

NHK SPRING REPORT 2013

Society • Environment • Finance
April 2012 — March 2013

**Building a better world
by building innovative products**



For a **resilient** society through a wide-range of innovation across a diversity of fields

NHK Spring contributing to a **resilient** society

We contribute to society through innovation in many fields in automobiles, data communications, industry and lifestyle, and other areas.



Automobiles

We supply key components for safety, environmental protection, comfort and high functionality.

- Suspension springs: leaf and coil springs and stabilizer bars
- Seats, seat mechanical seating components, interior products
- Wire and thin leaf springs, precision machined components
- Polyurethane products



Data communications

We use cutting-edge technology to deliver high precision, high performance products.

- HDD suspensions and mechanical components
- Leaf and thin leaf springs
- Liquid crystal and semiconductor testing probe units
- Precision machined components
- Ceramic products
- Brazed products
- Metal base printed wiring boards
- Polyurethane products
- Security products



Industry and lifestyle

We provide highly reliable products that serve society, with the emphasis on convenience and comfort.

- Parking systems
- Pipe support systems
- Gas springs
- Polyurethane products
- Spring mechanisms



CONTENTS

Our Innovation and Society	4	■ Environmental Report	20
Message	6	Environmental Management	21
■ CSR Management Report	8	Environmental Performance	28
■ Social Report	12	Environmental Data	33
		■ Financial Report	46
		Group Companies — Overview	65
		Corporate Overview	67

Editorial policy

The NHK Spring Group has published the NHK Spring Report since the 2008 fiscal year, summarizing the social, environmental and financial aspects of what we have done over the last year. The 2013 NHK Spring Report is our sixth. We have reviewed our page layout to bring together the relevant content and make it easier to follow for our readers.

Readership

This Report is intended for our customers, shareholders and investors, suppliers, the communities around the places where we operate, and our employees and their families.

Scope

This Report covers the fundamental business activities of the NHK Spring Group. 'NHK Spring Group' refers to the Group overall; 'NHK Spring' refers specifically to NHK Spring Co., Ltd., and our Group companies are identified individually by name. We make every effort to ensure that the Report is accurate.

Reporting period

In principle, the Report covers our business activities from April 2012 to March 2013. As it is published in September, it will also include any major developments since April 2013.

Editorial guidelines

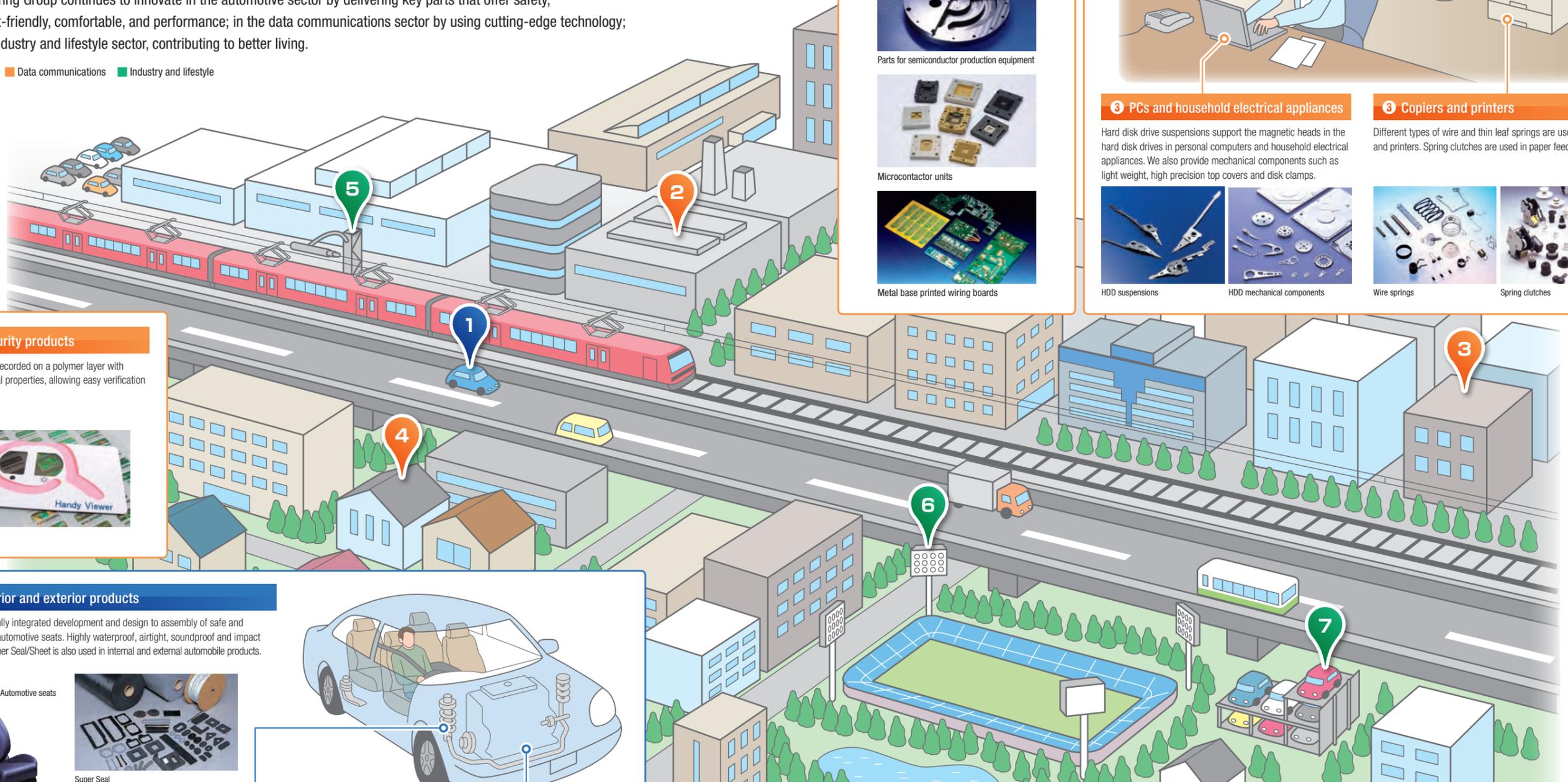
Ministry of the Environment's Environmental Reporting Guidelines (2007 ed.)

Our products are at work in scenes from the streets

Our innovations are at work in scenes from the streets

The NHK Spring Group continues to innovate in the automotive sector by delivering key parts that offer safety, environment-friendly, comfortable, and performance; in the data communications sector by using cutting-edge technology; and in the industry and lifestyle sector, contributing to better living.

Automobiles Data communications Industry and lifestyle



4 Security products

Hologram is recorded on a polymer layer with special optical properties, allowing easy verification for everyone.



Trustgram

1 Interior and exterior products

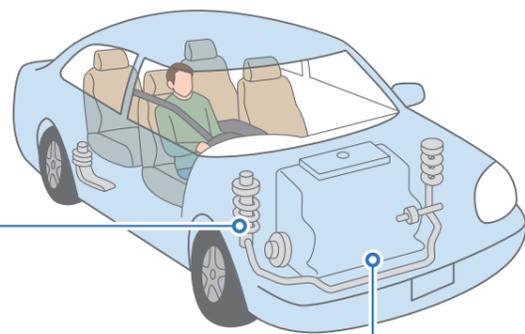
We provide fully integrated development and design to assembly of safe and comfortable automotive seats. Highly waterproof, airtight, soundproof and impact absorbent Super Seal/Sheet is also used in internal and external automobile products.



Automotive seats

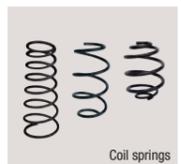


Super Seal

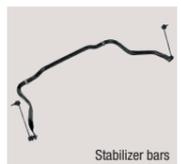


1 Steering gear

Coil springs absorb vibration and any impact from the road surface. Stabilizer bars limit lean when cornering or changing lanes. Leaf springs affect both the ride and stability.



Coil springs



Stabilizer bars



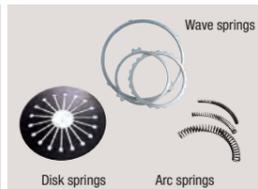
Leaf springs

1 Engine and drive transmission components

Our highly safe and durable components, such as valve, disk, wave, and arc springs, are used in engine and drive transmissions.



Valve springs



Disk springs



Wave springs

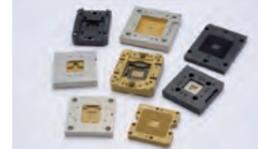
Arc springs

2 Semiconductors

We supply heaters and cooling plates using advanced bonding technology, and microcontactor units using precision fabrication techniques, and high heat dissipative substrates.



Parts for semiconductor production equipment



Microcontactor units



Metal base printed wiring boards

3 PCs and household electrical appliances

Hard disk drive suspensions support the magnetic heads in the hard disk drives in personal computers and household electrical appliances. We also provide mechanical components such as light weight, high precision top covers and disk clamps.



HDD suspensions



HDD mechanical components

3 Copiers and printers

Different types of wire and thin leaf springs are used in copiers and printers. Spring clutches are used in paper feed mechanisms.



Wire springs



Spring clutches

5 Railroads

Tension balancers absorb the stretching of the overhead wires that deliver power to the railroad pantographs, and maintain a constant level of tension. Railroad rolling stock also uses a variety of springs.



Tension balancers

6 Lighting systems

The NHK Spring Group Yokohama Kiko (Co., Ltd.) supplies many types of lighting systems. The lighting at the NHK Spring Mitsuzawa Football Stadium uses systems from our Group company, Yokohama Kiko.



Floodlights

7 Mechanical multilevel parking systems

Technologies used for springs are used in the systems that move pallets vertically and horizontally. Securing parking spaces is a social problem, but these systems make efficient use of land.



Mechanical multilevel parking systems

Our Commitment

An all-of-the-above strategy for sustainable growth for the Group



I would first like to thank all our stakeholders for their continuing support for the work of the NHK Spring Group.

The 2013 fiscal year is the last year of our three-year 2013 Medium Term Management Plan (Midterm Plan). The financial environment the Group finds itself in has changed dramatically since the plan was launched, and conditions are quite challenging. Nevertheless, the Group as a whole has moved forward to achieve many of our aims. As we grasp what we can do at present and what the present makes possible, and identify what we should and should not change, we continue to strengthen Group management and further our involvement in rapidly developing global business. Our aim is to harness the strengths of the Group to continue to grow.

We have adopted an all-inclusive, all-of-the-above strategy as management policy for the 2013 fiscal year. This means we are rejecting the limitations of an “either/or” mindset by embracing “all” instead. For example, rather than choosing between “domestic and global,” or “developed countries and developing countries,” we choose “all of the above.” The Group approach is to succeed in many areas simultaneously by “putting our eggs in more than one basket.”

To sustain and grow the company, we must increase sales and profitability while managing the business more efficiently. At the same time, we recognize the absolute need to push ahead with CSR activities in order to conduct our business in a sustainable way, and make the objective to “continue to press forward with CSR” one of

our management policies. With that in mind, we act with the awareness of our responsibilities to society as a global company. We aim to improve management transparency and audit systems to gain the trust of our stakeholders.

This Report provides a glimpse of our approach toward our social responsibilities and our initiatives. We hope you will all continue to give us your unwavering support for our activities.

K. Tamamura

Kazumi Tamamura
President and CEO

Guiding Principles of NHK Spring

- Continuous progress
- Ceaseless excellence
- Caring teamwork

Corporate Philosophy

To contribute to an affluent society through an attractive corporate identity by applying innovative ideas and practices, based on a global perspective, that bring about corporate growth.

We, the people of NHK Spring, follow our Corporate Philosophy, in the spirit of our Guiding Principles, and build a better world by building innovative products.

Message from the Chairman of the CSR Committee

We will continue to pursue CSR for sustainable growth.

There have been drastic changes in the business environment in recent years. Of course, it has been important for us to shoulder our social responsibilities while building trust and mutual understanding with our stakeholders – our customers, shareholders and investors, suppliers, employees, and local communities.

We base our management policies on our guiding principles and corporate philosophy, and we recognize the importance of accepting our corporate social responsibilities, and this is how we conduct our CSR activities.

To be specific, our CSR Committee sets the directions for our activities, and we conduct our activities globally, in the areas of compliance, and also risk management, quality assurance, disclosure of corporate and financial information, purchasing and procurement, employment, workplace health and safety, contributing to society and protecting the environment.

To build relationships in which we hope to gain the understanding and trust of the stakeholders and the communities where we operate, we encourage CSR activities globally and we work to enhance governance. In this way we aim for the ongoing growth of the Group, and we will put all our efforts into furthering our CSR activities.



Hiroyuki Kado
Chairman of the CSR Committee
Executive Corporate Officer
Member of the Board

CSR Management Report

CSR management system and governance9
Risk management 10



CSR management system and governance

We understand our responsibilities of the Group as a member of society, and we aim for consensus within the Group to ensure CSR proceeds smoothly. We have also established a system of governance, to ensure that we conduct our business in a proper manner.

Approach to CSR

In our Corporate Philosophy, we speak of “contributing to the development of an affluent society,” and throughout our history, we have worked to meet our responsibilities as a company to society. We have done this in a wide range of areas. We were one of the first companies to become involved with the environment, and we have contributed to local communities for many years.

Promoting CSR

We have a Committee which functions for NHK Spring Head Office, and which sits below the Board of Managing Directors. It acts to facilitate discussion to enhance corporate values. We have a series of Committees which are at the center of the CSR activities of the NHK Spring Group. They are the Product Building Innovation Committee, which takes in suppliers; the IT Strategy Committee, which takes in information security; the Human Resources Policy Committee, which examines staff training and employment and other similar issues; the Group Financial Strategy Committee, which examines the optimization of procurement of materials; the CSR Committee, which examines our CSR policies on contributing to society and orchestrates our overall social service activities; the Global Environmental Measures Committee, which encourages conservation of the environment; the Risk Management Committee, for risk management; the Internal Controls Committee, which makes internal controls more efficient and effective and the Intellectual Property Strategy Committee, which looks after our patents and other intellectual property.



Promoting CSR

The Committees sit directly below the Board of Managing Directors. Heads of relevant departments are elected to the Committee to become involved in a broad range of activities, and actively consider how to improve them.

