



CSR Report 2016



Report target period Jan 2016 to Dec 2016
Report publication date July 2017

RUBYCON CORPORATION

RUBYCON GROUP COMPANIES



Editorial policy

This report is prepared as an annual report of non-financial information about the environmental and social efforts of Rubycon Group Companies.

Listed items are summaries of concrete examples of activity policy and actual results in 2016 concerning the important issues we are working on.

In addition, information related to CSR activities is also posted on the website, for your convenience.

Terms included in this report

Report Target Period

This report basically covers activities between January and December 2016, but some activities of 2017 may be included partially.

Target Organizations

"Rubycon" and "Company" refer to Rubycon Corporation, and "Rubycon group" or "group companies" primarily mean Rubycon Corporation and its domestic affiliates.

Environmental performance data are figures of Rubycon Corporation. If any affiliated companies are included, individual notes should be added to clarify it.

Contents

Editorial policy	1
Terms included in this report	1
Messages from the top of company	2
Corporate Philosophy (Foundation Spirit)	3
Overview of Rubycon Group Companies	4
CSR policy and System	5
Consumer Safety and Protection	5
Fair Business Practices	9
Organization Governance	10
CSR Procurement Guidelines	11
CSR Plan in Rubycon	12
CSR Promotion System	12
CSR Activities	13
Security of Product Safety	13
Response to Product Accident and Failure	13
COC: Claim 0 Campaign	14
Factory Recognition Commendation	14
Improvement of Customer Satisfaction.....	14
ISO/TS Audit and Internal Audit	15
Green Procurement	15
Compliance Training	15
Environmental Measures	16
Reduction of Environmental Burden	16
Environment Clean-up Activity	17
Human Right Protection, Labor Practices	18
Respect of Human Rights	18
Human Resource Development (Education and Training).....	18
Creation of Comfortable Workplaces	20
Child-raising and Nursing Care	20
Health and Safety	20
Baseball Team Activities	21
Relation with Labor Union	22
Labor-Management Council	22
Bus tours hosted by the Labor Union	22
Participation in Community and Development	23
Social Contribution Activities.....	23
Contribution to Revitalization of Community	24
Major Performances in 2016 and Goals and Plans in 2017.....	26.27

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Messages from the top of Company

Founding spirit "Tradition and Enterprise," "Effort and Study," and "Faith and Trust"

These words are included in the phrases of our company song. All employees work together to establish "Company Tradition" and pass it down the generations with "Enterprise Spirit." Every employee is conscious of "Effort and Study." "Faith" is essential to win "Trust" of customers, shareholders and community residents as well as our employees. These are reflected to our company song as the "Founding Spirit."

We have been providing products over 60 years under the spirit. Also in the future, we will continue to hold the spirit as our origin, so as to provide reliable and satisfactory products with our experience on technology and quality, and to contribute to creation of affluent society.

Aiming at contribution to better and sustainable society

Social environments in our country are radically changing such as the falling birthrate and the aging population, information-oriented society and globalization. Under these circumstances, we recognize that it is most important for us to sincerely and steadily work on what we can contribute through our businesses for sustainable growth of society and our group companies.

We are also promoting CSR (Corporate Social Responsibility) activities by setting compliance, environmental initiatives, participation in communities, human rights and labor practices as priority areas.

Our products are not usually seen directly, but they are used in every part of society. Through continued efforts and technological innovation, we will continue to create new value necessary for society and aim to contribute to a sustainable and better society.

We appreciate your continued support to Rubycon Group Companies.

Itsuaki Tonouchi, President and C.E.O
Rubycon Corporation

Corporate Philosophy (Foundation Spirit)

Company Creed

Let's be the No.1 in Japan in all aspects!

Employees' Motto

5 Corporate Philosophies

- 1. Be honest and faithful in daily living**
- 2. Work and live properly**
- 3. Be loving in all aspects**
- 4. Self examine today's deeds and be grateful of no regrets**
- 5. Believe in yourself and believe in hopes**

Rubycon Company Song

Supervised by Teruo Tonouchi (Founder)

Lyrics by Sen Kinoshita

Composed by Yoshihiro Nishimura

Arranged by Akira Sakashita

1. Shinano surrounded by many mountains
Senjo in the east, Komagatake in the west
covered with virgin snow for thousands years
tradition and enterprise, Oh! Rubycon
strive together hand in hand
2. Water going away to the south
eternal Milky Way in the center of the sky
washing out rocks without standing still
efforts and training, Oh! Rubycon
study together hand in hand
3. Thousands of flowers on the ground
brilliant Big Dipper in the sky
swear to Home Town Ina
faith and trust, Oh! Rubycon
advance together hand in hand

Overview of Rubycon Group Companies

Trade name	Rubycon Corporation
Established	April 28, 1952
Headquarters	1938-1 Nishi-Minowa, Ina City, Nagano Prefecture
President & C.E.O	Itsuaki Tonouchi
Capital	396,000,000yen(Capital of Rubycon Group 5.5 billion yen)
Employees	695 (Employees of Rubycon Group 3,000)
Sales Figures	Fiscal year 2016-09 67.7 Mrd. JPY

Japan Production Bases



Overseas Production Bases



Japan Sales Bases



Overseas Sales Offices



CSR policy and System

Consumer Safety and Protection

Rubycon products contribution to society

<< Rubycon products contribute to society through power electronics technologies >>

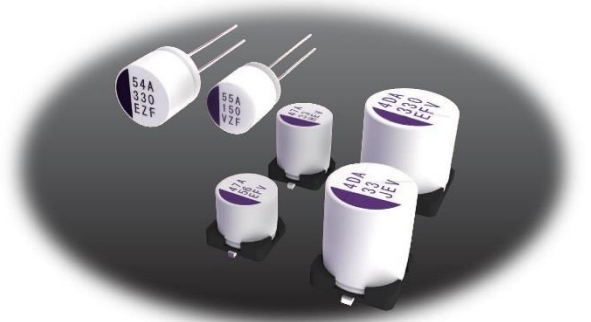
Urgent global themes such as energy issues are faced by societies. Core technologies to control energy with countermeasures to avoid escalation of global warming with power electronics are of primary importance. Rubycon is proposing capacitors to various power conversion devices to contribute higher efficiency, longer life and miniaturization.

<< Conductive Polymer Aluminum Solid Electrolytic Capacitor >>

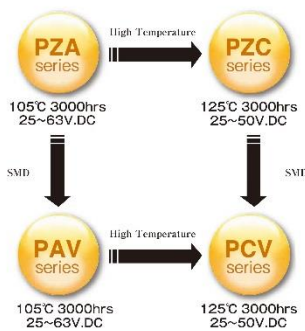
Conductive polymer aluminum solid electrolytic capacitors have a wider temperature range, are more compact, have lower ESR, and higher resistance to ripple current than other aluminum electrolytic capacitors. These features enable high-efficiency power supply design and can contribute to the reduced number of parts. The net result of this capacitor technology is energy savings improved efficiency.

PZ-CAP

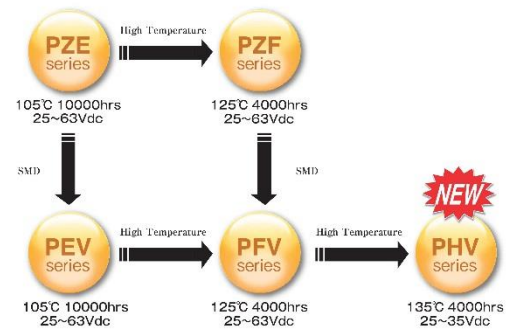
Winding Type Conductive Polymer Aluminum Electrolytic Capacitor (PZ-Cap) is one of Rubycon's new products, commercialized under long-established know-how of development and mass production for non-solid aluminum electrolytic capacitors added with our original utilization technologies for conductive polymer.



