed security withspecial key

Container/rack for product transport and storage

This "Mobile Container Rack" isrecommended for improving timeand work efficiency!

- Eliminates wasted space, greatly improves storageefficiency
- No hand lifting required.
 Timefor carrying in and out issignificantly shortened.
 Purpose: Product transport/stocking Dimensions: 1100×600×1700 Weight: Approx.15 kg Material: Steel



Cutting technology for EPS moldedproducts

Even processed samples of expanded polystyrene (EPS)molded parts can be done

• EPS block can be cut out from 3D data with a large cuttingmachine, and molded product samples can be fabricated.



Purpose: Processing molded samples Weight:

Dimensions: -Material:Polyethylene foam

Packing box that is resistant to collapse/damage duringtransport

For companies that are worried about accidents (breakage/damage)

when precisionequipment is in transit.

• This is the proposed packaging material that can transport precision equipmentsafely, even for export.

• We will provide you with

satisfactory specifications by reproducing the harshtransportation environment with the help of our extensive testing and evaluationequipment.





Purpose: Returnable box for exporting precision equipment Dimensions: 500x500x500 Weight: Approx. 5kg Dimensions: 500x500x500 Weight: Appro Material: Plastic corrugated sheet (outer case), polyethylene foam (inner material)

CSR Report 2016.8-2017.7

Lecture at the Iruma City Society of **Commerce and Industry**

President Kanesaka gave a lectureon the theme "Our Company's Global Expansion -From Irumato the World -" at the members'meeting and New Year's party ofthe Iruma City Society of Commerce and Industry on January 18, 2017 (Wed).





Lecture at the JohokusaitamaJunior and Senior High School

After a request was received inline with the "Seishonen Sekai eHabatake! Ikuseijuku Jigyo (Tothe World of the Youth!Fostering School Project)" beingpromoted by the Youth Section, Prefectural Living Department of Saitama Prefecture, PresidentKanesaka gave a lecture at theJohokusaitama Junior and SeniorHigh School on February



Feb

2017





Lecture at Enryo Inoue's TetsugakuJuku in Toyo University

On December 3, 2016 (Sat), PresidentKanesaka held a lecture aimed atbuilding "self philosophy", which willserve as judgment criteria amid theprogress in globalization, at EnryoInoue's Tetsugaku Juku

at the HakusanCampus of

Toyo University.





Lecture on "Service Management Company "at Meiji University School of Political Science and Economics

President Kanesaka held a lecture on "Service ManagementCompany" at his alma mater, the School of Political Science and Economics at Meiji University, for two weeks on June 6-13, 2017.

2016









Fire drill at the Ome Branch

We held our annual fire drill atthe Ome Branch on October 13,2016 (Thurs).



contribute to commun

CSR Report 2016.8-2017.

Providing helmets made fromcorrugated sheets

May 2017

We were consulted bythe Iruma ToshiKaihatsu Co., Ltd. andwith that, we providedhelmets made fromcorrugated sheets asdecor that fits theseasonal decorations atthe entrance of a movietheater in Iruma



Donating corrugated boxes to the Iruma Child-Raising May **Festival**

We donated corrugatedboxes again this year to the10th Child-RaisingFestival 2017 (sponsoredby the Iruma KosodateFestival Committee) thatwas held at the SeibuShimin Undojo (SeibuAthletic Park) at the IrumaCity Seibu CommunityCenter on May 28, 2017(Sun).



Accredited as a "companypracticing diversity at work" inSaitama Pref.

in FY2016

Our company was certified as a"company practicing diversity atwork" at the FY2016 FirstAccreditation Companies beingpushed by Saitama Prefecture.



将去他多様な働き方言組合金 カネバッケージ株式会社 様 **** FBMA: *623F233(IL)4 xar; reserved and the ********

Accredited as a company practicing diversity at work in Saitama Prefecture

Books donation to Manipis daycare school and San Vicente in Olango Island, Philippines

July 2017

On July 7, 2017, we donated textbooks and schools supplies to 93 kids enrolled in day care schools (school buildings donated by Kanepackage) in Tanjay, Negros and Olango Island, Philippines. These islands also have established mangrove plantation sites







employment support

Joining the Vietnamese Foreign StudentsJob Fair

We participated in BIZ SAITAMASaitama City Industrial ExchangeExhibition 2016 Nov that was held atSaitama City's Sonic City 2016 Building on November 14-15,2 016 (2 days). At theexhibition and business convention, wemarketed our company's technicalprowess and characteristics, andmanaged to map out exchange withmany other participating companies.



Attending the Saitama Pref. **OverseasInternship Return-to-Home Country ReportConference**

Nov 2016

On November 29, 2016 (Tue), President Kanesake attended the reportpresentation conference that was held at the Overseas Internship Return-to-Home Country Report Association. The event was also participated by Saitama's Vice-Governor Iwasaki, at the Saitama Chiji Kokan (SaitamaGovernor's Hall).





Taking part in the presentation of the results ofcareer experience course at Hose University

Dec 2016

On December 16, 2016 (Fri), we participated in the "Career ExperienceCourse C- Course Results Report Presentation" of the Career DesignDepartment that was held at Hosei University.



Our past award winning

2013

October

Received the "Award of Excellence" in the 11th Courageous Management Awards sponsored by the Tokyo Chamber of Commerce & Industry

November

Accredited as a "TAMA Brand Company" at the "6th TAMA Industry -Academia-Government-Finance Summit" hosted by the TAMA Industrial Vitalization Association Inc., and received the "Mangrove Environment Preservation Award"

December

Received the "International Contribution Category" award at the "Minister of the Environment's Global Warming Prevention ActivityAwarding Ceremony" hosted by the Ministry of the Environment

2014

February

Received the Saitama Pref.'s Saitama Global Awards (Investment Toward the Future Category) and appointed as the "Saitama Goodwill Ambassador

February

Received the 11th "Corporate Philanthropy Award" form the Japan Philanthropic Association, a non-profit organization

March

Received the "FY2013 Service Management Company Selection"sponsored by the Ministry of Economy, Trade and Industry

April

Received the 23rd "Global Environment Award" and "EnvironmentalMinister's Prize" sponsored by Fujisankei Group

April

Received the 10th "Saitama Challenge Company Managers Award" and "Special Award" sponsored by the Saitama Sangyojin Club

May

Chairman's letter of appreciation from the Saitama Prefectural Federation of Societies of Commerce and Industry

2015



Winner of the Judges' Honorable Award at the 17th Green PurchasingAwards

August

Winner at the 2015 Japan Packaging Contest

The history of our prizes

2016



Attended the awarding ceremony for the 33rd Excellent January **Managers Awards**



Received a Certificate of **Appreciation from the Irumashi** Jigyosho Bouhan Kyogikai

June





Received commendation at the 46th Social **Contributors Awards**

July

Received the Grand Prize at the 4th Venture and Small/ **Medium-ScaleCompanies' Global Awards**

July





2017

Awarded a Certificate of Appreciation from the January Nohmi Bosai Ltd.





May

Awarded a Certificate of **Appreciation for the Kanmuri** scholarship fund at the "SaitamaHatsu Sekai Yuki"



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