The responsible departments take the lead in conjunction with the different

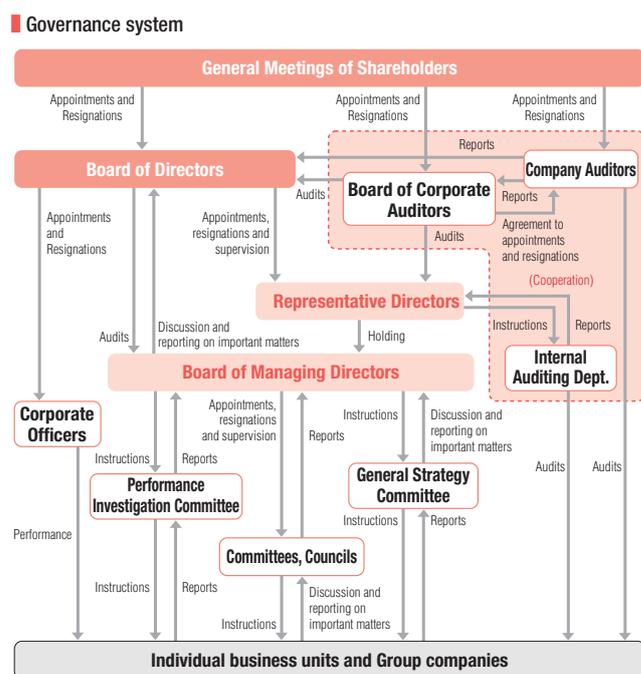
offices and Group companies in carrying out activities on the basis of the policy discussed by the individual Committees. They carry out a great variety of activities in cooperation with local government, non-profit organizations, and suppliers.

Corporate Governance

General Meetings of Shareholders and the Board of Directors are the decision-making bodies. However, to allow for more rapid decision-making, we established a system of executive corporate officers in fiscal 2005. There are now six board members as of June 27, 2013.

The Board of Managing Directors and Committees are the deliberative bodies. The Board of Managing Directors consists of the Executive Corporate Officers and Auditors and enables the exchange of ideas among a smaller group. The Board of Corporate Auditors is the audit body; it consists of four auditors, two of whom have traditionally been external auditors. The Internal Auditing Office provides internal controls and is intended to provide an internal audit function looking at the appropriateness and efficiency of Group activities. We have strengthened the Internal Auditing Department and are operating under the enhanced controls in response to the Financial Instruments and Exchange Act, which came into force in fiscal 2008.

In April 2011, the Legal Department became the Risk Management Department. This integrates the risk management function, establishing and expanding our system of risk management. The Department also obtains advice from our corporate lawyers as required, on a consultancy basis.



Risk management

We have a risk management system in place to deal appropriately with the various types of risk confronting us.

Risk management system

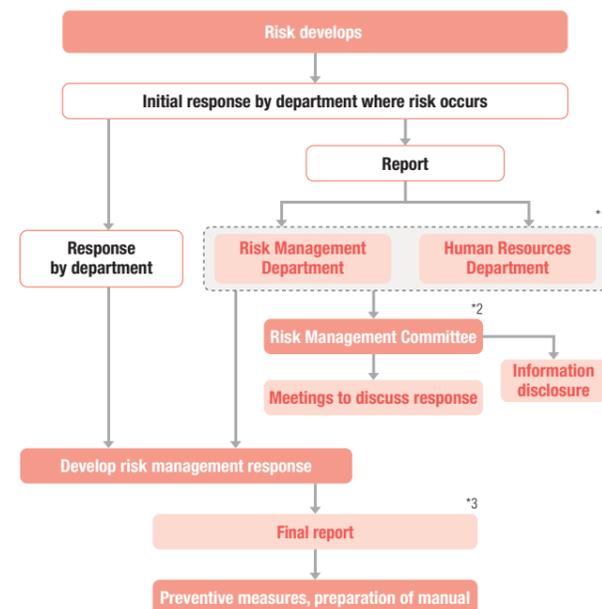
There are many kinds of risks, such as natural disasters (earthquakes, tsunamis, floods), and epidemics, terrorism, fire, and so on, however, it is vital for companies to cope with these risks and sustain their operations.

NHK Spring has established a Risk Management Committee to manage Group risk overall and we have a risk management system to deal with unexpected events. We have nominated over 70 specific risks, and each department is independently responsible for identifying the risks it faces. There are also Business Continuity Plan (BCP) and confidentiality management subcommittees under the Risk Management Committee. They establish the systems, creating structures and rules, to deliver the appropriate response to emergencies.

The Risk Management Committee convenes urgently as soon as a risk occurs. The responsible department and other affected departments join together to take prompt action, under the guidance of the Committee.

Since 2011, NHK Spring domestic Group have taken part in initial response training after a large earthquake, and training in initiating recovery. After reviewing this training, we are revising our BCP and manuals to provide more practical responses to disasters, and progressing our risk management systems.

Flowchart in the event of risk



*1 The Risk Management Department is responsible for risks from natural disasters and accidents, operational and legal risks. The Human Resources Department is responsible for workplace risk and incidents and accidents overseas.

*2 The Risk Management Department organizes the secretariat.

*3 The final report goes to 1) President and Vice President 2) Corporate officers in charge of the incident and 3) Risk Management Committee secretariat.

Operational risk management

The organization doesn't only face critical risks to the business continuity like natural disasters, but there are other latent risks in its day-to-day operations.

Some examples are a lowering of operational efficiency from a high attrition rate of staff, compensation for damages due to a failure to perform contractual obligations arising from incomplete contractual documentation, and fines for unintentional breaches of the law arising from differences in interpretation of laws. This kind of operational risks could affect a company's organization, and lead to a loss of profitability.

We started to examine actual operational risks in the overseas and domestic Group companies in 2010, and evaluating risks, prioritizing issues and proposing effective measures. We are also introducing self-checking procedures, enabling Group companies perform regular and continuous monitoring. Our risk management system aims to keep the PDCA cycle moving.

Since there is always the potential for operational risks, we try to contribute to improve our Group companies' performance, through assisting the relevant functions, and we will focus on the early identification of risks and rapid development of countermeasures to deal with them.

VOICE

Aiming to intensify operational risk management



Tomomi Tanisumi
Assistant Manager
Risk Management Department

The Risk Management Department carries out risk management checks on our domestic and overseas Group companies, looking at the legal and BCP aspects as well as Group management. During the fiscal 2012, we conducted interviews with domestic Group companies on operational risk in management, labor, finance, sales, procurement and manufacturing, and offered suggestions for dealing with risk. In addition, each Group company performed a self-assessment of risk management, using our own voluntary checklists.

In fiscal 2013, we will use the results to propose and implement further suggestions.

As our global expansion picks up, the specific risks in politics, culture, religion, legal systems, security and weather and so on in each region and country grow more diverse. Every country operation must have a proper risk management system in place for the Group business to continue to operate globally in a stable manner. We strive to propose and implement effective risk management strategies, using a broad-based and flexible approach.

Ensuring information security

NHK Spring and all Group companies have set out NHK Spring Group Security Management Policy Guidelines as the basis for preventing the unauthorized disclosure of information relating to transactions with customers and suppliers. We aim to provide information security through these standards and procedures.

The executives and employees of NHK Spring and its Group companies and the employees of contractors (including loan and part-time employees) implement the policy. The Group assesses our intellectual property for importance, and classifies and properly manages it according to what is involved and its degree of confidentiality. The Group prevents any unauthorized disclosure, destruction, falsification or improper use of our intellectual property.



Using e-Learning for training in information security

VOICE

Strengthening and bedding down information security systems



Junichi Suzuki
Director
Information Systems Department

Information security is not only for winning the trust of our clients, and all our other stakeholders, but it forms an important foundation in support of safe and secure social activity. We operate on the basis of the NHK Spring Group Security Management Policy Guidelines to safeguard the company's information assets, establish fundamental attitudes to the smooth functioning of business, set up the relevant rules, employee training, and strive to improve information security.

The Planning Group in the Information Systems Department continually reviews and brushes up approaches to IT risk in general, including regulating IT, system surveillance, and information security. The Group also builds and puts in place IT governance for the entire Group.

Compliance

While we naturally comply with the law, we also genuinely meet the various demands society makes on us. Compliance is a major element of how we do business. We have established the NHK Spring Employees Code of Conduct, describing what society expects from us and specifying what is required of employees in every facet of business. In order to achieve compliance throughout our business, the President has ultimate authority for compliance. We have the Chief Compliance Officer with responsibility for all divisions and Compliance Instruction Supervisors in each division. We have also established an Internal Reporting System, and a Prior Consultation System, so that anyone anywhere can seek advice in a non-threatening atmosphere.

With the rapid globalization of our automobile-related business in recent years, the standards we are required to follow have also become more global. The Group demands we achieve compliance, and that we have a profound understanding of the need to respect the cultures and customs of the countries and regions we go into, and also of the need to act with an awareness of international standards transcending individual nations. Every single employee of NHK Spring and the NHK Spring Group acts with determined honesty, knowing and being aware of compliance, in order to properly meet these demands of internationalization.

VOICE

Progress in ensuring the information is disseminated and in raising and implanting awareness



Ai Ago
Risk Management Department

Implementing compliance means that we must raise awareness across the entire NHK Spring Group and in each individual employee. Even just by learning about what kind of actions violate compliance once will change their awareness and what they do. The Risk Management Department is continually sending out a broad range of information through training and study groups at all levels, to raise the awareness of every employee and implant that awareness firmly in them.

Another important aspect is responding to the demands of foreign laws and societies as the Group becomes more and more global. We continue with the work of publicity to ensure a shared recognition of compliance in every company, in Japan and abroad, so that it is implemented in all our business activities.

Social Report

Customers	13
Shareholders and investors	14
Suppliers	15
Employees	16
Local communities	18



Customers

We deliver high quality products and aim to continuously improve delivery times, costs, and customer satisfaction as well.

Quality assurance

We have policies on quality aimed at achieving world's best quality and increasing customer satisfaction, as such we have a range of processes in place to deal with quality assurance. We strive to respond flexibly to changes in the Japanese and global environments while maintaining and improving on the quality of our operation, and we continue to deliver high quality products to our customers.

We also actively pursue international quality standard accreditations and operate our quality management according to these standards.

Quality Guidelines

Achieve greater customer satisfaction at the global level by delivering world's best quality products

Important policies

- ① Quality monitoring that allows us to accurately determine capacity, and help to improve
- ② Create mechanisms that make use of group technologies, and its ongoing operation
- ③ Develop forms of education and training to grow our human resources

Specific arrangements

This is what we are doing in relation to our important policies:

1. **Quality monitoring that allows us to accurately determine capacity, and help to improve**
 - ① Review details of global quality monitoring and planned implementation
 - ② Regular inspection and monitoring of important processes (heat treatment and welding)
 - ③ Encourage preventive measures at the design and development stages
2. **Create mechanisms that make use of group technologies, and its ongoing operation**
 - ① Create group product and technology handbooks
 - ② Hold group plant visits planned by younger sales and development staff
3. **Develop forms of education and training to grow our human resources**
 - ① Implement intensive quality training in conjunction with the Human Resources Department
 - ② Implement personalized education for individual needs

Acquired certification from the International Organization for Standardization

NHK Spring first acquired the ISO 9001 international standardization certificate

for the Atsugi Plant in 1996, and since then, all our plants have acquired ISO 9000 Series certifications. Our car related production plants, have acquired ISO/TS 16949, for which the requirements are higher.

In addition to actively encouraging our local Group companies to acquire certifications, we are also taking on initiatives to acquire other international quality management systems certifications, such as the ISO 9000 series and ISO/TS 16949, according to the requirements of our customers and different regions.

Through our quality assurance system structured on the acquisition of certification, we will continue to provide high quality products based on the idea that "The next step in the process is the customer."

What our customers say about us

NHK Spring is always trying to improve on quality, delivery and costs, to meet customer expectations. As a result, many of our customers have shown their appreciation in the form of awards and so on.



Commended by many customers

VOICE

Looking for suggestions to improve fuel consumption and performance

Yasuyuki Okada

General Manager
Body Parts Purchasing Department
Purchasing Division, Daihatsu Motor Co., Ltd.



NHK Spring's Yokohama and Shiga Plants supply automobile suspension springs (coil springs and stabilizers) for our vehicles. Their Shiga Plant is close to our development block and our Ryuo Plant, so they can respond to us quickly. We also draw supplies in our overseas operations from local manufacturers who are supported by NHK Spring.

Last fiscal year we presented an award to the NHK Spring Yokohama Plant, out of all our suppliers, as a workplace fully involved in quality. We were really impressed by how all the employees appeared to strive in different ways to make quality products and how they explained new arrangements for production. We have developed primarily as a light vehicle business, and better fuel consumption and performance are vital. We look for all forms of cooperation, including suggestions for improving fuel consumption and performance, to encourage more customers of light vehicles.

Shareholders and investors

We believe that timely disclosure of the position and finances of NHK Spring is the key to support from shareholders and investors over the long term, and we strive to implement this.

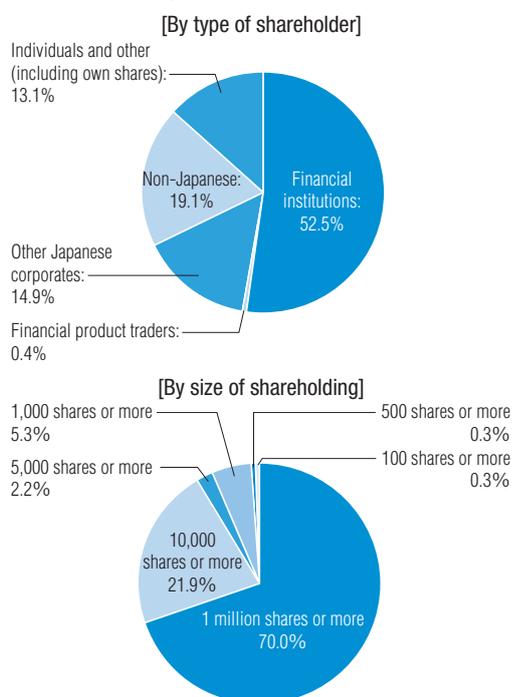
Shareholder information and breakdown of shareholdings

Shareholders can contact us in the following way:

- Public Relations Group:** Business activities and general
- General Affairs Dept.:** All share-related procedures (Share Registry: Mitsubishi UFJ Trust and Banking Corp.)

The graph below shows the breakdown of shareholders.

Breakdown of shareholdings (As of March 31, 2013)



Release of investor relations information

We issue Business Reports and the NHK Spring Report (in Japanese and English) to better inform shareholders and investors about us. We also issue press releases and carry the latest information about the company on our website. We will continue to work to provide fuller and faster information through our website.



URL of Investor Information page

<http://www.nhkspg.co.jp/eng/ir/>

Provision of information to investors

We hold briefings for analysts and institutional investors after the release of our half-yearly and full year accounts. In fiscal 2012, we held two briefings in Tokyo, in May and November. We will continue to make every effort to release information to analysts and investors.



Briefing after release of accounts

VOICE

Real efforts to meet customer needs through innovation



Seiji Sugiura

Senior Analyst
Research Group Equity Research Department
Mizuho Securities Co., Ltd.

I have been responsible for the automotive sector (fully automobiles, parts and tires) for nearly 20 years. My main job is researching and forecasting company results and industry trends and estimating share prices, and passing my investment decision findings on to institutional investors in Japan and overseas.

From my day-to-day research and plant visits in Japan and abroad, I have the impression that the automobile manufacturers have complete faith in NHK Spring. NHK Spring is a good, steady business – not flashy – with a big share of the suspension spring and HDD suspension market as well as automobile seating, and I have the impression that they genuinely try to respond creatively to the needs of their customers.