Series Line-up

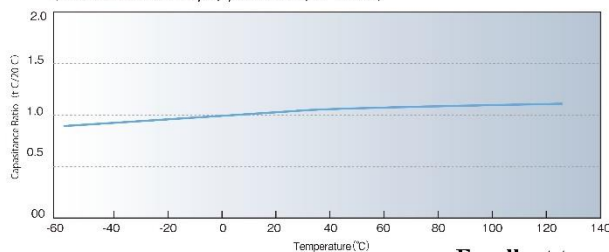


Series Line-up Hybrid Type



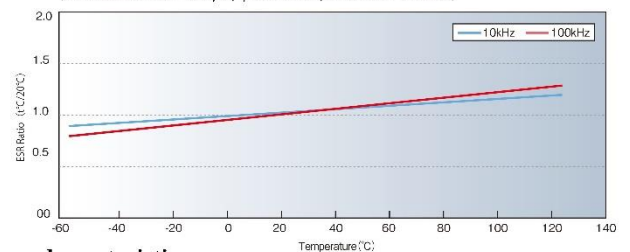
Capacitance Ratio Characteristics

(PFV series : 63V 56 μ F, ϕ 10 \times 10.5L, at 120Hz)



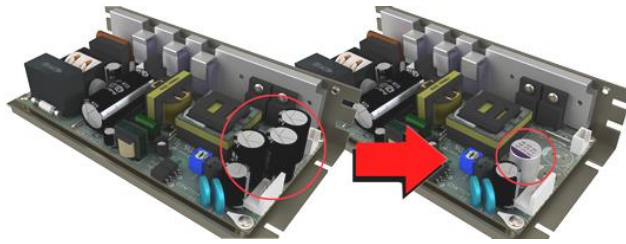
ESR Ratio Characteristics

(PFV series : 35V 270 μ F, ϕ 10 \times 10.5L, at 10kHz/100kHz)



Excellent temperature characteristics

<< Example of parts reduction with
conductive polymer aluminum solid electrolytic capacitor >>

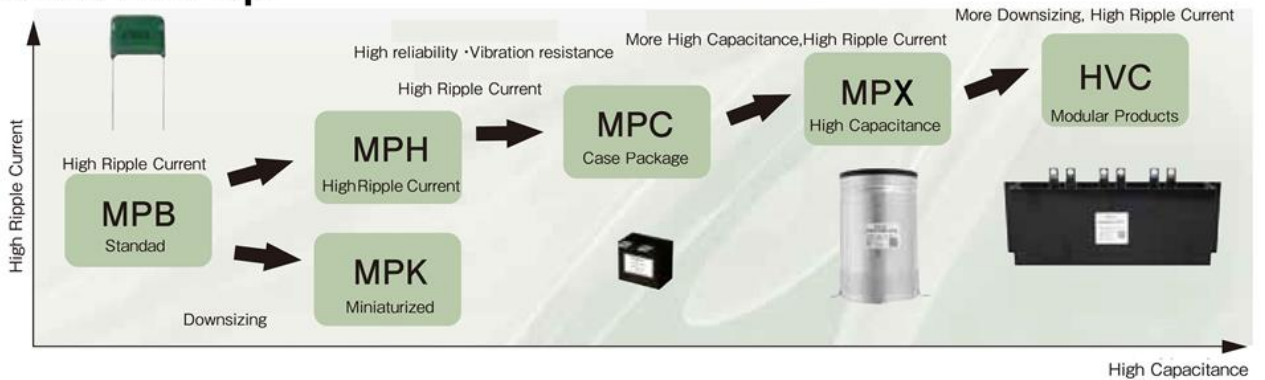


<< Power Film Capacitor >>

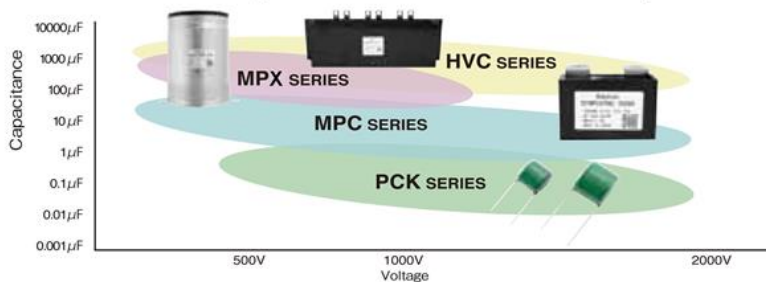
Voltage and current of main circuits have been increased to improve efficiency in power electronics. Most notably, in applications such as solar/wind power and automotive. Demand of large film capacitors (referred to as power film capacitors) is increasing. We are addressing deposition technology and low ESL (inductance) designs to improve efficiency and improve miniaturization.



Series Line-up



Series Line-up of Power Film Capacitors



Various terminal types are available for customer's requirements.

<< Screw Terminal Type Aluminum Electrolytic Capacitor >>

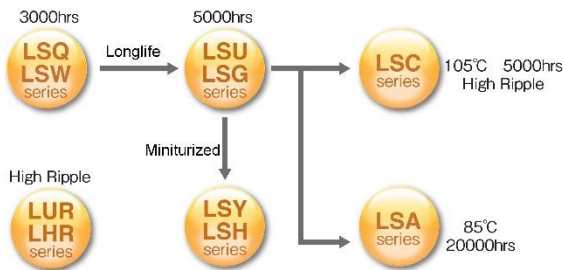
Screw Terminal Type Aluminum Electrolytic Capacitors are used for main circuit of power electronics together with power film capacitors.

We are downsizing dimensions and raising withstand voltage with our independent development of new electrolytes and adoption of high capacitance etched foil.

Stud screw type capacitors have efficient heat radiation structure and high resistance to ripple current, so as to contribute to efficient packaging and downsizing of equipment.

We are further addressing to develop new electrolyte and foil for higher voltage use, which is important to circuits for the next-generation power electronics semiconductor.

● Screw terminal type Aluminum Electrolytic Capacitors



Features

- 85°C 20000hrs
- Longer life than the conventinal series

Items	Characteristics	Items	Characteristics
Rated Voltage	350~450Vdc	Temperature	-25~+85°C
Capacitance	1800~15000μF	Size	φ64X104L~φ90X219L

Features

- 85°C 5000hrs
- Screw terminal Aluminum electrolytic capacitors with threaded stud mounting

Advantage of stud mounting capacitors

- Possible to fix by stud mounting screw terminal
- High ripple current by exoergic improvement



Features

- 85°C 5000Hrs
- Added 580Vdc

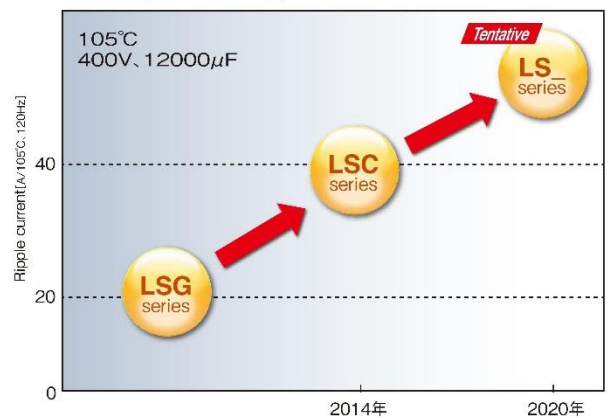
Items	Characteristics	Items	Characteristics
Rated Voltage	350~580Vdc	Temperature	-25~+85°C
Capacitance	1200~18000μF	Size	φ51X98L~φ90X241L

Features

- 105°C 5000hrs High Ripple current
- Higher Ripple (Max:170%)

Items	Characteristics	Items	Characteristics
Rated Voltage	350~450Vdc	Temperature	-25~+105°C
Capacitance	1800~15000μF	Size	φ64X104L~φ90X219L

Road map of High Ripple current



<< Electric Double Layer Capacitor >>

Electric double layer capacitors use "electric double layer" produced on the boundary between the electrode and electrolyte (as dielectric) for storing electric charges. This capacitor realizes quick charge-discharge cycles as well as long life since there aren't chemical reactions to store charges.

