

CSR Policy

U-Shin has set its management principles,

“Earn trust as an individual, Earn trust as a company, And thrive in competitiveness.”

We are enhancing governance as well as legal compliance in Japan and overseas, responding to expectations of all the stakeholders who are involved in our business, striving to continue being “A very trusted company”.

In addition, as a global company, we are aiming to contribute to the stable and sustainable development of society through business activities.

1 Personnel Development

We are pursuing the personnel development in which each and every employee is able to contribute to society through pleasant and fulfilling business activities.

2 Company Development

We continue to develop and provide products which meet customers' expectations to live the life with safety and comfort. Throughout building fair, just, and transparent relationships with all stakeholders, we endeavor to conduct corporate activities complying with relevant laws and ordinances in Japan and overseas.

3 Environmental Consideration

We continue to make efforts to reduce the burden on the environment and use limited resources efficiently to improve the global environment.

CSR REPORT 2018

— DIGEST —

U-Shin Ltd.
CSR Report 2018

Corporate Overview

Company Name	U-Shin Ltd.
Head Office	Shiba NBF Tower, 1-1-30 Shibadaimon, Minato-ku, Tokyo 105-0012 TEL : +81-3-5401-4670 FAX: +81-3-5401-4680
Foundation	July 1, 1926
Representative	Representative Director, Kanae Okabe
Capital	14,546 (million yen) (as of December 31, 2017)
Sales	168,632 (million yen) (consolidated sales in December 2017)
Business	Product development/designing/manufacturing/sales/import & export of the following products. 1. Various system device and control machines for automotive, industrial machinery and home security unit 2. Mechanical, electrical systems and components for automotive, industrial machinery and home security unit 3. Radio wave application system for new product development
Employees	9,293 (as of December 31, 2017, including temporary employees)
Listing	Tokyo Stock Exchange, First Section



We perform corporate activities as a member of society.

Local Communities

We proactively contribute to community development where people in the communities and families of our employees can live in safety knowing themselves as local communities.



The Gold Medal of Merit was awarded to us from Japanese Red Cross Society

We donated QUO cards to Japanese Red Cross Society in 2017. The Gold Medal of Merit was awarded to us for such donation at the Japanese Red Cross Society Head office on January 31st, 2018.

Our donation will be used for people suffering who need emergency medical treatment or relief aid distribution in the event of disaster. We will continue to donate in the future.



Compliance

U-Shin has established “U-Shin Code of Conduct” and “U-Shin Action Guideline” in our Compliance Manual in order to recognize correctly and fulfill not only legal compliance, but also corporate social responsibility. We provide various educational programs to enhance employee awareness of the importance of compliance of entire U-Shin Group in Japan and Overseas.

Promotion System

U-Shin has established “Compliance and Risk Management Committee” in order to improve fairness and transparency of business activities, fulfill social responsibility, and respond accurately to the diversity of management risk.

Whistle-blowing System

We have established an whistle-blowing system called “Corporate Ethics Hotline System” to enable us to promptly recognize any violation of compliance

or suspected violation as such and to take appropriate corrective measures. In addition to our existing in-house contact, we have introduced an external contact with an outside law firm in 2017. Furthermore, we are installing the same system at overseas subsidiaries one by one.

Compliance Training

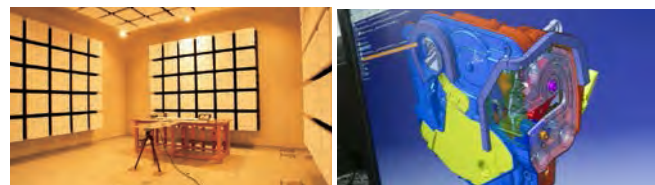
We provide various educational programs to enhance employee awareness of the importance of compliance of entire U-Shin Group in Japan and Overseas.

Engage with Customers

U-Shin creates “products which people touch”. We develop business activities with a mission to produce familiar products which support customers’ everyday life such as automotive parts, agricultural and industrial equipment parts, and home security parts.

Strengthen Research and Development Structure

We effectively conduct new development with cooperative system by introducing 3D CAD CAE tool, integrating each working area such as design and production engineering, or sharing product data.



Suppliers

We conduct our procurement activities of the finest materials in terms of quality, cost and environment in Japan and overseas based on compliance with applicable laws and regulations such as Green Partner System.

Introduction of Green Partner System

In Hiroshima Plant, we established green procurement guideline to all materials in order to promote to reduce the environmental impact. We set environmental policy and certain criteria, and then register those suppliers who meet the criteria as Green Partners. We actively engage in environmental initiatives.

Actions against the Conflict Minerals

In the international community, it has been pointed out that mining mineral resources of conflict regions in Africa could be used as a source of funds for armaments. We work together with suppliers to conduct investigation and enlightenment activities of conflict minerals.

Employees

It is an important issue which leads to corporate growth for U-Shin that each and every employee performs rewarding tasks with peace of mind and grows to be able to contribute to the society. For this reason, we focus on developing employees and creating corresponding environments.

Support proactive attitude for learning

We regularly hold study sessions for the purpose of improving employees’ skills and knowledge. Also as a global company, the Company supports employees’ proactive attitude for learning by offering rewards to employees who reached certain levels in TOEIC score or passed English Language Proficiency Test.



Promote Diversity

We deal with various needs from customers throughout the world to realize organization to make use of diverse point of view, by actively recruiting talented personnel regardless of their gender, nationality or age, and assign the right people in the right places. With respect to female advancement, we set action plan and aim to complete meritocratic system based on a policy of equal pay for equal jobs which treat employees in accordance with the level of their contribution regardless of their gender, nationality or age. We promote specific initiatives such as realizing fair salary and evaluation, developing working environment, and following -up of employees’ career in accordance with action plan.

Students become Business Persons of U-Shin

We provide wide range of training programs for fresh recruits to be able to perform independently as early as possible. Firstly, we conduct several days training at external training facilities which can stay overnight to learn mental attitude as a member of society and basic business skills. And then for one month after that, they experience practical work at Hiroshima plant which is our mother plant and DNA of U-Shin such as foundation of manufacturing, technological capabilities, and productivity. One year or two years after assigned to workplace, senior employees close to their age will support them by doing OJT. Each and every employee will be developed as a business person through this process.

Realize Employee-friendly Work Environment

We try to create work environment where we can work with the priority on work life balance. We established nursing care leave, shorter working hours system and flex time system, family care leave system, to support the coexistence of family care or home care with work. We aim to create environment which employees can continue to work safe and comfortable. In addition to childcare leave or nursing care leave system, we have shorter working hours system and flex time working system which is applicable until eligible employees’ children complete third grade at elementary school to enhance supporting child care.

Environmental Initiatives

We reduce the environmental impact and utilize limited resources effectively to aim to realize better global environment.

Photovoltaic System

At Hiroshima plant, we conduct a countermeasure against global warming as an eco-friendly (ECO) plant. We have installed the photovoltaic system on the rooftop of the administrative office building in order to reduce CO2 emission and energy cost. The power



generator reading of photovoltaic system can be checked on a monitor in the entrance hall. All generated energy is sold and it contributes to power supply of local area. Installing solar panels mitigates the rise in temperature inside of the plant, so that it could also reduce energy cost of air-conditioning in summer.

Acquisition/Maintenance of ISO14001

Starting with Hiroshima plant, 14 plants in total at subsidiaries in Japan and overseas acquired ISO14001 certifications to strengthen the approach based on goals and policies. We conduct internal audit annually, and develop and maintain environmental management system with high objectivity.