I am not optimistic about the future of the automotive and electronics industries. I believe a total Group effort is required: NHK Spring must reconsider the deployment of its management resources across the Group, pursue cooperation and synergies between divisions and extend its expansion overseas. It must also place the management of its overseas operations on a firmer footing. Important issues are continuing production ensuring consistent quality, developing new customers and bringing out the best from its human resources.

Suppliers

We have established basic policies on procurement, and we encourage green procurement according to our own guidelines.

Basic procurement policies

We follow three basic principles in procurement: building long-term partnerships based on mutual trust; fair, equitable and open procurement; and compliance with the law and maintaining confidentiality.

Basic Policies for Purchasing Supplies

- Building long-term partnerships based on mutual trust**
 We aim to build long-term relationships of trust with our favored partners through fair dealings in which both parties do their best. This way we can grow together.
- Fair, equitable and open procurement**
 We are open to all suppliers, regardless of country of origin, size or affiliations. We select our suppliers on the basis of quality, price, delivery times, service, and technical and developmental capacity.
- Compliance with the law and maintaining confidentiality**
 We observe the law and relevant social norms in procurement. We do not make any unauthorized disclosures to any third party of any confidential information we may acquire about our suppliers.

Green procurement

We have established Green Procurement Guidelines based on our basic procurement policy, which mean that we try to buy low environmental impact products from organizations that care for the environment. We work with our suppliers, encouraging them to manage substances that impact the environment at every stage, from design, through production to shipment. We also try to reduce the burden on the environment from wastes.

In fiscal 2009, we thoroughly overhauled the Guidelines to reflect the increasing importance of communication throughout the chemical substance supply chain and compliance with the law overseas.



Green Procurement Guidelines

NHK Spring Group Partners Meeting

We invite representatives from our trading partners including suppliers to our Group companies to the NHK Spring Group Partners Meeting once a year. We use the meetings to explain the fiscal year policies and Medium Term Management Plan targets as well as the issues concerning us. We aim to further strengthen cooperation and understanding from our partners.

The Procurement Division describes our business environment and our basic approach to purchasing policy. The Engineering Division explains our policies and targets for quality and how the manufacturing divisions as well as business divisions are dealing with quality, seeking cooperation in improving quality.



NHK Spring Group Partners Meeting held to strengthen ties with our suppliers

VOICE

Looking to expand our business further in Japan and overseas



Fumihiko Okano

General Manager
 Business Development Office.II
 Business Development Division
 Fujita Corporation

Fujita has been dealing with NHK Spring for over 40 years now. We have built buildings for NHK Spring and its Group companies both in Japan and overseas and welfare facilities such as housing and dormitories, as well as all kinds of repairs and improvements, such as seismic strengthening.

NHK Spring has always been fair with us in the way they assess our proposals, pricing and delivery times, while always positively encouraging us to take up new ideas. We have built a relationship of trust with NHK Spring, not as mere subcontractor suppliers but as partners, and we aim to grow together.

We hope that NHK Spring will be rated top for creativity and encouraging development by many of its clients, and we expect its business will grow further, both in Japan and abroad.

We received a Partner Award from NHK Spring in fiscal 2013. Over the hundred year history of Fujita, a construction company like us receiving such an award is a very rare thing. We will all contribute to NHK Spring's business through innovation in construction.

Employees

At NHK Spring, we have a corporate culture of valuing people. We regard our employees as an important asset, and we develop our human resources. We provide employment for people with disabilities, and we take care over workplace health and safety and employee welfare to create a company that people want to work for.

Employment and training of human assets

Basic approach to employment

For us, the keyword when we look to recruit staff is "partner." We are looking for a broad range of people who will become "partners" of NHK Spring with potential in all areas who will have really inquiring minds and a desire to overcome all obstacles; they must be flexible, ready to push the boundaries, and will always be positive. We aim to employ people who will pursue their dreams and test their limits in a free and vigorous corporate environment.

Types of people we seek



Human resources development

Human resources development involves three functionally linked concepts: 1) Individuals, who are encouraged to develop themselves, 2) The workplace, where employees are trained, and 3) Personnel systems, that support the other two. This enables each individual to develop their abilities as a professional. Human resources development includes training in foreign languages and other cultures, as well as intensive training at all levels and in all occupations and specializations. Our human resources development responds flexibly to changes in the environment, with employees also undergoing training outside NHK Spring and receiving training overseas and online.



We conduct many kinds of training to improve the abilities of our workforce

Employment

In employment, we conduct our own recruiting sessions, and we make every effort to have recruitment staff from our Human Resources Department attend recruiting sessions organized by schools. Our recruiting sessions provide opportunities to talk freely to newer employees of NHK Spring acting as recruiters. This gives the students the chance to hear what it is actually like to work for us. The students hear about our corporate culture and environment and life in the company once they are employed.

We provide information on the recruitment website, and we have links to our recruitment page on our main website which can also be reached from cell phones etc. Finally, we also put up advertising posters in railway stations directed to new graduates.



Recruiting session describing NHK Spring



Recruitment page on our website



NHK Spring page on the Rikunabi (job information) site



Advertising poster introducing our recruiting in stations

Employing the people with disabilities

We established Nippatsu Harmony Co., Ltd. as a Special Subsidiary Company in April 2002 to employ people with disabilities, as a corporate social responsibility and contribution to local communities. In March 2009, we submitted two Group companies, NHK Sales Co., Ltd. and NHK Transport Co., Ltd. as Special Subsidiary Company under the Group.

Nippatsu Harmony has two sites each in Kanagawa and Nagano Prefectures, for a total of four sites, as of the end of March 2013, giving enjoyable work to 43 people with disabilities (mainly intellectual). In fiscal 2012, we gave training to 45 students from local schools for the disabled, and we arranged visits by over 330 interested parties from business, schools and government.

The Group aims for the people with disabilities and those without to work together 'reaching for potentials', 'becoming independent member of the society', and 'coexisting with the society'.



Nippatsu Harmony employees happy at work

Workplace health and safety

We introduced a Workplace Health and Safety Management System in fiscal 2000, and it was rolled out companywide in fiscal 2003. We have taken the following measures to eliminate workplace accidents to achieve Zero hazards:

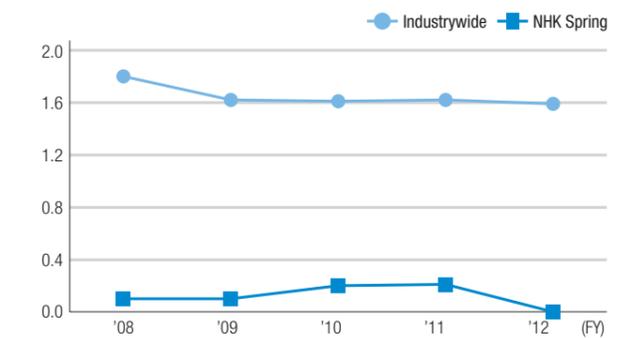
- Training intended to make safety second nature
- Safety dojos, aimed at safety at work
- Risk assessments, to identify risk factors, associated with basic safety around plants and equipment

Days lost as an indicator of workplace health and safety are well below the industry average.

Through the judicious use of the PDCA cycle in our Workplace Health and Safety Management System, we will achieve an upward spiral leading to even better health and safety outcomes.

$$\text{*Rate of days lost through injury} = \frac{\text{Rate of occurrence of workplace injuries}}{\text{Hours worked}} \times \text{Million}$$

Trend in days lost due to workplace accidents



Benefits programs

We strive to provide a full range of benefits in line with the social environment, to assist our employees enjoying a happy working life. In particular, we provide a safe and secure workplace and we pay particular attention to activities that allow communication between employees. We aim for the general welfare of our employees by assisting with physical and mental health management, after-hours activities and a stable lifestyle after retirement and so on.



Summer night festival including the local residents (Toyota)



Company soccer competition held at the NHK Spring Mitsuzawa Football Stadium, where we have naming rights



Go coaching from professional go player (Yokohama)



Golf competition between workplace colleagues (Nagoya Branch)

Local communities

NHK Spring and our Group companies have operations around the world where we hold local community-based activities. The energies of the whole Group are directed to expanding our ties to the local community everywhere.

Involvement by NHK Spring

Activities based on the NHK Spring Mitsuzawa Football Stadium

We had a 5 year contract for the naming rights to the NHK Spring Mitsuzawa Football Stadium from 2008, which expired in 2013. We renewed the contract for a further 3 years in March 2013.

The naming rights entitle us to free use of the Stadium, which we make good use of.

- Sponsorship of the NHK Spring and Asahi Shimbun Junior Soccer School
The Junior Soccer School is held at the Stadium for Grades 2 to 4 elementary school students. 150 students have the opportunity for instruction from former professional players each time.
- NHK Spring and College of Science & Engineering Soccer League in Kanto Area
College of Science & Engineering Soccer League in Kanto Area was established to assist promising students. The season opening games are held at the Stadium, and the champion and runner-up teams are presented with their awards before big crowds at official matches of the J-League Yokohama FC. This also helps our recruitment work.



President Tamamura concluding the agreement with Yokohama Mayor Hayashi in December 2012



NHK Spring Mitsuzawa Football Stadium, where we have extended our naming right for a further 3 years



NHK Spring and Asahi Shimbun Junior Soccer School
Children enjoying running around on the pitch used by the professionals



NHK Spring and College of Science & Engineering Soccer League in Kanto Area supporting activities of university students

Donations of idle equipment and tools

As part of our assistance to the areas affected by the Great East Japan Earthquake, in April 2012 we donated equipment and tools not being used by our Research and Development Division in collaboration with the Free Idle Equipment Matching Support Project run by the Yokohama Chamber of Commerce & Industry, which Advisor Sasaki serves as a Chairman.



Donation of idle equipment and tools to the earthquake affected area

Internships and plant tours

We offer internships to provide work experience and plant tours. Every year we offer more internships, and the scope of the work experience is also expanding. The work experience may be in analysis in the Research & Development Division, development, design and innovation in the Suspension Spring and Seating Divisions, or learning about the functions of the Corporate Planning Department for university liberal arts students. We also take non-Japanese interns. We will respond positively to demand for places by offering high school and university students the invaluable experience of an actual workplace.

We offer plant tours to the industry groups we belong to and other interested parties from industry, as well as to students at all levels, from elementary school to university. Overseas political and government delegations and industrialists also tour our plants. Visitors come for a wide range of reasons: innovative technology, quality management, the environment preservation, health and safety and employing people with disabilities.



Internships covering a wide range of areas



Plant visits to provide an understanding of what we do

Sponsoring and collaborating with local events

We sponsor, collaborate with and support local events in the communities where we operate. Our main efforts in fiscal 2012 were:

- Yokohama International Costume Parade (The Yokohama Parade)
- Yokohama Sparkling Twilight
- Dance, Dance, Dance @ Yokohama
- Tenryu Riverbank aqueous environs picnic (Ina, Komagane)
- Kids Engineer 2012
- Student Formula SAE Competition of Japan
- Yokohama Mother's Chorus
- The Kanazawa Festival

We also contributed to the use of the gymnasium for the Special Olympics Nippon/Kanagawa, which supports people with intellectual disabilities, and we supplied photos and material on our products for some teaching materials. In addition, each of our sites takes part in different events, working with local government and organizations.



Sponsoring the Kids' Parade at the Yokohama International Costume Parade



Three NHK Spring plants taking part in beautification work at the Tenryu Riverbank aqueous environs picnic



Receiving an award for environmental work from Yokohama City and Kanagawa Prefecture



Our programs at Kids Engineer are rated top every year

Group company involvement

Our Group companies engage in different activities, according to where they are.

Group companies joined to donate wheelchairs [NHK Spring Mutsumi-kai Association]

The NHK Spring Mutsumi-kai Association is organized by NHK Spring. As one of its contributions to society, it has donated wheelchairs to the Yokohama City University Hospital, located next to the Yokohama Office.

The funds come from the income from recycling secondhand books from all Group companies. The Association makes donations to the Hospital every year. Fiscal 2012 was the 15th year we have done this, and we intend to continue this initiative.



Chairman of NHK Spring Mutsumi-kai General Affairs Department Kazuma (right) and Hospital Director Hirahara with the donated wheelchairs

Donating musical instruments to local junior high school [G.L.G. Corporation]

The Linx Shin Kawasaki golf driving range, managed by G.L.G. Corporation, has been open for 20 years now. G.L.G. has contributed a trumpet and clarinet to the neighboring Hiyoshi Junior High School. Linx Shin Kawasaki is a familiar and well-loved local institution, providing work and golfing experience for students from the school.



June 20, 2012 President Yasuda of G.L.G. Corporation (left) visiting the school to present the musical instruments

Environmental Report

Environmental Management

Environmental Voluntary Action Plan	21
Business activities and the product lifecycle	22
Systems to encourage environmental conservation ...	23
ISO 14001	24
Environmental auditing	25
Environmental education and consciousness-raising ...	26
Environmental accounting	27

Environmental Performance

NHK Spring involvement at production sites	28
NHK Spring fiscal 2012 targets and performance	29
Group company involvement	30
Managing and reducing pollutants	32

Environmental Data

Progress in environmental activities	33
Plant site data	
Head Office (Engineering Division, Research & Development Division, Security Technologies & Solutions Division)	34
Yokohama Plant (Suspension Spring Division)	35
Shiga Plant	36
Gunma Plant	37
Yokohama Plant (Seating Division)	38
Toyota Plant	39
Atsugi Plant	40
Ina Plant	41
Komagane Plant (Disk Drive Suspension Division) ...	42
Isehara Plant	43
Komagane Plant (Industrial Machinery & Equipment Division)	44
Yasu Plant	45

Environmental Voluntary Action Plan

We have established a Global Environmental Activities Plan and Global Environmental Activities Guidelines for involvement in a broad range of global environmental issues. We published them in May 1993 as our Environmental Voluntary Action Plan, and we draw up our Environmental Activities Policies each year on that basis.

Global Environmental Activities Guidelines

Our Group's Corporate Philosophy is to declare that our business activities will strive for harmonious coexistence with the global environment.

Global Environmental Activities Guidelines

- 1. Actively involve environmental conservation at all stages of the life of products, from design through production to disposal.**
 - 1) Look for ways to use resources efficiently, and make every effort to save resources and recycle.
 - 2) Set our energy savings target at over 1% improvement in unit energy consumption to sales per year to promote energy savings.
 - 3) Aim for zero emissions in production activities to encourage cutting waste and saving resources.
- 2. Encourage the development of technology to solve global environmental problems and contribute to saving the environment.**
- 3. As NHK Spring, be involved in the environment and take an active part in saving the social and local environment.**

Global Environmental Activities Plan

We identify important areas we should be involved in on the basis of our Global Environmental Activities Guidelines. We then set specific objectives and targets and plan what we must do to achieve them.