This capacitor is ideal for applications requiring momentary large current such as power assist and energy regeneration. If the capacitor is used as the main power for rechargeable equipment, maintenance is reduced.

Applications

Power electronics

For Power-assist, Regenerative electric power and smoothing circuit of output.

- Vehicle
- UPS

Rapid charge/discharge

Rapid charge and discharge capability

- Toys driver by motors
- Portable device

Natural energy generation

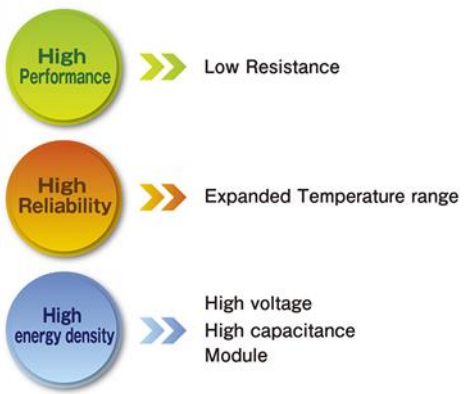
Power supply in combination with Solar Energy, Windmill energy, e.t.c.

- Street lights
- Traffic signs



A module of multiple capacitors as well as a single electric double layer capacitor, expands applications. Please expect coming electric double layer capacitors useful to effective energy use.

Development trend of EDLC



For automotive, industry 30V30F



For office automation 24V120F



For backup 20V230F

Fair Business Practices

We are compliant regarding relevant statutes, internal regulations, social norms and ethics, and excluding relations with antisocial forces, so as to promote business activities through fair and good competition and to secure safe and ease of customers in consideration of views and positions of ordinary citizens.

Compliance

We are observing all statutes relating to business (labor, environment, public welfare, trade, industry, commerce, national tax and civil affairs), and as well as conducting fair business and transactions.

On the basis of our internal regulations, we are developing such activities to our group companies through mutual improvement. We have published Rubycon Group Code of Conduct conforming to EICC (Electronic Industry Citizenship Coalition), and are providing it to all employees and group companies.

If any compliance violation is found, we will seek accurate facts to determine the cause followed by strict action to prevent recurrence.

Internal Audit

We have a designated audit department under the president's direct supervision to audit fair and proper performance of internal activities in accordance with relevant statutes, operation policy and internal regulations. The department will further provide advice to improve and correct our business as well as the risks for compliance in organizational activities. This audit covers all organizations in each company group.

Risk Management

In addition to Risk Management Activities conducted since 2012, we are strengthening internal systems and reviewing relevant internal regulation since inquiries from customers on code of conduct and ethical risk management are increasing.

We will also assess effectiveness of disaster contingency plan as well as reviewing BCP (Business Continuity Plan) for disaster and unexpected contingency.

Protection of Intellectual Properties (Measures against Counterfeit Products)

We, have participated in the IIPPF (International Intellectual Property Protection Forum) so as to cooperate with various entities and companies for eradicating counterfeits.

Protection and Control of Information

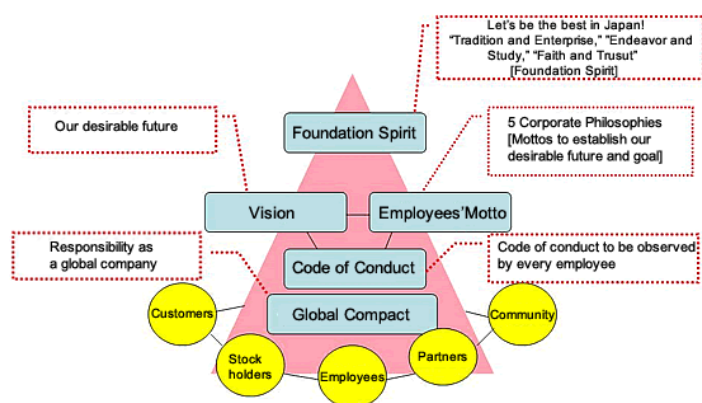
Misuse of information important to corporate management will have significant impact on relations of trust with partners and their management. We have established security policy and privacy policy recognizing importance of information assets. We give the first priority in risk management and BCP to the policies. We are protecting and controlling information assets through education of employees and various security measures and activities.

Organization Governance

CSR Policy

Rubycon's CSR System to accomplish corporate social responsibility is shown at the right. Decision-making is performed referring to the vision, the employees motto and the Global Compact, on the basis of the foundation spirit.

All of these support us to remain a reliable company to stakeholders such as customers, partners, stockholders, employees and the community, and to drive steady CSR activities.



Rubycon Group Code of Conduct

The purpose of Rubycon Group's Code of Conduct is to define business activities of our employees complying with laws and observing environmental responsibility and corporate ethics under a safe labor environment. It complies with the EICC Code of Conduct.

<< Human Rights and Labor >>

1. No forced labor
2. No inhumane treatment
3. No child labor
4. No discrimination
5. Reasonable wage
6. Working hours
7. Right to organize of employees

<< Safety and Health >>

1. Machine Safeguarding
2. Workplace safety
3. Workplace sanitation
4. Occupational injury and illness
5. Emergency preparedness
6. Physically demanding work
7. Facility safety and sanitation
8. Health of employees

<< Environment >>

1. Product content restrictions
2. Chemical materials to be used in production process
3. Environmental management system
4. Minimal impact on environment (e.g. waste water, sludge, exhaust gas)
5. Environmental permits and administrative approval
6. Effective utilization of resources and energy (3R)
7. Reduction of greenhouse gas emission
8. Waste reduction
9. Disclosure of environmental preservation activities
10. Preservation of biodiversity

<< Fair Trade and Ethics >>

1. No corruption or bribery
2. No abuse of dominant bargaining position
3. No improper advantage
4. No anticompetitive act
5. Provision of accurate information on product and service
6. Respect to intellectual property
7. Appropriate export control
8. Disclosure of information
9. Prevention and early detection of irregularity
10. Prohibition of reprisal
11. Responsible mineral procurement

<< Quality and Safety >>

1. Security of product safety
2. Quality management system

<< Information Security >>

1. Safeguarding for threat to computer network
2. No leakage of personal information
3. No leakage of confidential information of customers and third parties

<< Social Action >>

1. Contribution to society and community

The Ten Principles of the United Nations Global Compact

In October 2011, Rubycon Corporation expressed the support for the universal principles about Human Rights, Labour, Environment and Anti-corruption upheld by United Nations, and officially joined the UN Global Compact.