Main concerns

- Reducing CO₂
- Reducing wastes
- Lifting recycling
- Reducing and managing chemicals
- Contributing to local communities & environmental protection
- Promoting energy-saving products

Global Environmental Activities Plan

- 1. Framework to encourage activities**
Operating the Global Environmental Measures Committee and encouraging protection of the environment.
- 2. Involvement in specific issues**
 - 1) Saving energy and reducing CO₂
 - 2) Involvement in the recycling-oriented society
 - 3) Encouraging green procurement at the global level
 - 4) Product design and technical development taking account of impact on the environment
 - 5) Monitoring and awareness of environmental issues in overseas plants
 - 6) Contributing to society through energy-saving products
 - 7) Review of hazardous chemicals and response to their restrictions
 - 8) Running and upgrading environmental management systems (EMS)
- 3. Publicity and social activities**
 - 1) Advertising
 - 2) Provision of information
 - 3) Employee education and training
 - 4) Involvement in social activities
- 4. Activities overseas**
We are actively involved in the actual preservation of the environment and observe local environmental rules. We also protect the environment through technology transfer, etc. having regard to local social and economic conditions.

Environmental Activities Policies

We involve ourselves in global environmental issues at the Group and global level through our Environmental Activities Policies drawn up yearly.

Last fiscal year we achieved the Kyoto Protocol and Parts Industries Association targets. In fiscal 2013, we will further encourage even greater energy saving, as well as rolling out our resource saving activities globally.

We will also manage chemical substances and environmental facilities, and we will respond in a planned way on plant and equipment which we are legally obliged to report on.

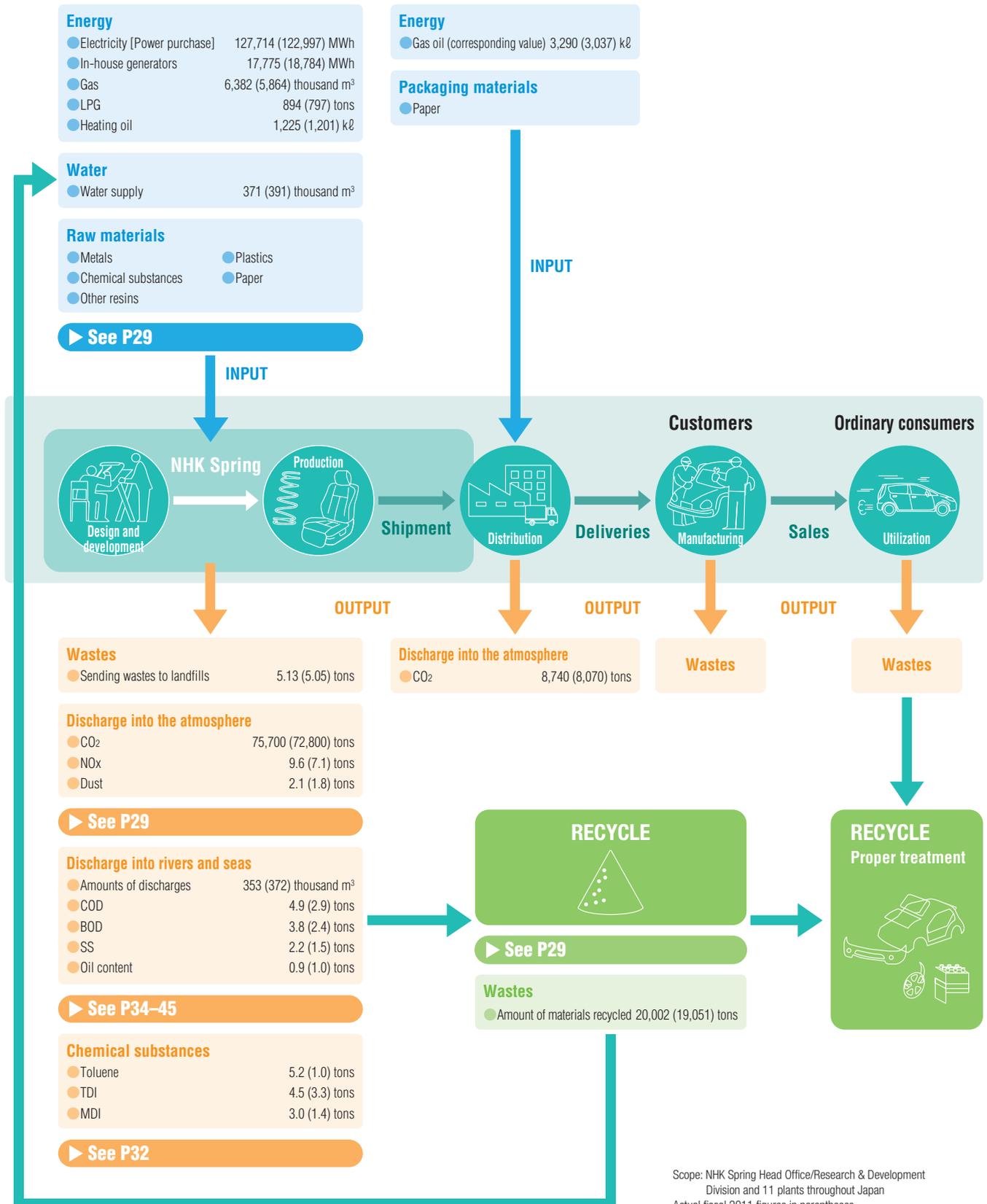
Environmental Activities Policies 2013

- 1. Encourage global environmental management**
 - 1) Continuing and stepping up our CO₂ reductions
 - 2) Maintaining zero emissions* and continuing to reduce wastes
 - 3) Encouraging management of substances of concern (SOC)
- 2. Maintain 'zero' global environmental incidents**
 - 1) Maintaining and stepping up environmental management
 - 2) Maintaining compliance with environmental laws and regulations
 - 3) Maintaining environmental facilities in operation and protecting them

* Group-wide definition for "zero emissions": Recycling rate of 99.0% or better

Business activities and the product lifecycle

We are working to reduce the burden on the environment by understanding the overall business in terms of product lifecycles and quantifying inputs and outputs wherever possible. We also aim to bring about a recycling society by recycling wastes.



Scope: NHK Spring Head Office/Research & Development
Division and 11 plants throughout Japan
Actual fiscal 2011 figures in parentheses

Systems to encourage environmental conservation

Our Global Environmental Measures Committee is at the center of our efforts to promote and implement our Environmental Voluntary Action Plan. Our ongoing environmental activities follow the PDCA cycle.

Organization

The Global Environmental Measures Committee deliberates on all details of environmental activities conducted within the NHK Spring Group and then uses the results to draw up and implement the Global Environmental Activities Plan. There are two lower-level committees set up under the Committee, the CO₂ Reduction Committee and the Office Energy Saving Liaison Committee, which work to implement energy saving and CO₂ reduction activities.

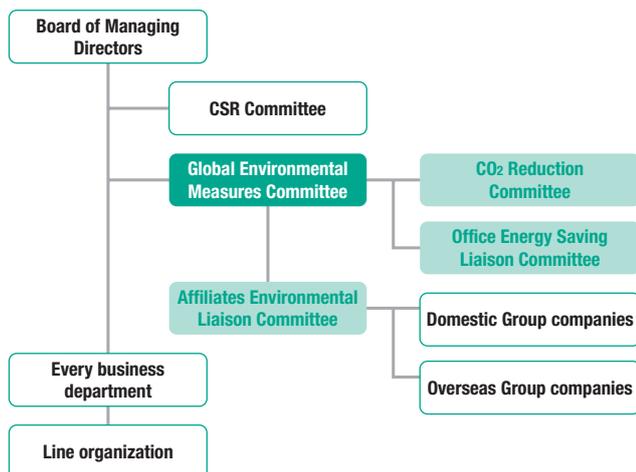
Wastes and chemical substances are managed in conjunction with the management departments at each plant.

The Affiliates Environmental Liaison Committee was also created under the Global Environmental Measures Committee as a lower-level committee that works as part of global environmental conservation activities by the NHK Spring Group. It more actively encourages action to protect the environment by our Group including our overseas Group companies.

In addition, we launched a Zero Waste Project (→P28) in November 2000, targeting zero emissions as part of our involvement in building a recycling society. We achieved zero emissions from our Yokohama Office in 2003, and we extended this to all plants in 2004. In 2010, we further increased efforts and succeeded in achieving a recycling rate of 100% in NHK Spring.

The Group companies in Japan began efforts towards zero emissions in 2005, and reached the target in 2009. Our overseas Group companies are currently involved in working towards the same target, on the basis of the performance of the Japanese companies.

System for encouraging environmental protection



Working closely in local communities to preserve the environment

Our Yokohama Office holds an Environmental Green Walk every April. The event is intended to contribute to an environment-friendly society by beautifying the environment around the Office, factories and the bayside park. Employees and their families from NHK Spring and other nearby companies take part. We aim for greater recycling by reducing the amount of unsorted waste discarded on paths and green areas.

All our other plants are firmly grounded in their local areas. They also continue to take part in cleaning up their surroundings and local events.



Families of employees all wearing their matching jackets taking part in activities



Employees who have only joined this year also enthusiastically join in

VOICE

CO₂ reduction target achieved in fiscal 2012, the final commitment year of the Kyoto Protocol

Takashi Yonezawa

Manager,
Safety & Environmental Activities Department,
Engineering Division



These days NHK Spring is involved with global environmental issues and has had arrangements in place for the environment since 1992 when it began issuing the Global Environmental Activities Guidelines. We have also been making efforts to provide environmental education and training to Group employees to provide them with the latest knowledge and skills to ensure optimal environmental management at each plant.

The year 2012 marked the end of the first commitment period for the Kyoto Protocol. We here at NHK Spring have achieved our CO₂ reduction targets by encouraging energy-saving activities. We will continue conserving energy and reducing wastes, and will encourage positive responses to the new issues raised by legislative change and maintaining environmental facilities.

ISO 14001

As an organization, we are involved in protecting the environment, and we have gained ISO 14001 international certification for our environmental management systems.

NHK Spring certification status

We began preparing to gain certification in 1996, and our Yokohama Plant (Suspension Spring Division) was the first in the industry to reach certification in January 1997. This was the beginning; we then gained certification for three plants a year, with the last of our 11 Japanese plants being certified in April 2001. In November 2006, the Security Technologies & Solutions Division at our Yokohama facility also gained certification.

Dates NHK Spring acquired ISO 14001 certification

Divisions	Plants	Dates acquired
Suspension Spring Division	Yokohama Plant (Suspension Springs)	January 1997
	Shiga Plant	March 1998
Seating Division	Gunma Plant	March 1998
	Yokohama Plant (Seating)	May 1999
	Toyota Plant	March 1999
Precision Spring & Components Division	Ina Plant	June 1999
	Atsugi Plant	November 2000
DDS (Disk Drive Suspension) Division	Komagane Plant (DDS)	June 2000
Industrial Machinery & Equipment Division	Isehara Plant	April 2001
	Komagane Plant (Industrial Machinery & Equipment)	November 1998
	Yasu Plant	August 2000
Security Technologies & Solutions Division		November 2006

Certification status of Group companies

Domestic Group companies

All 17 of our Group companies that are members of the Joint Safety and Environment Subcommittee of the Engineering Department of the NHK Spring Mutsumi-kai have acquired ISO 14001 certification.

Overseas Group companies

The NHK Spring Group also encourages its overseas Group companies to acquire ISO 14001 certification. As of 2012, 15 overseas Group companies had done so, and others are working towards it.

Dates Group companies acquired ISO 14001 certification

Region	Group companies	Dates acquired
Domestic	NHK Sales Co., Ltd.	October 2002
	NHK Spring Production Company	August 2001
	Sumihatsu Co., Ltd.	October 2003
	Horikiri, Inc.	May 2001
	Tohoku Nippon Co., Ltd.	September 2004
	Ites Co., Ltd.	April 2007
	Faurecia-NHK Kyushu Co., Ltd.	March 2005
	Sindai Co., Ltd.	May 2007
	SNIC Co., Ltd.	March 2005
	Uniflex Co., Ltd.	October 2003
	Ayase Seimitsu Co., Ltd.	March 2006
	Tokuhatsu Co., Ltd.	April 2002
	NHK Precision Co., Ltd.	February 2006
	NHK MEC Corporation	March 2002
	Nippon Shaft Co., Ltd.	November 2003
	Topura Co., Ltd.	November 2001
	Yokohama Kiko Co., Ltd.	August 2001
North and South America	New Mather Metals, Inc.	July 2003
	NHK of America Suspension Components Inc.	January 2003
	NHK Seating of America Inc.	September 2004
	Rassini-NHK Autopeças Ltda.	May 2002
Asia	NHK Spring (Thailand) Co., Ltd.	June 2000
	NHK Precision (Thailand) Co., Ltd.	January 2005
	Autrans (Thailand) Co., Ltd.	May 2004
	NHK Manufacturing (Malaysia) SDN. BHD.	August 2001
	NHK-Uni Spring (Guangzhou) Co., Ltd.	March 2005
	NHK Spring Precision (Guangzhou) Co., Ltd.	December 2005
	Chongqing Qingling NHK Seat Co., Ltd.	March 2006
	NAT Peripherals (Hong Kong) Co., Ltd.	October 2003
	Uni Auto Parts Manufacture Co., Ltd.	March 2006
	NHK Spring India Ltd.	October 2003
Europe	Ibérica de Suspensiones, S.L.	December 2003

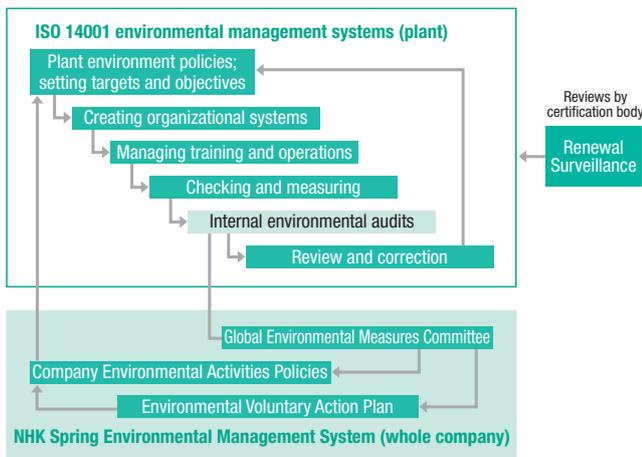
Environmental auditing

We practice proper management according to environmental manuals, and we conduct environmental audits to achieve effective environmental performance.

ISO 14001 and environmental auditing

By conducting environmental audits, the NHK Spring Group checks whether Group company environmental management systems are functioning correctly according to ISO 14001. Environmental audits also help us comply with the laws on the environment, improve our environmental performance, isolate areas that need improvement, and lift our management capacity.

Environmental management and environmental auditing



External audits

External audits are conducted by external certification bodies to check that our environmental management systems meet and are being operated according to the requirements of ISO 14001. Surveillance audits are in principle conducted annually, with renewal audits once every three years.

All 11 plants and one office received external audits in fiscal 2012; six plants had surveillance audits, and five plants and one office had a renewal audit. The audits found that the plants and environmental management systems were being run correctly, that pollution was being prevented, and that we were making continuing efforts to improve.

Environmental auditing

The members of our environmental audit team conducting audits have completed special training. In fiscal 2011, each of our plants conducted an internal environmental audit. In addition, the Head Office of NHK Spring also conducted environmental audits on five local plants, and five local and three overseas Group companies. This ensured that our systems were functioning properly and we were improving our performance.

The results of audits are reported to plant managers and presidents of Group companies for prompt remedial or corrective action. The results of audits are also reported to the Global Environmental Measures Committee. Where necessary they are incorporated into the Environmental Activities Policies and Environmental Voluntary Action Plan.



Environmental auditing

VOICE

All employees follow plant environmental guidelines to protect the environment



Takeshi Saito

Manager, Engineering Department, Gunma Plant Seating Division

The Gunma Plant is located in Jyoshu area blessed with nature. All our processes function in an environment that encourages innovation through an interlinked process of preproduction, assessment, testing and production of automotive seats. We assess environmental impacts in the same way, with all our employees engaged in protecting the environment.

Since fiscal 2010 we have been rebuilding the plant on the slogan of 'Low energy production', taking great care to eliminate 'Unreasonableness, Inconsistency, Waste'. We aim to work harder to make our plant more environment-friendly.

Environmental education and consciousness-raising

We conduct a variety of environmental education and consciousness-raising activities to ensure that all our employees carry out their regular jobs with knowledge of the environment and a high level of awareness of the issues.

Environmental training

Raising the environmental consciousness of individual employees is important to carrying environmental work forward. Our Group has an excellent in-house training system to extend awareness of environmental issues, including a range of environmental education programs, training for internal environmental auditors, and encouragement to acquire external qualifications.

At NHK Spring, we offer different levels of education for all employees, as well as specialist training for staff with particular environmental responsibilities. General environmental education at different levels is included in our staff training program and is repeated with promotions. Specialist training is provided when staffs begin new positions, and regular skill upgrading is also provided.

In fiscal 2009, we started sending out staff to train our domestic Group companies as part of our Group environmental work.



Specialist education
(Seminars for Environmental Assistant Managers and Auditors)

Contents of environmental education

Classification	Recipients	Content of training	
Education at different levels	Training for new employees	Global environmental issues, environmental management systems, and requirements for environmental laws and regulations and efforts made by NHK Spring	
	Training for new assistant managers		
	Training for new senior staff		
	Training for new executives		
Specialist education	Internal environmental auditors	Training and education	Skills upgrading training
		Internal environmental auditor training and refresher courses	Environmental auditor workshops for lead auditors

Numbers of staff with environmental qualifications (as of June 2013)

Qualification	Classification		Numbers holding qualifications	Qualification	Classification		Numbers holding qualifications
Pollution prevention management	Air	Type 1	8	Working environment measurement experts	Type 1	Dust	5
		Other	23			Special chemicals	5
	Water quality	Type 1	8			Specific dust	2
		Other	18			Metals	3
	Noise		36			Organic solvents	5
	Vibration		31			Type 2	8
Dioxins		2					
Environmental management system auditors	Assistant auditor		2	Certified environmental measurers	Level-related	3	
				Specially controlled industrial waste manager		41	
				Qualified persons for energy management		31	
				Energy managers for Type 2 Designated Energy Management Factories		5	

Consciousness-raising activities

Up to fiscal 2012 we held an annual "Global Environment Forum" in June, which is Environment Month. This involved raising the awareness of the employees of NHK Spring and our Group through environment exhibitions, seminars, and examples of outstanding environmental work. We are considering holding the Forum in conjunction with the NHK Spring Group Technical Forum from fiscal 2013. The Technical Forum is an opportunity for technical interchange within the Group.

We also give awards for the best CO₂ reduction and environmental slogan during the fiscal year to promote proactive environmental conservation activities among employees.

We also carry news of our involvement with the environment, through company newsletters, the intranet and company notice boards, to develop activities horizontally across the NHK Spring Group.



Global Environment Forum seminar (left) and exhibition

VOICE

Protecting the global environment starts with each one of us

Tomoyuki Yamazaki

Manager,
Manufacturing Section, Electronic Components
Department, Komagane Plant
Industrial Machinery & Equipment Division



The Komagane Industrial Machinery & Equipment Plant is situated in Komagane, in Nagano Prefecture, looking out at the both the Central and Southern Alps. We are working to create a friendly plant in the middle of a fine natural environment of fresh air and clear water. The plant has two departments: the Chemical Products Department (producing polyurethane foam) and the Electronic Components Department (producing printed wiring boards). We encourage all our employees to take part in environmental protection work.

We have contributed to the Tenryu Riverbank aqueous environs picnic since 1998 as a contribution to local activities. On June 2, 2012, 122 of our employees and their families took part in collecting waste during the picnic. To save energy, we completed the entire electrification of the office building, doing away with the hot water boiler, in fiscal 2012. We expect to reduce our CO₂ emissions by 21 tons by reducing our use of kerosene.

We also raise consciousness of the environment by holding environmental education and presenting case studies of energy saving in April and September. It's up to each individual to practice protecting the global environment, but we aim to create an earth-friendly plant, and we will continue our efforts to protect the global environment and reduce our CO₂ emissions.

Environmental accounting

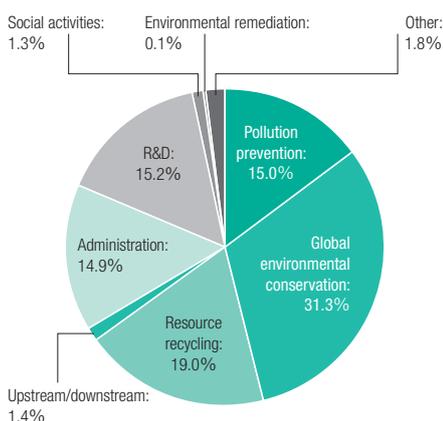
We identify the costs and effects of our environmental conservation activities in environmental accounting, and we use this in running the company.

Fiscal 2012 environmental accounts - classifications and results

We introduced environmental accounting in fiscal 2000. Our accounts show collections of data under the following nine headings, based on the Ministry of the Environment's Environmental Accounting Guidelines (2005 edition).

Using the fixed standard we have set, we calculate our fiscal 2012

expenditure on supporting the environment at a total of ¥817 million. The table below shows the breakdown. By reviewing our environmental facilities management and R&D, we were able to reduce our pollution prevention and R&D costs.



Fiscal 2012 - Cost of environmental conservation

Units: ¥ million/year

Classification of costs	Main elements	Value* in FY 2011	Value* in FY 2012
1) Pollution prevention	Maintenance of effluent treatment facilities and dust collectors, measurement and monitoring of air and water quality and noise, and other preventive measures	223.7	122.9
2) Global environmental conservation	Preservation of green areas around plants, energy-saving measures, warming prevention, etc.	233.9	255.5
3) Resource recycling	Waste treatment, zero emissions measures, office recycling, etc.	137.8	154.8
4) Upstream/downstream	Limiting environmental burdens from our suppliers and customers associated with our own production activities (green purchasing, product recycling, reduced packaging, and so on)	12.5	12.2
5) Administration	Waste manifest management, ISO 14001 maintenance and renewal inspections and ISO 14001 office personnel costs, reporting to the government, etc.	83.0	122.1
6) R&D	Research to reduce environmental loads and development of products to contribute to reducing environmental loads	216.0	124.2
7) Social activities	Social service activities (cleaning waterways and surroundings of plants), etc.	8.5	10.3
8) Environmental remediation	Remediating environmental damage to surroundings	0.0	0.6
9) Other	Other environmental conservation work	3.2	14.7
Total		918.8	817.0

* Value: Totals of Environmental Investments and Environmental Conservation

Classification and performance of fiscal 2012 investments

The table below sets out our performance in fiscal 2012. We kept the volume of wastes sent to landfill at about the same level as in fiscal 2011 by recycling almost the entire increase in waste volume. Unit energy and CO₂ emissions and

all unit costs tended to rise due to the ongoing costs of securing electricity and rising unit costs, while there were no significant effects from our investments. We will continue to make economic improvements.

Performance of fiscal 2012 investment effects

	Material effects*1			Economic effects*2			Assessment
	FY 2011 performance	FY 2012 performance	Effects	FY 2011 performance	FY 2012 performance	Effects	
Energy use per unit output (J/¥ million)*3	5,910	5,980	70	—	—	—	△
CO ₂ per unit output (thousand kgC/¥ million)*3	0.130	0.136	0.006	—	—	—	△
Wastes to landfill (tons/year)	5.0	5.1	0.1	—	—	—	○
Wastes recycled (tons/year)	19,051	20,002	951	—	—	—	○
Energy costs per unit output (¥/¥ thousand)*3	—	—	—	16.9	19.8	2.93	△*4
Waste treatment costs per unit output (¥/¥ thousand)*3	—	—	—	0.59	0.63	0.04	△*5

*1 Material effects: Reduction in environmental pollutants, etc. *2 Economic effects: Energy savings and cost reduction on waste, etc. *3 Unit output: Values to Sales

*4 Due to increased unit energy costs *5 Due to rise in unit treatment costs

NHK Spring involvement at production sites

We encourage reducing electricity use and saving energy, and encourage making energy use more visible (transparent); we also practice energy management through electricity monitoring and other initiatives. We continue our zero emissions work through recycling.

Energy-saving equipment

Use of solar energy

We installed solar power generators at our DDS Komagane Plant in 2008, our Yokohama Office in 2009, and our Seating Division Gunma Plant in 2012. We make extensive use of renewable solar energy to promote energy saving and reducing CO₂ emissions.



DDS Komagane Plant
(20 kW)
Commissioned 2008

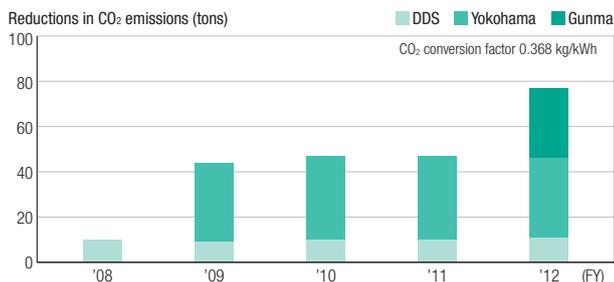
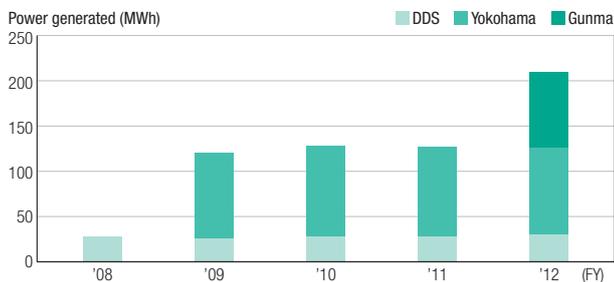


Yokohama Office
(100 kW)
Commissioned 2009



Seating Division Gunma Plant
(56 kW)
Commissioned 2012

NHK Spring solar generation performance



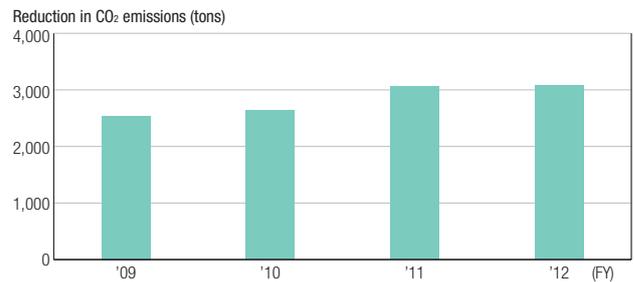
Use of private power generation

We operate private electricity generators at our Yokohama Office and Industrial Machinery & Equipment Division Isehara Plant to save energy and combat power shortages. The Yokohama Office managed to cut down on energy usage during peak usage times by over 30% by running its cogeneration equipment during the summer months in 2011 when restrictions on electricity usage were in place. It continued to run efficiently in 2012, greatly reducing CO₂ emissions and making a significant contribution to our overall environment protection activities.



Yokohama Office
Cogeneration equipment
(4,450 kW)
Commissioned 2005

Yokohama Office cogeneration performance



Zero emissions

To play our part in an environmental-friendly society, we have set up a recycling center and established a Zero Waste Project. These are intended to reduce wastes and reuse and recycle resources.

Recycling confidential paper documents

We use a secure shredding service so that we can reuse documents that would be hard to recycle otherwise for security reasons.

On-site checks of waste processors

We conduct regular checks of waste processors to confirm that they are treating our wastes according to contract, in order to ensure that our zero emissions policies are being implemented.



Checking processor on site

NHK Spring fiscal 2012 targets and performance

We approach energy saving, reducing CO₂ emissions, recycling wastes and reducing pollutants in production in a planned way, setting specific targets to be achieved.

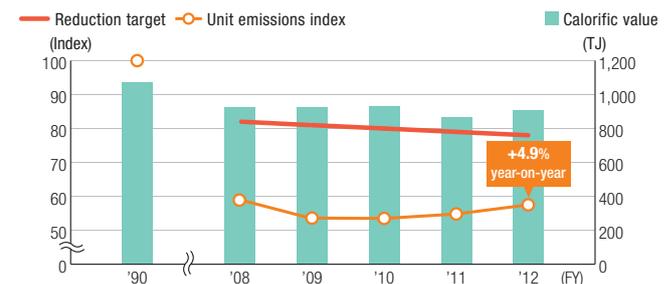
Energy saving

NHK Spring has long been aware of environmental issues and has been involved in energy saving. We have had these matters under consideration in energy saving subcommittees and working groups since moving our head office, and Suspension Spring and Seating divisions (plants) to Yokohama in 1991. We are currently continuing with energy saving initiatives at all our plants.

Targets		
Unit energy consumption to sales: Annual reduction of 1% (based on fiscal 1990) (Under the Law Concerning the Rational Use of Energy, evaluation criteria of factories for rationalization of energy use)		
FY 2012 target	FY 2012 actual	Assessment
Target unit consumption* 78.0	Unit consumption 57.5	

* Target unit consumption: Targeted reduction with fiscal 1990 unit consumption as 100

Movements in target and actual unit index energy consumption to sales



* The target index differs from that reported in the 2011 Annual Report due to the method used to calculate the results for 2009 to 2010 being revised.

Reduction in CO₂ emissions

We established a CO₂ Reduction Committee in 2008 for our involvement with our domestic Group companies in efforts to reduce CO₂ emissions. There are specific targets for reducing CO₂ emissions for the whole Group, and we are making efforts to prevent global warming. However, our unit CO₂ emissions for fiscal 2012 increased by 2.3% over the previous year due to effects from lower new order receipts and the strength of yen, although we did meet our yearly targets.