Rubycon Corporation contributes to society thru business activities, by supporting 10 principles of the UN Global Compact.

The Ten Principles of the United Nations Global Compact

«Human rights»

Principle 1 : Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2 : make sure that they are not complicit in human rights abuses.

«Labor»

Principle 3 : Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4 : the elimination of all forms of forced and compulsory labor;

Principle 5 : the effective abolition of child labor; and

Principle 6 : the elimination of discrimination in respect of employment and occupation.

«Environment»

Principle 7 : Businesses should support a precautionary approach to environmental challenges;

Principle 8 : undertake initiatives to promote greater environmental responsibility; and

Principle 9 : encourage the development and diffusion of environmentally friendly technologies.

«Anti-corruption»

Principle 10 : Businesses should work against corruption in all its forms, including extortion and bribe

Rubycon CSR Procurement Guidelines

Rubycon Group is striving to strengthen supply chain management with a view to business continuity and sustainable value creation.

We have established the "Rubycon Group Procurement Policy" based on our management philosophy, and we are striving to strengthen compliance with laws and social norms as well as showing our basic stance on procurement inside and outside the company through our website.

Based on the objective of this procurement policy, "Request to valued Suppliers" was established by emphasizing compliance with laws and social norms such as respect for human rights and rejection of anti-social forces, prohibition of corruption and bribery, promotion of fair and impartial businesses, and consideration for the environment.

With these two guidelines as the two driving wheels of procurement activities, we are working on building and strengthening relationships based on equitable, fair and transparent transactions with suppliers.

Rubycon Group Procurement Policy

<< Compliance with laws and social norms >>

We will comply with laws and social norms (Respect for human rights such as prohibition of child labor and forced labor, laws, standards, treaties, etc. of various countries including prevention of corruption etc.), and conduct sound and fair corporate activities. Suppliers of materials and services necessary for the production of Rubycon products are also requested to comply with laws and social norms.

<< Green procurement and environmental consideration >>

In line with the Rubycon Environmental Policy, we established green procurement standards, we continue the environmentally friendly materials procurement activities, and we strive to realize a sustainable human society and sound environment.

<< Promotion of equitable and fair business transactions >>

We open widely to both domestic and international suppliers (including candidates of suppliers), and conduct fair and impartial business transactions in accordance with established policies and procedures.

<< Supplier selection policy >>

In selecting suppliers, we are committed to make comprehensive judgement among the following factors: compliance with laws and social norms, environmental consideration, ensuring stable quality and safety, stable and reliable supply, stable management foundation, superior technical capability, appropriate information protection, respect of other companies' intellectual property, compliance with the designated delivery date, appropriate price, etc.

<< Enhancement of partner relationship with suppliers >>

We strive to build and maintain trust relationship based on mutual understanding with suppliers.

<< Prohibition of giving and receiving of private benefit >>

We prohibit employees from receiving inappropriate personal benefits (including entertainment and gifts) from suppliers without exception.

CSR Plan in Rubycon



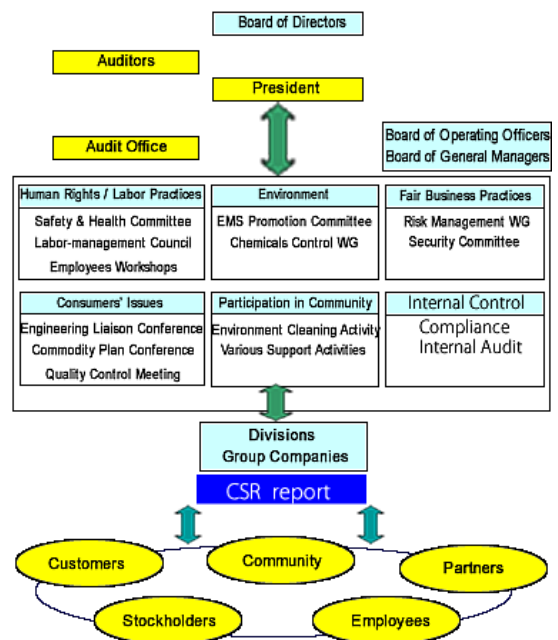
CSR Promotion System

CSR activities are positioned as the business itself, and awareness of all employees to CSR is raised under instruction of the president.

Each of the conferences and councils is regularly held, and decisions are penetrated into the whole group including divisions and affiliated companies to share problems.

CSR management is promoted, emphasizing interaction with customers, partners, stockholders, employees and the community.

We are securing compliance under the spirit that a corporate is a public institution. We provide proper feedback of requests from stakeholders.



CSR Activities

Security of Product Safety

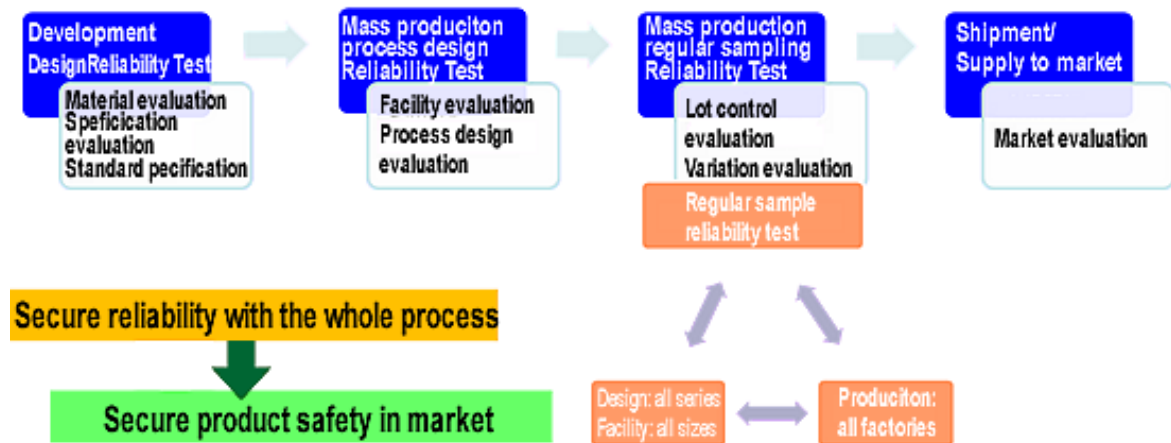
We closely check compliance and non-use of banned substances in planning phase of product development, in order to secure product safety.

We also describe safety instructions in our catalog and delivery specifications.

We perform reliability tests with various processes to secure safety of products to be manufactured.

We conduct reliability tests in various phases, including process design phase to secure correct materials, specifications and production conditions. During the mass production phase we check reliability of all products through regular sampling, also during the product development and planning phases. Such tests include reliability and the general process is confirmed in addition to safety, so as to maintain the reliability of Rubycon products.

We are striving to supply safe and reliable products now and in the future.