Targets		
7% reduction from 2008 to 2012 (based on fiscal 1990) and reduction of 20% in unit CO ₂ emissions by 2010 (based on fiscal 1990) (According to Japan Auto Parts Industries Association Fifth Environmental Voluntary Action Plan)		
FY 2012 target	FY 2012 actual	Assessment
Target unit consumption* 78.0	Unit consumption 61.2	

* Target unit consumption: Targeted reduction with fiscal 1990 unit consumption as 100

Movements in target and actual CO₂ emissions



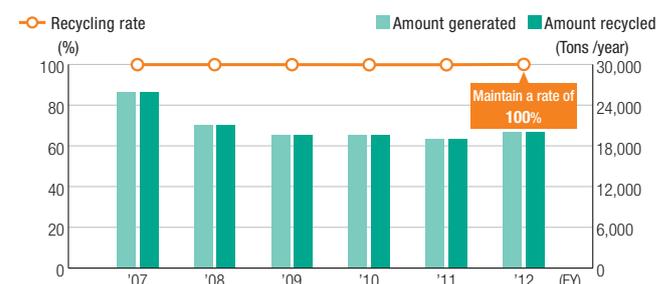
Recycling of wastes

We have a target of zero emissions.* To reach it, we are involved in reducing the amount of wastes going to landfill, lifting our recycling rate, and reducing our output of wastes. We achieved this at our Yokohama facility by the end of fiscal 2002. We extended our efforts throughout the company from fiscal 2003, and to our domestic Group companies in fiscal 2005. We have maintained a 100% recycling rate since first achieving it in fiscal 2010.

Targets			
Maintain zero emissions across the entire company from fiscal 2005 (Recycling rate of 99.9% achieved since fiscal 2005)			
FY 2012 target	FY 2012 actual	Assessment	FY 2013 target
Recycling rate of 99%	Recycling rate of 100%		Continue recycling rate of 100%

* Zero emissions: Our definition of zero emissions is a recycling rate of at least 99%

Movements in amounts of waste generated and recycled



Group company involvement

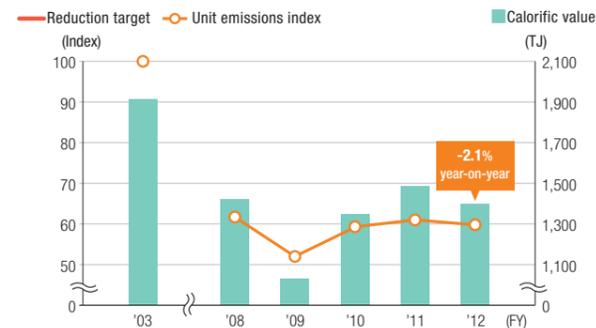
We involve the entire Group in our environmental conservation activities. They are all engaged in reducing environmental pollution.

Domestic Group companies

Energy saving

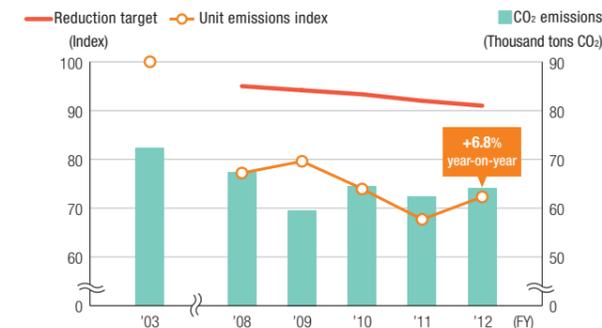
Our domestic Group companies are working with us to save energy, with a target of a 1% reduction annually in unit energy consumption to sales, with fiscal 2003 as the base year.

Movements in target and actual unit index energy consumption to sales



* Unit consumption in fiscal 2003 as 100
* Electric heat value coefficient = 8.81 GJ/1000 kWh

Movements in target and actual CO₂ emissions



* Unit consumption in fiscal 2003 as 100
* Electric CO₂ coefficient = 0.368 tons/1000 kWh

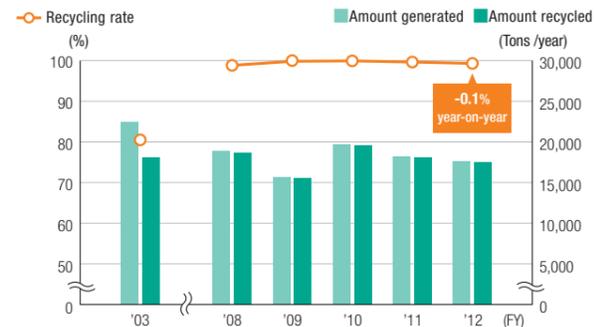
Towards an environment-friendly society

The total amount of waste generated by NHK Spring Group companies in Japan in the 2012 fiscal year was 17,717 tons. Of this, 17,596 tons was recycled, for a recycling rate of 99.3%, a 0.1% decline on fiscal 2011.

The domestic Group companies aimed to reach a recycling rate of at least 99% from fiscal 2007 to the end of fiscal 2009 through zero emissions activities, and they have reached that target.

An example of our recycling activities: Nipatsu Service collects discarded office equipment and encourages the recycling of their plastic structural materials and circuit boards. The waste materials that have been separated according to type are then weighed and managed.

Movements in amounts of waste generated and recycled



Recycling office equipment

VOICE

All employees engaged in lifting productivity



Mitsuhiro Tashiro

Director, Isehara Plant
NHK Precision Co., Ltd.

Our plant specializes in making disk springs for automotive automatic transmissions.

We gained ISO14001 certification in 2006 and we strive constantly to make environmentally-aware products. So far we have reduced the cycle times for all our equipment, reduced setup times, dealt with compressed air leaks, reduced the amount of compressed air used, installed LED lighting and introduced water sprays (in Summer only) for external air conditioning units. As a result, we have cut both unit costs and CO₂ emissions.

The scrap rate for disk springs is very high at around 80%. We suggested increasing the yield by making effective use of the inner diameter scrap by cutting main spring and helper spring altogether. We are working in an open and rapid way to save energy and so improve productivity. Everyone in the plant is involved in reducing our use of power and compressed air and cutting our CO₂ emissions.

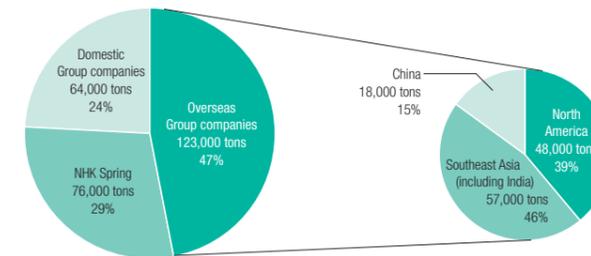
Overseas Group companies

CO₂ emissions

Our CO₂ emissions have risen in North America and Southeast Asia as we have expanded our production globally. China has reduced emissions for political and economic reasons.

In fiscal 2012, CO₂ emissions from our overseas Group companies tended to rise, accounting for 47% of all Group emissions. For that reason, we continue to audit ways to save energy in our plants and progress CO₂ reduction actions.

Fiscal 2012 CO₂ emissions by Group segment



Energy saving

Each of our companies implements energy saving activities in order to limit the energy used in production. We are conducting energy saving audits in the Group companies in Thailand and North America, and we will implement planned improvements based on the findings.

We will do the same in India and China, to progress energy saving actions throughout the Group overseas.



Analysis of energy saving at a Group company in North America

Energy saving at an overseas Group company, New Mather Metals, Inc. (NMMI)

Improved transport equipment for tempering furnace

Objective: More efficient energy use in stabilizer heat treatment



Tempering furnace intake



Tempering furnace exit side

Action: When the new tempering furnace was installed, the way work pieces entered and exited the furnace was reviewed, and made improvements to heat loss inside the furnace from the entry of outside air.

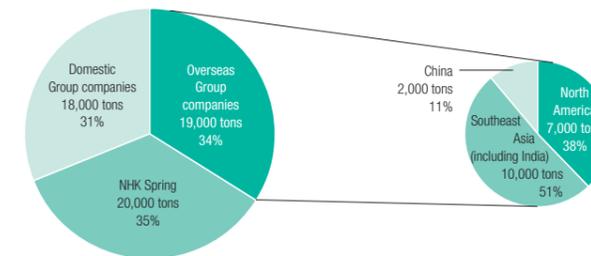
Effects: By stabilizing the temperature of the atmosphere inside the furnace, improving unit energy consumption by 14% and reducing gas consumption by 46,000 m³.

Waste emissions

While we are tending to hold steady on or reduce the volumes of wastes in Japan, volumes of wastes from our overseas companies are showing a tendency to rise, in the same way as their CO₂ emissions.

In fiscal 2012, waste volumes overseas accounted for 34% of total Group volumes, which was higher than in fiscal 2011. Recycling rates will be set autonomously in fiscal 2013, and we will make more efficient use of wastes through recycling them.

Fiscal 2012 volumes of waste generated by Group segment



Managing and reducing pollutants

We strive to properly manage and reduce pollutants according to our own standards, and the law and rules of the organizations we belong to.

Pollutant Release and Transfer Register (PRTR) surveys

Since fiscal 1997, we have taken part in voluntary PRTR surveys organized by Nippon Keidanren (Japan Business Federation), in an effort to establish the amounts of pollutants that we handle, release and transfer.

We have been reporting data to the Ministry of Economy, Trade and Industry under the PRTR Law since June 2001. However, we have set up our own survey standards to quantify the use of chemical substances across all departments of the company.

Since fiscal 2005, our domestic Group companies have conducted the

same voluntary PRTR surveys in an effort to reduce releases of pollutants.

The table below lists each of the substances of which we handle a total of at least 0.1 tons per year.

In fiscal 2011, we continue to manage chemical substances so that we do not use substances of very high concern under European REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulations, and also those that we expect to be regulated in future.

Results of fiscal 2012 survey of pollutant releases and transfers (April 1, 2012 - March 31, 2013)

(Units: Tons/year)

PRTR Law Cabinet Order No.	Name	Types of designated chemical compounds	Amount used yearly	Amount emitted						Amount moved	
				Atmosphere	Water quality	Soil	Buried on-site			Sewage system	Waste (subcont.)
							Stable	Managed	Isolated		
1	Zinc compounds (water-soluble)	Class I	5.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5
20	2-aminoethanol	Class I	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7
53	Ethyl benzene	Class I	18.5	4.8	0.0	0.0	0.0	0.0	0.0	0.0	0.1
71	Ferric chloride	Class I	3.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.8
76	<i>ε</i> -caprolactam	Class I	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
80	Xylene	Class I	66.7	15.6	0.0	0.0	0.0	0.0	0.0	0.0	0.2
82	Silver and its water-soluble compounds	Class I	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
188	N,N-dicyclohexylamine	Class I	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
232	N,N-dimethylformamide	Class I	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
291	1,3,5-tris (2,3-EP)-1,3,5-triazine-2,4,6-trione	Class I	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
296	Toluene diisocyanate (TDI)	Class I	1033.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.5
297	1,3,5-trimethylbenzene	Class I	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
300	Toluene	Class I	42.8	18.9	0.0	0.0	0.0	0.0	0.0	0.0	5.2
309	Nickel compounds	Special Class I	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
355	Bis (2-ethylhexyl) phthalate	Class I	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
384	1-bromopropane	Class I	9.1	9.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
410	Polyoxyethylene nonylphenyl ether	Class I	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
412	Manganese and its compounds	Class I	3.8	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.4
448	Methylene diphenyl diisocyanate (MDI)	Class I	480.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0
Total volume of PRTR substances			1668.0	49.0	0.0	0.0	0.0	0.0	0.0	0.0	20.2
Domestic Group companies											
1	Zinc compounds (water-soluble)	Class I	23.8	0.0	0.0	0.0	0.0	0.0	0.0	0.2	23.0
20	2-aminoethanol	Class I	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.1
53	Ethyl benzene	Class I	34.6	33.8	0.0	0.0	0.0	0.0	0.0	0.6	0.2
80	Xylene	Class I	82.8	80.2	0.0	0.0	0.0	0.0	0.0	1.7	0.6
133	Cellosolve acetate	Class I	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
185	Dichloropentafluoropropane (HCFC225)	Class I	0.9	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.8
232	N,N-dimethylformamide	Class I	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
240	Styrene	Class I	31.1	11.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
296	Toluene diisocyanate (TDI)	Class I	2.2	2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
297	1,3,5-trimethylbenzene	Class I	11.5	11.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
300	Toluene	Class I	89.2	86.4	0.0	0.0	0.0	0.0	0.0	1.6	1.2
309	Nickel compounds	Special Class I	2.5	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
354	Bis (n-butyl) phthalate	Class I	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
355	Bis (2-ethylhexyl) phthalate	Class I	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
356	n-butyl benzyl phthalate	Class I	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
384	1-bromopropane	Class I	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
392	n-hexane	Class I	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
448	Methylene diphenyl diisocyanate (MDI)	Class I	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total volume of PRTR substances			283.4	228.4	0.0	0.0	0.0	0.0	0.0	4.1	26.9

* Industrial wastes include waste materials that have value or no value and that can be recycled. Excludes materials sold.