Response to Product Accident and Failure

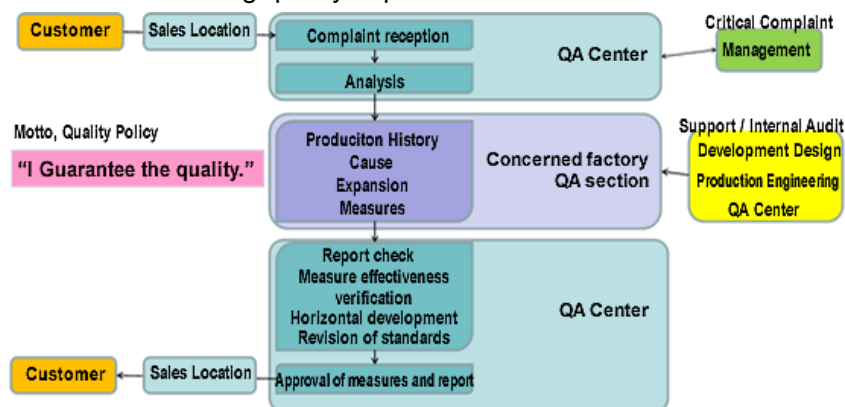
Quality Assurance Center (QA Center) receives complaints and investigation requests for accident and failure from customers through each sales office.

QA Center uses special equipment for the primary investigation of returns and notifies complaint information to the concerned factory on the current day. Then the center starts investigation of production record and the root cause of the failure.

Quality Control Section in the concerned factory performs expansion estimation and prepares measures to report to QA Center. QA Center reports the measures to each customer.

QA Center further performs validation and horizontal development of the measures through internal audit, so as to confirm the change.

Under the motto "I guarantee the quality," all of Rubycon's members are aiming to win customer satisfaction as well as addressing quality improvements.



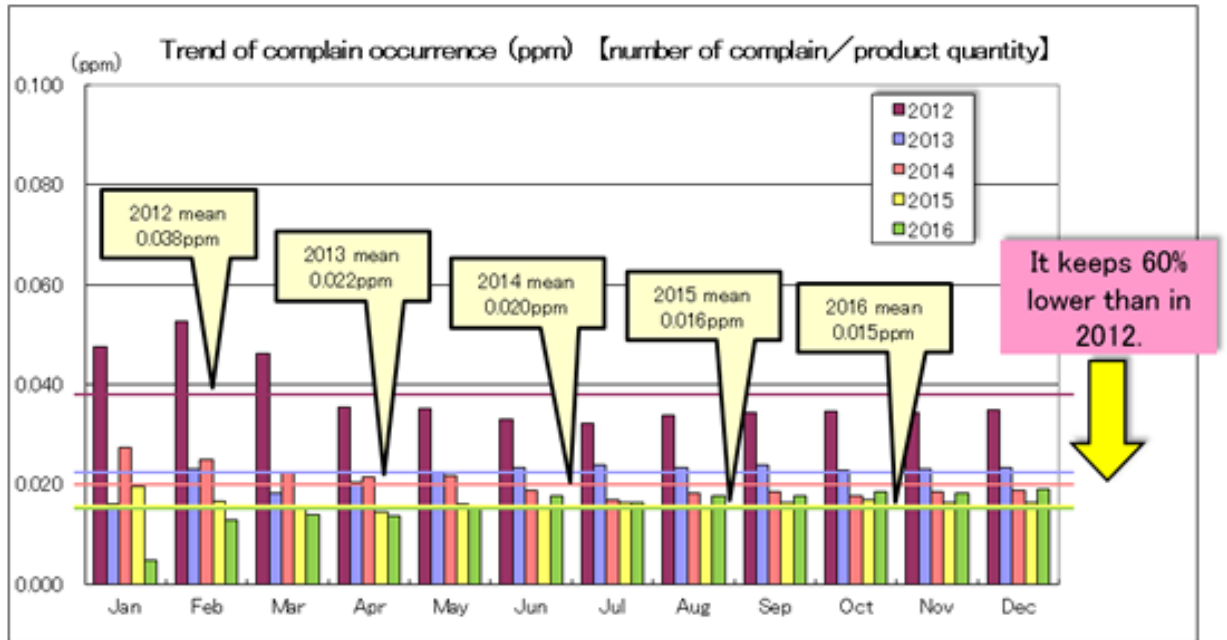
COC: Claim 0 Campaign

We accept every complaint from customers with sincerity in order to improve customer satisfaction and quality related with product safety.

We have started quality improvement activities as the manufacturer responsible for our products, so as to attain our goal "Claim 0."

We started Claim 0 Campaign (COC) in May, 2012.

In the result of the fifth year, 60% reduction in the complaint rate (number of complaints/output) has been kept. We are addressing to COC activities to attain "Claim 0."



* ppm (Parts Per Million) denotes complaint rate.

Factory recognition commendation

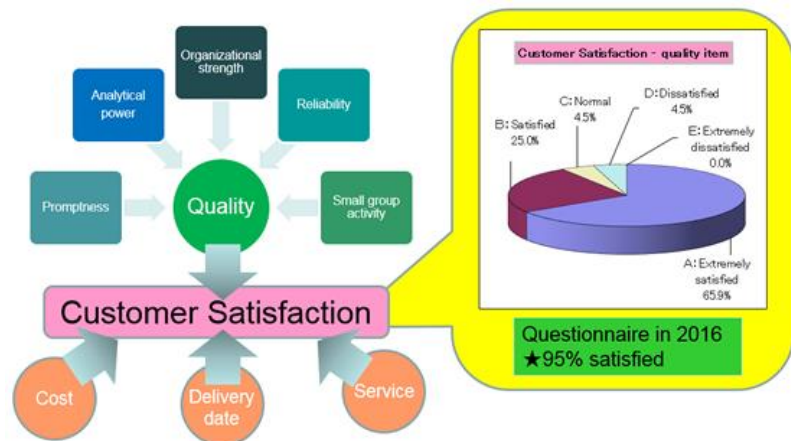
We evaluate the outcome of COC activities by factory, and we grant a President's Award every year.

In 2016, the Akita Rubycon Daisen Factory, which achieved the "zero" complaint for 24 consecutive months, won the President's Award.

Improvement of Customer Satisfaction

We have the quality policy of "manufacture to win customer satisfaction" that provides customers with relief and trust through 5 pillars of cooperation power, promptness, analyzing ability, quality control ability, small group activities. We are addressing Customer Satisfaction through quality to contribute to the society and the future.

We conduct customer questionnaire every year including cost, delivery and service as well as quality, so as to improve customer satisfaction



ISO/TS audit and internal audit

We have acquired ISO 9001, TS 16949 and ISO 14001 and are engaged in production activities based on internal regulations and standards.

As well as receiving audits by third-party organizations in order to confirm whether the production activities are conducted firmly in accordance with the standard requirements, we are also promoting interconnection among various sections in the company and working on improvement of mutual levels, by conducting internal audits by the auditor team whose representatives are selected from each division.

We plan to acquire OHSAS 18001 certification within 2017.

Green Procurement

We are purchasing materials, parts and components for Rubycon products from partners who are proactively reducing environmental burdens and addressing to reduce substances in the "Environmentally-controlled Substance List," and observing statutes and social norms of each country.

We will continue such activities in the future.

Control of Banned and Hazard Substances

We have specified our "Banned and Abolished Substance List" for banned and hazardous substances and are continually updating it according to customers' requirements of green procurement including RoHS and REACH regulations.

We have a check system for RoHS regulated substances in material reception stage through regular XRF analysis for samples and inspection of high-precision analysis data.

We also have a material tracing system to prevent reception, incorporation and contamination of banned and abolished substances. In the system, a barcode is used to identify all materials under cooperation of suppliers to establish material traceability. We have a database to trace material information within 24 hours to prevent environmental defects from being released.

We are continually striving for preserving the comfortable environment with the catchphrase "I preserve the globe."

Compliance Training

We conducted in-house training for competition law compliance.

Executive Training in June: 10 attended

Sales Training (Headquarters) in June: 7 attended

Sales Training (Tokyo & Osaka) in July: 34 attended

Sales Training (Overseas sales offices) in July-August: 11 attended



Environmental Measures

Reduction of Environmental Burden

Energy Saving

Rubycon has been designated as a specific proponent according to the Act on the Rational Use of Energy in 2010, and have been addressing to annual energy saving rate more than 1%, working on measures of saving energy of lighting, air-conditioning, compressors and production equipment.

Energy saving achievement was 1.2 % in 2016.



Running status of circulating roof spray system

CO2 Reduction

We strive to achieve annual 1% reduction of CO2 emission.

CO2 emission in 2015 (April, 2015 - March, 2016) was 5,981t. (1.5% reduction against the prior year)

We achieved size & weight reduction and performance improvement of our products through R&D to respond to customers requests. We continue further improvement in size reduction to reduce CO2 emission and contribute on energy conservation.

Promotion of Recycling

Waste Plastics: We maintain 100% recycling of waste plastics.

Waste Products: We maintain 100% recycling of waste products.

Paper: We segregate paper from combustible waste to pass on 65% of combustibles to recycling.

Miscellaneous: We are addressing to recycling to establish Zero Waste Emission.

PRTR (Pollutant Release and Transfer Register)

We prepare annual report according to the PRTR Act. The achievements in recent years are as follows:

2013: 430kg transferred

2014: 340kg transferred

2015: 180kg transferred

2016: 130kg transferred

Reduction of Waste Disposal

We are working to reduce waste. Recent achievements are as follows:

Year 2013: 391t

Year 2014: 366t

Year 2015: 334t

Environmental Clean-up Activity

We, at Rubycon, are operating research, development and production in natural blessings. As expressed with our environmental catchphrase "I preserve the environment," we are continually striving for cleaning of our premises preserving nature, in order to make visitors comfortable. We have Environmental Preservation Section dedicated for daily premises maintenance, and all employees clean up the premises in the early morning every month.



<< Voices >>

Participation in Environment Clean-up Activity / Yuzo Shiba, Large-can Design Group

While having often opportunities of meeting with customers visiting us, and many of those customers praise the wonderful environment around our facilities. Every time I hear such words, I am proud of it and I certainly pledge to keep up in cooperation for environmental beautification together with co-workers even a little.

In addition, we do beautification indoors when weather is bad, but we think that we can clean up the place we normally do not reach, and then we can feel comfortable working afterwards. I also care about the places I do not usually see, so I would like to continue participating in these clean-up activities in the future.



Respect of Human Rights, Personnel Training

Respect of Human Rights

Our employee regulations specify equal opportunity such that employees are not discriminated by their nationality, religion, sex or social position.

These regulations also specify strict compliance of "prohibition of forced labor", "prohibition of inhumane treatment", "prohibition of child labor", "restriction of dangerous and harmful work" and "restriction of dangerous and harmful work for pregnancies" as stipulated by law. We are further addressing "control of working hours" to prevent overwork.

We have also formally participated in UN Global Compact proposed by the UN in October, 2011, and put up our original poster in each of our departments including our group companies and overseas distributors in order to comply with the 10 rules.

We are thoroughly instructing the importance to respect and cooperate with each other for pursuing work through personnel training courses described below.

Personnel Training

Employee Training

<< Hierarchy Courses >>

- **Intensive Fresh Recruit Training (April, every year)**

Intensive training for 10 days is provided to fresh recruits to build up basic skill as an employee of Rubycon. Group discussion over hours is included to fully communicate each other.

- **Fresh Recruit Follow-up Training (November, every year)**

Fresh recruit follow-up training is provided 6 months after employment. In the training, each trainee reviews his or her acts in the 6 months to determine the extent of accomplishment of the target set on the employment, and sets a new target for the second year.

- **Young Employee Training (4th or 5th year after employment)**

This training is provided to motivate each young employee to proactively expand his or her work scope beyond his or her duty, so as to grow into mid-level employee.

- **Class 1 Employee Qualification Training (for mid-level employees 7-10 years from employment)**

We have an ability-based grade system, and Class 1 employee corresponds to mid-level employee. This training is aimed to improve awareness of responsibility as mid-level employee, so as to pursue work in wider viewpoint.

- **Beginning Supervisor Training (for beginning chiefs, leaders and managers)**

We provide beginning supervisors with training of knowledge and ability to lead workers, expectations to supervisor, Rubycon personnel system, and points on personnel evaluation.



- **Beginning Management Training (for beginning general managers)**

We provide beginning management with training of role and responsibility of management, goal setting, and communication with staff.

<< **Language Courses** >>

- **English Course**

(Primary class, Development class)

We provide primary English course every week to develop global persons with external native speaking instructors.

- **Chinese Course**

(Primary class, Development class)

We provide primary English course every week to develop global persons with external native speaking instructors.



<< **Correspondence Courses** >>

- We update the brochure for correspondence courses every year so as to promote self-development of each employee. We prepare e-learning courses compatible with smart phone and tablet, so as to establish environment for easy learning.

We have further compulsory courses as a promotion requirement for comprehensive-work employees.



<< **Other Professional Courses**>>

- **Mental Healthcare Course**

We believe that physical and mental health of employees is the first step to create dynamic workplace. Then we accept an instructor from Industrial Health Promotion Center Nagano once every few years to hold mental healthcare course.

- **Telephone Manners Course**

We have telephone manner training for personnel with frequent telephone response each year. Such personnel participate in a telephone manners competition.

6 employees participated in the contest in Ina and Komagane area last year, and demonstrated their performances.



Ina and Komagane area
District Tournament Contestant

Creation of Comfortable Workplaces

Child-raising and Nursing Care

Establishment of Child-raising and Nursing Vacation Regulation

We have "Child-raising and Nursing Vacation Regulation" complying with the Child Care and Family Care Leave Act. Many of our employees use child-raising vacation to return to work. To support child-raising, employee raising a child up to the first grade of primary school can select working hours 2 hours shorter than regular at most.

Establishment of Healthcare Vacation

Healthcare vacation system is our original one to accumulate annual paid holidays not used up to 10 days for a year with the retention of 2 years at most. This system helps need of long cure due to accident, injury or disease.

Hourly Paid Holiday

We also have an hourly paid holiday system in which an employee can have hourly holiday up to 3 days in a year. It is useful for late attendance or early leaving due to going to a hospital for one's own or a family's sake.

Acquisition of Kurumin Mark

We have been addressing to the next-generation development support, and approved Kurumin Mark by Nagano Labor Bureau on August 29, 2008 according to the Act for Measures to Support the Development of the Next Generation. We have been awarded the second approval in 2015 for the activities conducted between 2011 and 2015.



Mothers' Meeting

We gather female employees in child-raising vacation and working raising children, so as to exchange child care information. It is a good opportunity to consult childcare problems.

Safety and Health

Employees are company's resources. We wish them to be health and safe in work and to be happy. For the purpose, we are pursuing various activities as follows.

- Health Patrol (Twice a year)
- Patrol of Health Representative (Weekly)
- KYT Activity(Once a year)
"Kiken Yochi Training" meaning the foreseeing danger situations training.
- Hiyari-Hatto Proposal Activity (Once a year)
- Factory Environment Survey (Twice a year)
- Plant Environment Survey (Twice a year)
- VDT Environment Survey(Annual)
- Risk Assessment
- Young Drivers Club
- Disaster Drill
- Safety and Health Education



Photo of Disaster Drill

Address to Mental Healthcare

As described in the section of professional training, we provide mental healthcare training with external instructors.