* Volume moved when discharged into public sewage system

Progress in environmental activities

	Progress by NHK Spring	Progress by domestic Group companies	Trends in society
1967			Basic Law for Environmental Pollution Control enacted
1970			Pollution Session of the Diet held (anti-pollution measures established)
1971	Jul.: Environmental Management Section established (creating system for voluntary measurement and analysis)		Environment Agency established
1985			Vienna Convention (for the protection of the ozone layer) signed
1987			Montreal Protocol (on Substances that Deplete the Ozone Layer) adopted
1990	Jan.: NHK Spring Corporate Philosophy announced		
1991	Oct.: Recycling Liaison Committee announced		Law for Recycling (of End-of-Life Vehicles) enacted
1992	Sep.: Global Environmental Measures Committee announced (3 Subcommittees: General Wastes, Detergents, Foam) Nov.: 1st Global Environment Forum held		Earth Summit (United Nations Conference on Environment and Development) held in Brazil Global Warming Treaty signed
1993	May: Environmental Voluntary Action Plan announced (3 new Subcommittees: Industrial Wastes, Energy Saving and Product Technology)		The Basic Environment Law enacted
1994	Dec.: 2nd Global Environment Forum held Dec.: Elimination of all CFCs achieved (1 year ahead of schedule)		
1995	Jan.: Foam Subcommittee terminated, Environment Management Subcommittee launched Dec.: 3rd Global Environment Forum held		Containers and Packaging Recycling Law enacted Japan Auto Parts Industries Association Environment Subcommittee launched 1st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP1)
1996	Dec.: 4th Global Environment Forum held Dec.: 1st Revised Environmental Voluntary Action Plan		ISO 14001 established JIS Q14001 issued
1997	Jan.: Yokohama Plant (Suspension Springs) gained ISO 14001 certification (1st plant certified) Sep.: 2nd Revised Environmental Voluntary Action Plan		Japan Auto Parts Industries Association Environment Committee launched 3rd Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP3) Kyoto Protocol signed
1998	Jan.: Global Environmental Issues Seminar held Jul.: Global Environmental Measures Committee reorganized		Law Concerning the Promotion of Measures to Cope with Global Warming enacted
1999	Jan.: 3rd Revised Environmental Voluntary Action Plan Feb.: 5th Global Environment Forum held	Apr.: NHK Spring Mutsumi-kai started to collect data on wastes Jun.: Environment Policy Workshop started (held quarterly)	Amended Law Concerning the Rational Use of Energy enacted
2000	Jun.: 6th Global Environment Forum held Jul.: 4th Revised Environmental Voluntary Action Plan Nov.: Y530 (Yokohama Facility Zero Waste) Project launched	Sep.: Follow-up Environment Policy Workshops held (half-yearly)	Law Concerning Special Measures against Dioxins enacted PRTR Law enacted Basic Law for Establishing the Recycling-based Society enacted 6th Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP6)
2001	Feb.: 5th Revised Environmental Voluntary Action Plan Apr.: Isehara Plant gained ISO 14001 certification (all plants now certified) Jun.: 7th Global Environment Forum held	May: Horikiri gained ISO 14001 certification Aug.: Yokohama Kiko gained ISO 14001 certification Nov.: Topura gained ISO 14001 certification	Ministry of the Environment established Electric Appliance Recycling Law enacted
2002	Jan.: Recycling Center completed at Yokohama facility Feb.: 6th Revised Environmental Voluntary Action Plan May: 8th Global Environment Forum held Jun.: Received 10th Yokohama Environmental Conservation Work Award Dec.: Yokohama facility received Fiscal 2002 Kanagawa Global Environment Award	Mar.: NHK Teleflex Corporation gained ISO 14001 certification Apr.: Tokuhatsu gained ISO 14001 certification Oct.: NHK Sales gained ISO 14001 certification Oct.: NHK Spring Mutsumi-kai Technical Committee Global Environmental Issues Subcommittee launched	Soil Contamination Countermeasures Law announced Automobile Recycling Law announced Japan ratified the Kyoto Protocol
2003	Feb.: 7th Revised Environmental Voluntary Action Plan Mar.: Zero emissions achieved at Yokohama facility Jun.: 9th Global Environment Forum held	May: NHK Spring Mutsumi-kai Technical Committee Global Environmental Issues Subcommittee meeting Jul.: NHK Transport gained ISO 14001 certification Oct.: Sumihatsu gained ISO 14001 certification Oct.: Uniflex gained ISO 14001 certification Nov.: Nippon Shaft gained ISO 14001 certification	Automobile Recycling Law enacted Soil Contamination Countermeasures Law enacted Amended Law Concerning the Rational Use of Energy enacted
2004	Feb.: 8th Revised Environmental Voluntary Action Plan Jun.: 10th Global Environment Forum held Dec.: Atsugi Plant received Fiscal 2004 Kanagawa Global Environment Award	Jul.: NHK Spring Mutsumi-kai Technical Committee Global Environmental Issues Subcommittee meeting Sep.: Tohoku Nipatsu gained ISO 14001 certification	Amended Air Pollution Control Law announced
2005	Jan.: Yokohama facility received Commendation at PRTR Awards Feb.: 9th Revised Environmental Voluntary Action Plan May: 11th Global Environment Forum held	Mar.: Faurecia-NHK Kyushu gained ISO 14001 certification Mar.: SNIC gained ISO 14001 certification	Amended Automobile Recycling Law enacted Kyoto Protocol came into force
2006	Feb.: 10th Revised Environmental Voluntary Action Plan Jun.: 12th Global Environment Forum held Dec.: Isehara Plant received Fiscal 2006 Kanagawa Global Environment Award	Feb.: NHK Precision gained ISO 14001 certification Mar.: Ayase Seimitsu gained ISO 14001 certification	Amended Law Concerning the Rational Use of Energy enacted Amended Law Concerning the Promotion of Measures to Cope with Global Warming enacted
2007	Jun.: 13th Global Environment Forum held	Apr.: Ites gained ISO 14001 certification May: Sindai gained ISO 14001 certification	Amended Law Concerning the Recovery and Destruction of Fluorocarbons enacted
2008	Jun.: 11th Revised Environmental Voluntary Action Plan Jun.: 14th Global Environment Forum held	Jun.: Affiliates Environmental Liaison Committee announced	G8 Toyako Summit (Hokkaido)
2009	Feb.: Installed a solar electric generator panel at Yokohama facility Jun.: 15th Global Environment Forum held		G8 L'Aquila Summit (Italy)
2010	Jun.: 16th Global Environment Forum held	Feb.: NHK Transport gained Green Management certification Mar.: Domestic Group companies achieved zero emissions	Tenth Conference of the Parties to the Convention on Biological Diversity (COP10) Implementation of Amended Soil Contamination Countermeasures Act
2011	Jun.: 17th Global Environment Forum held		Implementation of Amended Water Pollution Control Act (Storage Facilities)
2012	Jun.: 18th Global Environment Forum held Nov.: Yokohama Office recognized as an Excellent office in 3R (Let's Reduce, Reuse and Recycle!) by Yokohama City		Implementation of Amended Water Pollution Control Act (Hazardous Substances) First commitment period under Kyoto Agreement ended
2013	Feb.: Energy Saving Award of Kanagawa Global Environment Prize received		

Head Office (Engineering Division, Research & Development Division, Security Technologies & Solutions Division)



Location: Kanazawa-ku, Yokohama
Business areas and products: Planning, management, R&D, security products
Commenced operations: February 1991
Employees: 413

Overview of our activities

Our Head Office is located in the same industrial complex as our Suspension Spring and Seating Division.
 In cooperation with other plants and production divisions, we operate with consideration for the surrounding environment, particularly sewage and air and noise pollution.

Outlook and policies

As a Head Office function, NHK Spring has been promoting environmental activities by developing new environment-friendly products and by developing facilities to reduce CO₂ emissions, as well as by providing various environmental educations and environmental audits. The Yokohama Office is the driving force behind these activities by installing solar power generation panels and LED lights and managing peak power consumption through a cogeneration system.

Fiscal 2012 and 2013 initiatives

Reducing CO₂ emissions

- In fiscal 2012 we pressed ahead with making energy use more transparent and eliminating irregular and wasteful usage. We published power use data by department in the main building measured by individual power monitors and lent out our power monitors within the company. By continuing these activities, we were able to meet our goals to reduce power usage during peak usage periods at the Yokohama Office during fiscal 2012.
- In fiscal 2013 we will continue to manage electricity levels, install high efficiency boilers, review the air ratios and insulation in heating furnaces and control compressor operation, and engage in other activities to reduce CO₂ emissions.

Managing chemicals

- The Safety & Environmental Activities Department collects data on chemicals used in Japan (including Group companies) and totals them annually according to our own independent standards. We also follow Green Procurement Guidelines to manage substances included in our products and that are detrimental to the environment. Since fiscal 2011 we have further strengthened our controls on chemical substances (SVHC - substances of very high concern) that are already regulated and that we expect to be regulated in the future.

Reducing industrial waste

- During fiscal 2012, the Head Office (including the Research & Development Division and the Security Technologies & Solutions Division) conducted recycling to reduce waste volumes and processing costs. We reached our recycling target, but failed to reach our target for waste volumes, as levels of paper and office equipment wastes increased.
- During fiscal 2013, we plan to continue working to systematically cut down on waste and costs by streamlining work operations and recycling wastes into useful resources while maintaining a high recycling rate.

Atmosphere (Regulated values: Air Pollution Control Law, Yokohama Guidelines)

Substance	Equipment		Regulated value	Actual
NOx	Hot water boiler	A	0.042	0.024
		B	0.106	0.019
		C	0.106	0.02
	Cooling water generator	A	0.070	0.034
		B	0.047	0.042
		C	0.025	0.023
Dust	Hot water boiler	A	0.050	0.012
		B	0.050	0.01
		C	0.050	0.008
	Cooling water generator	A	0.050	0.014
		B	0.050	0.009
		C	0.050	0.017

NOx units: m³/h. Dust units: g/m³N

Water quality: Main Building (Regulated value: Yokohama sewage regulations)

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5-9	7.7	6.3	6.9
Oil	5	3.8	0.7	2.2
Fe	3	0.18	0.01	0.07
Zn	1	<0.1	<0.1	<0.1
Ni	1	<0.1	<0.1	<0.1
T-Cr	2	<0.2	<0.2	<0.2
Fluorine	8	0.75	0.07	0.27
Phenols	0.5	<0.05	<0.05	<0.05
NH ₄	380	<0.3	<0.3	<0.3

Units: mg/ℓ

Water quality: R&D Building 1 (Regulated value: Yokohama sewage regulations)

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5-9	7.6	6.4	7
Oil	5	2.1	0.4	1.2
Fe	3	0.7	<0.01	0.2
Zn	1	0.4	0.04	0.1
Ni	1	<0.1	<0.1	<0.1
T-Cr	2	<0.1	<0.2	<0.2
NH ₄	380	3.1	0.7	2.3

Units: mg/ℓ

Suspension Spring Division / Yokohama Plant



Location: Kanazawa-ku, Yokohama

Products: Leaf springs, coil springs, and metal bellows

Commenced operations: November 1987

Employees: 403

Remarks by plant manager

We work constantly towards our slogan of 'Becoming NHK Spring's model plant for the rest of the world to look up to'. We are pursuing the initiatives needed for a model plant, accepting our responsibilities to global society as one of the main planks of our environmental protection work.

Katsuyuki Nishioka Plant Manager



Outlook and policies

We make environment-friendly springs, following company environmental policy. To do this, we reduce our CO₂ emissions by saving energy, and by cutting our industrial wastes by recycling, turning wastes into useful resources and running our production lines more efficiently. We respond flexibly to changes in the business environment, such as calls to reduce power use, and we contribute to protecting the environment and preventing global warming.

Fiscal 2012 and 2013 initiatives

Energy saving

- In fiscal 2012 we felt the effects of our efforts to improve productivity and save energy in reduced CO₂ emissions and in meeting our unit cost and annual targets throughout the year.
- In fiscal 2013 we will encourage further energy saving, to meet our target of a 1% reduction on fiscal 2012. We plan to reduce gas consumption by operating our furnaces more efficiently and save energy by eliminating wasteful use of electric motors.

Reducing industrial waste

- Unfortunately, we failed to meet our targets for the industrial waste disposal and industrial waste cost indices in fiscal 2012.
- In fiscal 2013, we will work in parallel to reduce our industrial wastes and run our production equipment more efficiently, to target a 1% reduction on fiscal 2012 levels.

Atmosphere (Regulated values: Air Pollution Control Law, Yokohama Guidelines)

Substance	Equipment		Regulated value	Actual
NOx	Metal reheating furnace	A	0.128	0.05
		B	0.110	0.036
		C	0.212	0.042
		D	0.169	0.076
		E	0.119	0.049
	Metal tempering furnace	A	0.202	0.013
		B	0.123	0.02
		C	0.104	0.066
		D	0.085	0.042
		E	0.059	0.022
Dust	Metal reheating furnace	A	0.1	0.03
		B	0.1	0.02
		C	0.1	0.03
		D	0.1	0.02
		E	0.1	0.02
	Metal tempering furnace	A	0.1	0.02
		B	0.1	0.02
		C	0.1	0.02
		D	0.1	0.02
		E	0.1	0.02
F	0.1	0.02		

NOx units: m³/h Dust units: g/m³h

Water quality (Regulated value: Yokohama sewage regulations)

Item	Regulated value	Actual			
		Maximum	Minimum	Average	
pH	5-9	7.4	6.6	7	
Oil	Animal and vegetable	30	15.2	2.3	7.1
	Mineral	5	1.0	0.1	0.2
Fe	3	0.17	0.01	0.05	
Zn	1	0.6	0	0.1	
Ni	1	1.1	0.1	0.5	
Mn	1	0.09	<0.01	0.03	
Fluorine	8	1.5	0.1	0.6	
Boron	10	0.6	0.1	0.2	
Total nitrogen	120	109	27	55	
Total phosphorus	16	1.9	0	0.3	
NH ₄	380	95	30	52	

Units: mg/ℓ

Suspension Spring Division / Shiga Plant



Location: Koka, Shiga
Products: Coil springs, stabilizer bars, and torsion bars
Commenced operations: November 1973
Employees: 234

Remarks by plant manager

We are working steadily through our Kaizen tasks to cut CO₂ emissions and recycle wastes, to preserve the global environment. This is how we can contribute as a business to common world goals.



Yukihiro Seki Plant Manager

Outlook and policies

Environmental conservation is one of the six core elements of STPM (Strategy for Total Power Management) conducted at our plants, and we take practical measures to allow all our people to engage in it. We are working hard towards making environmentally-friendly springs.

Fiscal 2012 and 2013 initiatives

Energy saving

- In fiscal 2012, we continued to implement energy-saving measures by switching over to an inverter-based system and cutting down on ceiling light usage, continuing efforts to prevent air leaks and other activities, and also by taking care to reduce standby power consumption and by switching equipment off when it isn't in use.
- In fiscal 2013 we will encourage education in day to day energy saving through regular energy saving activities and Environment Dojos, to further raise consciousness of energy saving.

Recycling and reducing waste

- In fiscal 2012 we pursued reducing sludge emissions from effluent treatment. We managed a significant impact on volumes and costs through investments in equipment and better natural drying methods.
- In fiscal 2013 we will further reduce effluent sludge emissions, and a new theme will be reducing volumes of specially controlled industrial waste emissions through the installation of thinner regeneration equipment.

Atmosphere (Regulated values: Air Pollution Control Law)

Substance	Equipment		Regulated value	Actual
NOx	Metal reheating furnace	A	180	41
		B	180	38
		C	180	47
		D	180	71
	Boiler		150	76
Dust	Metal reheating furnace	A	0.25	0.02
		B	0.20	0.02
		C	0.20	0.02
		D	0.20	0.02
	Boiler		0.10	0.02

NOx units: ppm Dust units: g/m³N

Water quality (Regulated value: Agreement with Koka)

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	6-8	7.6	6.8	7.2
BOD	20	1	<1	1
COD	20	11	1	4
SS	10	9	1	3.5
Oil	3	2.5	0.4	1.6
Total nitrogen	12*	9	0.9	4.6
Total phosphorus	1.2*	0.9	0.01	0.1
Fluorine	8*	0.4	0.01	0.1
Boron	2*	0.6	0.01	0.2

* Shiga prefectural regulations

Units: mg/l

Seating Division / Gunma Plant



(Ojima area)

Location: Ota, Gunma

Products: Automotive seats

Commenced operations: December 1986

Employees: 584

(Ota area)

Ota, Gunma

Automotive interior products

July 1969

Included in Ojima area

Remarks by plant manager

The Gunma Plant is set in the Hachioji hills, in a green area well watered by the Watarase River and the great Tone River. Every employee works to protect the environment and create 'a people- and environment-friendly plant that people are happy to work in,' which will go on being a credit to its setting.