We take appropriate actions for persons of mental disorder in cooperation of personnel section, company nurse and company doctor.

Health Consultation

Company nurse picks up 3 to 4 persons every month from long-hour workers and employees with findings in medical check, to consult company doctor on monthly visit.

Stress Check

Based on the amended Occupational Health and Safety Law, we conducted a stress check at the health checkup opportunity in April 2016. 642 employees took the examination of stress check, and several of them chose to take an interview with industrial doctors. The Health and Safety Committee also reviewed the group analysis results of stress check, and urged the related departments and sections to make improvements in their working circumstances.

KYT (Danger Prediction Training) activities

KYT activities are conducted at each section of the company once a year, by having section members think about what kind of dangers exist in the workplace, decide important issues among them to work on, study how to resolve them, and set the goals by when to resolve them.

By doing it, we encourage them to have a habit looking around for searching potential dangers in the workplace.

Hiyari-Hatto(Near miss) suggestion activities

Hiyari-Hatto (near miss) is literally "a thing that makes you feel emotion of fear in an unexpected event" by a step before a serious accident.

Heinrich's is one of the empirical rules, and the content is that there are 29 minor accidents and 300 near-miss incidents (hiyari-hatto) exist behind one serious accident. According to such rule, we collect from each section reports about such incidents once a year, and take appropriate measures to eliminate risk of accidents.

Baseball team activities

Rubycon's soft baseball club, one of the most powerful teams in the prefecture, has been very active although with only 14 members.

They achieved remarkable results in 2016, e.g., they won the best 4 position at 71st Emperor's Cup Nagano Prefecture Tournament, the championship at 71st National Sports Festival Nagano Prefecture Tournament, and the championship at 61st Central Japan Toshi-taiko Baseball Competition Nagano Prefecture Tournament.

We expect that they keep up their best as a representative of the community.

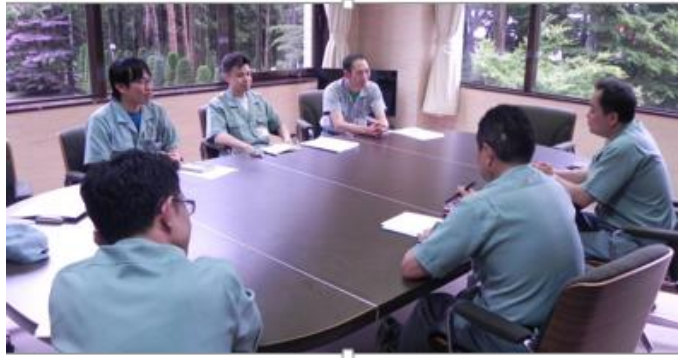


Relation with Labor Union

Labor-management Council

We have labor-management council with labor union of the company, for the common purpose of "development of company and happiness of employees."

The council is held as necessary at any time to find resolution through discussion, including the regular "Spring Labor-management Negotiation" in every spring.



Bus tours hosted by the Labor Union

As part of welfare programs, we hold several bus tours a year for employees.

Destinations are various, including cultural heritage, factory tour, theme park, etc. Normally about 40 people participate in a tour. By doing one day activity together with people in other departments who are less involved in daily work, it helps revitalize communication beyond the fences between departments.



At Ise Shrine



At Tomioka Silk Mill

Participation in Community and Development

Social Contribution Activities

Acceptance of Internship and factory tour

In the view of social service and youth development, we accept the requests of internship for students of junior high-school, high-school and university, businesspeople and disabled people as much as possible. Such requests are increasing year after year, and we are going to accept to the utmost extent.

《Track Record of Internship and Factory Tour in 2016》			
Month	Subjects	Head-count	Duration
March	Children of employees who are entering Primary School (Tour)	11	1 day
March	College/High School students hosted by Miyada-mura (Tour)	30	1 day
May	2nd-year students in Ina-nishi high school (Internship)	2	2 days
May	2nd-year students in Harutomi junior high school (Internship)	2	3 days
May	Students in Nishiminowa junior high school (Internship)	3	3 days
May	Students in Harutomi junior high school (Internship)	1	2 days
August	Industry observations by 3rd-year students and teachers (Tour)	42	1 day
September	2nd-year students in Ina Tobu junior high school (Internship)	3	2 days

Participation in Clean-up Activity around Tenryu River Area

We are participating in clean-up activities around Tenryu River Area (Tenryu River Environmental Picnic) every year to cooperate with community residents, as a part of Local Beautification Activity. The activities work as parent-child communication, as children of employees participate in them.



Road Clean-up around Company

We perform road clean-up activity around our headquarters in time with monthly company clean-up activity, so as to cooperate with Local Beautification Activity.



Promotion of local firefighting activities and Japanese Red Cross Service activities

We promote cooperation with and participation in community activities. Local firefighting activities and local Red Cross service activities are especially important for local active disaster prevention and local welfare. We treat absence due to participation in such activities as paid holidays.

Participation in Ina-matsuri Festival

We participate in Ina-matsuri Festival every year with a dancing team.

The dancing team performs powerful dance in gratitude for the community, in order to encourage the festival.



<< Voices >>

Participation in Ina Matsuri Festival / Naohiro Nakamura, Information System Group (Photo: the first from the right)



I participated in Rubycon team last year. In the practice of dancing after work I fought hard to memorize the choreography, and I was able to improve while having fun by deepening exchanges and advising each other among the youngsters in the company. On the day of the Ina festival, I was able to dance with full power, while touching many people in local community. Honorably, I was pleased that Rubycon team was named as an award at the "Dance Contest".

I would like to continue promoting the vibrant Rubycon and raising the festival through dancing in the future.

Contribution to revitalization of community

Tonouchi Clock Memorial Museum

Approximately 250 mechanical clocks mainly from Europe in the 18th to 19th century are exhibited at the Museum, all of which are still counting time. Deceased Mr. Teruo Tonouchi used to wish that people sympathize with the passion for the science of the predecessors and children foster interest in science through complicated mechanical clocks, and wish to give some help to improve regional culture. The museum was built with such his wishes, and it is quietly standing in a grove in which more than 1,000 rhododendrons were planted.

The clock museum that is maintained with the consideration to the preservation of natural environment, and that with the carillon's bell ringing in the forest, is a well-known cultural facility of the area.



Tonouchi Memorial Park

The park was donated by deceased Mr. Teruo Tonouchi, to the gratitude of his 90 year birthday celebration. In the park, more than 100 cherry trees were planted, of which majority are turmeric cherry trees carried from Yuri-honjo City of Akita Pref., and as well some red peony cherry blossoms and weeping cherry trees.

It has been open to the community and has become a place for relaxation.



Lending the baseball stadium

We have a Rubycon stadium equipped with lighting for night games. While the company baseball team is away from hometown due to expedition or else, the stadium is open to community. It is used by various organizations, including as the venue of the final game of the local junior high school soft baseball tournament.



Major Performances in 2016 and Goals and Plans in 2017

Major Item	Minor Item	Goal and Plan in 2016	Major Performances in 2016	Goal and Plan in 2017	
Corporate Governance	CSR Management	Policy to comply with EICC Code of Conduct. Support of 10 rules of UN Global Compact, and develop them to business activities	Submitted COP to the headquarters of UN Global Compact on July 14, 2016	To promote priority themes in the group	
	Interaction with Stakeholders		Declared our policy to comply with EICC Code of Conduct and support of 10 rules of UN Global Compact on Rubycon Website.		
	Corporate Governance	Promotion of transparent management		Made out CSR Report 2016 and published on our website including Code of Conduct.	Creation of CSR report and publication on our website. Compliance training to extend to all divisions of the company. Continuation of internal audits.
		Improvement of compliance and internal control		Compliance training was conducted for Managements and Sales Division. Internal audit was conducted on 8 departments.	
Human Rights / Labor Practices	Respect of Human Rights / No Discrimination	Promotion of human rights enlightenment	Performed human rights education in fresh recruit training (April) and fresh recruit follow-up training (October 16).	Promotion and continuation of human rights enlightenment activity	
	Human Resources Development	Improvement of employee training	Performed Chinese courses (basic and application courses) and English courses (basic and advanced courses) once a week.	Improvement and performance of training program	
			February 11: Personnel appraisers Training for primary appraisers by an external lecturer to have them reconfirm the basis of personnel evaluation. September 22: Manager's training for the newly appointed managers (6 people) to have them acquire the basic skills as managerial positions. November 23: Skill-up training for the mid-level employees (28 people) covering the expectations as a supervisor and the situation of the whole company, to have them improve skills for future growth.		
			6 fresh employees participated in the telephone manners contest, and demonstrated their performance.		
	Support to Work Diversity	Continued employment according to motivation and ability of each retired employee	Continuance of extended employment system (master and adviser)	Continuance of extended employment system Promotion of multiskilling	
		Expansion of allowance of hourly acquisition of yearly paid vacation	May 21: Allowance of hourly acquisition of yearly paid vacation became 3 days from 2 days before.	Implementation of acquisition of paid vacation by all employees together, and/or pre-planning acquisition.	
	Safety and Health of Employees	Measures for lifestyle diseases	Health consultation	Risk assessment and improvement activities (monthly review by safety and health committee)	Continuance of measures for lifestyle diseases Mental health care for young
		Promotion of safety and health in workplace	Performed safety and health patrols in the National Labor Health Week and the National Safety Week twice in a year, together with indoor environment clean-up activity, fire drill, sheet-belt use rate survey.		
		Activation of internal circles	Rubycon's soft baseball club, one of the most powerful teams in the prefecture, has been very active although with only 14 members. They achieved remarkable results in 2016, e.g., they won the best 4 position at 71st Emperor's Cup Nagano Prefecture Tournament, the championship at 71st National Sports Festival Nagano Prefecture Tournament, and the championship at 61st Central Japan Toshi-taiko Baseball Competition Nagano Prefecture Tournament. We expect that they keep up their best as a representative of the community.	To obtain OHSAS18001 certification Continuation of workplace safety and health activity	
		Support to childcare and nursing care	Labor union and management together examined the response to the revised Child Care and Family Care Leave Act enforced in January 2017.	Amendment of Labor Regulations	
Cooperation with Labor Union	Promotion of joint events with labor union	60 employees participated in Ina Matsuri Festival (Aug. 6).	As part of welfare programs, several bus tours a year for employees are managed by labor union. Destinations are various, including cultural heritage, factory tour, theme park, etc. Normally about 40 people participate in a tour. Participants enjoyed much by visiting Tomioka Sil Mill and Ise Shrine in 2016.	Continuing promotion of joint events with labor union	
		Rubycon Engineering Summer Festival (Aug. 11).			
		Held labor-management council regularly to exchange opinions and to share information.			

Major Performances in 2016 and Goals and Plans in 2017

Major Item	Minor Item	Goal and Plan in 2016	Major Performances in 2016	Goal and Plan in 2017
Environment	Environmental Management	Continuing approval and compliance of ISO14001	Maintenance all over the group	Maintenance all over the group
	Environment-friendly Business Process	Management of banned substances and hazardous and toxic materials	Chemicals control WG (every 2 months) to penetrate instructions into the group	Continuing management of banned substances and hazardous and toxic materials
			Instruction of Green Procurement to suppliers	
		Reduction of industrial waste and promotion of recycling	Attained 100% recycle of industrial waste D (discarded product)	Reduction of industrial waste and promotion of recycling
			Attained 65.1% recycle of industrial waste A (paper)	
	To reduce energy consumption per capacitor by 1% or more compared to the prior year	Achievement between April 2015 and March 2016 was 1.2 % reduction against the prior year.	To reduce energy consumption per capacitor by 1% or more compared to the prior year	
To reduce CO2 emission 1% or more compared to the prior year	CO2 emission between April 2015 and March 2016 was 5,981t-CO2, achieving 1.5 % reduction against the prior year.	To reduce CO2 emission 1% or more compared to the prior year		
Environment-compatible Products	Launch of compact and energy-saving products compatible with environment	The following series were marketed: 1 series of miniaturized aluminum electrolytic capacitors, 2 series of high-ripple aluminum electrolytic capacitors, and 1 series of high-ripple conductive polymer aluminum solid electrolytic capacitors (hybrid type)	Development of miniaturized and high-ripple products as environment-friendly products	
Fair Business Practices	Risk Management	Risk reduction activities	Conducted risk reduction activities on CSR items.	Continuance of risk reduction activities
	Fair Competitions and Trades	CSR in the supply chain	CSR Procurement Guidelines was formulated.	To carry out CSR questionnaire with suppliers.
		Compliance in transactions with suppliers	Reviewed the Code of Conduct according to EICC.	Continuing compliance in transactions with suppliers
		Compliance in trading	Reviewed trading examination system.	Continuing compliance in trading
	Information Protection and Control	Promotion of information security control (critical in risk management items)	Reviewed security control regulations and performed training and measures.	Continuing promotion of information security control
Protection of Intellectual Properties	Protection of company's and others' intellectual property Promotion of anti-counterfeit product measures	Formation of appropriate intellectual property such as acquisition of patent right and trademark right Protection of brands and protection of customers' interests through activities such as eradication of counterfeit goods Respect and protect other companies' intellectual property	Continuation of protection of intellectual property and promotion of anti-counterfeit product measures	
Consumer Safety and Protection	Improvement of product quality/safety	Design considering capacitor safety	Performed safety design and quality improvement using past trouble list, aiming to secure safety through improvement of product quality.	Establishment of FTA/FMEA development review using past trouble list
		Promotion of quality improvement in Rubycon Group	Dispatched Japanese engineers to Rubycon Indonesia and invited local engineers to Japan so as to improve skills and product quality.	Continuing promotion of improvement in product quality in Rubycon Group
	Product Accident/Failure Plan	Compliance with Consumer Products Safety Act	Conducted Claim 0 Campaign (C0C).	Continuing compliance with Consumer Products Safety Act
	Improvement of Customer Satisfaction	Customer satisfaction survey	Conducted a questionnaire to major customers on quality, time of delivery, price and service. Attained 95% of customer satisfaction in quality, and the "Complete Satisfaction" was 66%.	Continuance of customer satisfaction survey
Participation in Community / Community Development	Social Service Program	Promotion of social service in each location	Conducted cleaning within the premises once a month and roads around the company every other month, as a part of environmental clean-up activity. Continued public exhibition of Tonouchi Memorial Museum.	Continuing promotion of social service activities in each location
		Promotion of local fire fighting activity and Japanese Red Cross activity	Handled all of the activities as special paid holidays.	
	Acceptance of internship	Accepted 27 persons (including students, business people and handicapped) for internship.		

《MEMO》



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.