Masato Miura Plant Manager



Outlook and policies

Everyone here has a proper understanding of 'preserving the natural environment', 'improving the social life' and 'our links to humanity' based on our environmental policies. We are deeply committed to protecting the environment throughout all our production activities, from automobile seat development and design to manufacturing and shipment. Each individual employee aims to do their job confident in the knowledge they work in an environment-friendly plant.

Fiscal 2012 and 2013 initiatives

Energy saving

■ We have made serious efforts to improve boiler efficiency through further insulation and spraying water onto our external air-conditioning equipment. As a result, while production in fiscal 2012 was 1.38 times that in fiscal 2007, we greatly exceeded our targets, reaching a 53% reduction in unit CO₂ emissions (compared with fiscal 2007) against a Group-wide target on 18% reduction, and a 28% reduction in the volume of emissions.

■ In fiscal 2013 we will increase production again, while at the same time going back to square one to make every effort to analyze our plant energy consumption, including reorganizing our chiller. We will also roll out medium-term energy saving initiatives, including updating our transformer and investing in LED lighting.

Recycling and reducing waste

■ In fiscal 2012, we reached the long-sought goal of 100% recycling, and so we will continue with efforts towards contributing to an environment-friendly society.

■ In fiscal 2013, we will continue our efforts from the previous year. We are simply concerned to add value by improving yields by going down to 0.1 mm units and recycling wastes into useful resources.

■ Atmosphere: Ojima area (Voluntary values for unregulated equipment)

Substance	Equipment		Regulated value	Actual
NOx	Boiler	A	300	79
		B	300	76
		C	300	78
		D	300	85
Dust	Boiler	A	0.2	0.04
		B	0.2	0.05
		C	0.2	0.04
		D	0.2	0.04

NOx units: ppm Dust units: g/m³N

■ Water quality: Ojima area (Regulated value: Agreement with Ojima)

Item	Regulated value	Actual			
		Maximum	Minimum	Average	
pH	6-8	7.6	6.8	7.3	
BOD	10	10	2	5	
SS	10	8	1	3	
Oil	Animal and vegetable	30	2.4	0.2	1.5
	Mineral	5	0.4	0.1	0.1

Units: mg/ℓ

■ Water quality: Ota area (Regulated value: Gunma prefectural regulations)

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5.8-8.6	8.2	7	7.6
BOD	40	11	2	4
COD	40	15	4	8
SS	50	11	1	4
Oil	5	2.5	0.7	1.6

Units: mg/ℓ

Seating Division / Yokohama Plant



Location: Kanazawa-ku, Yokohama
Products: Automotive seats and interior products
Commenced operations: April 1990
Employees: 526

Remarks by plant manager

Here in Kanazawa-ku, which serves as the model for the Yokohama Green Valley concept, we work to promote ecological activities together with other members of the local community while resolutely recognizing what we can and should do as participating members.



Mitsuru Ikeda Plant Manager

Outlook and policies

Our task and our conviction are to pass on to the next generation a prosperous and a beautiful world. Each of our employees thinks in terms of protecting the environment and each one plays a part in developing and making safe, people-friendly automotive seating and interior products. These efforts continue to contribute to the growth of the automotive society.

Fiscal 2012 and 2013 initiatives

Energy saving

- As part of the global rollout of the Seating Division in fiscal 2012, we made good use of teleconferences and conference calls to reduce numbers of call-outs, contribute to the global environment and perform our work more efficiently.
- In fiscal 2013 we will work harder to save energy. We will cut right down on energy losses from standby power and excess capacity during weekends, holidays and evenings and by making every effort to reduce waste. We aim to manufacture without waste.

Environmental education

- We will further extend our environmental education for all employees to prepare them for constantly changing environmental legislation and to upgrade our environmental management.

Atmosphere (Regulated values: Air Pollution Control Law, Yokohama Guidelines)

Substance	Equipment		Regulated value	Actual
NOx	Boiler	A	0.100	0.085
		B	0.100	0.077
Dust	Boiler	A	0.05	0.019
		B	0.05	0.012

NOx units: m³/h Dust units: g/m³

Water quality (Regulated values: Yokohama sewage regulations)

Item	Regulated value	Actual			
		Maximum	Minimum	Average	
pH	5-9	7.9	6.7	7.2	
Oil	Animal and vegetable	30	3.0	0.1	1.3
	Mineral	5	2.1	0.1	0.3
Fe	3	0.4	<0.3	<0.3	
Zn	1	0.2	<0.1	<0.1	
Ni	1	<0.1	<0.1	<0.1	
Boron	10	0.2	<0.1	0.1	
NH ₄	380	3.5	<0.3	0.6	

Units: mg/l

Seating Division / Toyota Plant



Location: Toyota, Aichi

Products: Automotive seats and interior products

Commenced operations: June 1961

Employees: 369

Remarks by plant manager

The Toyota Plant runs in a peaceful area, looking out on Mt Sanage to the north, and surrounded by the greenery of the clear Yahagi River to the south. All our employees continue to value their irreplaceable natural environment, and aim to create an environment-friendly plant to protect the environment.

Yoji Ito Plant Manager



Outlook and policies

The main business of the plant is making automotive seat frames: we are fully integrated, from design, through manufacture to shipping. We operate with an awareness of energy saving and we produce our products with the minimum of energy. While we are aware of the global environment, our particular focus is on protecting the environment of the Yahagi River. By protecting nature, we live harmoniously with the local community and contribute to creating a richer society.

Fiscal 2012 and 2013 initiatives

Energy saving

- In fiscal 2012 we completed converting the lighting in the No.1 Plant and offices to LEDs, and established rules for individual temperature settings on air conditioners in rest areas and electricity use monitoring. These initiatives were in our medium-term plan. This equipped all our employees with the ability to start to manage power for themselves in a way they could readily understand. We also saved energy by spraying the mist used for employees onto the external unit of the air conditioner in the facilities building.
- In fiscal 2013 we will make a number of improvements and operate the plant with true energy. We will quickly replace the 1st floor lighting in the No.4 Plant with LEDs, reduce standby power use on days off and review the limits on the number of compressors, and use more efficient exhaust fan motors. All these initiatives are also in our medium-term plan.

Recycling and reducing waste

- In fiscal 2012, we became involved in recovering resources by using the waste oil we used to send for thermal recycling as lubricant, and we raised employee awareness of the environment by instilling in them in the need to take away the waste they brought in.
- In fiscal 2013 we will go for thermal recycling to reuse the polyurethane boxes.

Environmental education and greening activities

- We impress on our employees that each individual must take a leading role in the environment, and we continue to educate all of them to make them aware of the need to improve it. They all wish to create an Earth- and people-friendly plant.
- The plant is a member of the council which led to the Agreement for the Promotion of Environment Preservation between Toyota City and participating organizations. We take part in greening and flower planting to create plants that don't look like plants in this area. We share information on different initiatives to improve the environment, and make good use of the information.

Water quality (Regulated value: Sewage Law)

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5-9	8.3	6.3	7.4
BOD	600	7	3	4
COD	600	14	2	8
SS	600	24	1	10
Oil	5	3.2	0.9	1.8
Zn	2	<0.2	<0.2	<0.2
Cu	3	<0.3	<0.3	<0.3

Units: mg/l

Precision Spring & Components Division / Atsugi Plant



Location: Aikawa-machi, Aiko-gun, Kanagawa
Products: Thin leaf springs and precision stamped products
Commenced operations: November 1970
Employees: 365

Remarks by plant manager

In the Atsugi Plant, we build people through building things. This year, the new plant is built and we're preparing to make new things. With the new plant and new products, we aim to be environment-friendly and people-friendly too.



Hitoshi Kotagiri Plant Manager

Outlook and policies

Since it was set up, the Atsugi Plant has produced high precision, high quality, ultra-clean products. In fiscal 2012, we built a new plant and it is ready to go into full volume production of high efficiency parts for electric automobiles. We proactively work to make Earth-friendly products, and we want our plant to pass on an environment which will be an asset to future generations.

Fiscal 2012 and 2013 initiatives

Recycling and reducing waste

- By updating the dehydrators used in the wastewater treatment facility, we were able to further reduce the moisture content of dehydrated sludge and further eliminate waste.
- We convert the waste edible oils from the staff cafeteria to biodiesel. We will aim to reduce wastes by about 1,000 liters a year.
- Since fiscal 2005, we have reached a recycling rate of at least 99.9%, which we intend to maintain in future.

Saving energy and reducing CO₂ emissions

- In fiscal 2012, we reduced CO₂ emissions by approximately 38% from fiscal 2007 levels. We achieved this by careful elimination of waste, particularly from air conditioning. This is a result, in addition, of the most strenuous efforts as an organization including the use of a motor compressor to limit peak power usage, as shown below.
- We have been implementing power leveling since fiscal 2012, and we will press ahead strongly with it in fiscal 2013. Knowing power usage immediately, we can stop waste as it occurs. At the Atsugi Plant, 'everyone shares in energy saving'.

Water quality (Regulated value: Sewage Law)

Item	Regulated value	Actual			
		Maximum	Minimum	Average	
pH	5-9	7.5	6.9	7.2	
BOD	600	76	10	30	
COD	—	65	18	35	
SS	600	99	1	13	
Oil	Animal and vegetable	30	12.8	3.4	6.8
	Mineral	5	0.7	0.1	0.2
Fe	10	0.7	<0.01	0.3	
Total nitrogen	125	35	4	17	
Fluorine	8	<0.8	<0.8	<0.8	
Boron	10	<1.0	<1.0	<1.0	

Units: mg/l

Precision Spring & Components Division / Ina Plant



Location: Miyada-mura, Kami Ina-gun, Nagano
Products: Wire springs and precision machined components
Commenced operations: December 1943
Employees: 545

Remarks by plant manager

We engage in environment protection with the aim of a properly nature-friendly plant here in the Ina Valley, with its rich natural environment, surrounded by the Central and Southern Alps. All our employees are engaged in reducing our CO₂ emissions so we can extend protecting the world environment outwards from the Ina area globally.

Noritoshi Takamura Plant Manager



Outlook and policies

At this plant, we develop and manufacture high quality, high performance products with a low impact on the global environment. Our products include valve springs, which are key components in automotive engines, all kinds of wire springs, mechanical parts, and semiconductor and LCD panel testing instruments. We work with all our employees to create earth-friendly products to protect the environment. As members of society responsible for the environment, we recognize energy saving as a vital concern.

Fiscal 2012 and 2013 initiatives

Saving energy and reducing CO₂ emissions

- In fiscal 2012, we undertook a range of energy saving initiatives: installing daylighting in the plant roof, more efficient heating, efficient work shifts and household energy saving. We reduced the volume of CO₂ emissions by 21.4%, and unit CO₂ emissions by 11.9%, on fiscal 2007.
- In fiscal 2013, continuing on from the previous year, we will proceed with efforts to make facility energy usage more efficient by improving heater unit efficiency, batch operation of the nitriding furnace and improving air supply and discharge for dust collectors.
- We will continue our efforts to pass on a beautiful natural environment to later generations by encouraging greater transparency in performance, making the results of our efforts clear, increasing the sense of satisfaction from what people do, encouraging each individual to put these things into practice and involving everyone in energy saving.

Recycling and reducing waste

- Since fiscal 2005, we have managed to raise our recycling rate to 99.9% and are working to help create a recycling society with the goal of increasing that rate further to a full 100%.

Greening

- We encourage the greening of the plant and beautification of the local community. This motivates us to keep the plant looking attractive and to improve it, which will appeal to our customers and local residents, and motivates our employees to preserve the beauty of our surroundings and pass it on to future generations.

■ Atmosphere (Regulated values: Air Pollution Control Law)

Substance	Equipment		Regulated value	Actual
NOx	Heating boiler	A	250	73.8
		B	250	73.4
		C	250	79.8
Dust	Heating boiler	A	0.3	0.05
		B	0.3	0.04
		C	0.3	0.06

NOx units: ppm Dust units: g/m³N

■ Water quality (Regulated value: Sewage Law and Nagano prefectural regulations)

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5.7-8.7	8.3	7	7.5
BOD	600	14	3	7
COD	—	13	2	7
SS	600	14	1	7
Oil	5	2.7	0.1	1.3
Fe	10	<1	<1	<1
Cu	3	<0.3	<0.3	<0.3
Total nitrogen	380	10.2	1.8	4.4

Units: mg/ℓ

Disk Drive Suspension Division / Komagane Plant



Location: Komagane, Nagano
Products: HDD suspensions
Commenced operations: November 1983
Employees: 503

Remarks by plant manager

Suspensions require the highest levels of cleanliness. We plan to continue our contributions to society not only with our products but also as "an environmentally friendly plant" by continuing to promote energy saving and waste reduction activities.



Tetsuya Fujiwara Plant Manager

Outlook and policies

We aim to continue to protect the environment and have an environmentally-friendly plant efficiently producing the best quality HDD suspensions in the world, so that future generations can inherit our beautiful environment in good shape.

Fiscal 2012 and 2013 initiatives

Energy saving (reducing CO₂ emissions)

- Improvements we made in fiscal 2012 reduced our CO₂ emissions by 210 tons from fiscal 2011. The improvements included reducing equipment standby power use, reviewing lighting levels in the plant, and installing high efficiency boilers and LED lighting.
- In fiscal 2013, we will make efforts to reduce energy consumption by improving the insulation of the drying ovens and reducing the original pressure of compressed air supplies.

Recycling and reducing waste

- In fiscal 2012, we worked to reduce the volume and processing costs of wastes by recovering cardboard etc, reducing the amount of face towels and finding a new waste processing operator.
- In fiscal 2013, we are continuing to make efforts to be more thorough in classifying wastes, maintain a recycling rate of 100%, and reduce or recycle more wastes into useful resources, enabling us to further reduce the amount of wastes produced and cut down on processing costs.

Water quality (Regulated value: Nagano prefectural regulations)

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5.8-8.6	7.5	6.9	7.1
BOD	20	19	3	11
COD	20	13	1	8
SS	30	15	1	7
Oil	5	4	0.2	1.3

Units: mg/l



Location: Isehara, Kanagawa

Products: Brazed products, pipe support systems, specialized springs

Commenced operations: March 1993

Employees: 228

Remarks by director

The Isehara Plant is situated on high ground with views of the foot of the Oyama Mountains. We contribute to the community as an environment-friendly plant, increasing productivity and reducing CO₂ emissions and industrial waste.



Toshihiro Tachikawa Director, Bonding and Ceramic Department

Outlook and policies

At this plant, we develop and manufacture environment-friendly advanced bonding technology products and pipe support systems for large plants. All our employees will continue to engage in environmental activities so that we can pass on a beautiful world to the next generation.

Fiscal 2012 and 2013 initiatives

Reducing CO₂ emissions

- In fiscal 2012 we continued from last fiscal year by improving the productivity of the electric furnaces we use to make the semiconductor production equipment parts, and that account for 40% of the volume of CO₂ emissions from the Isehara Plant. We reduced the volume of CO₂ emissions per sinter furnace by 18%, and the absolute volume by 12 tons.
- We also increased productivity in the pipe support systems production line by improving the setup and work practices and altering the layout. We reduced the volume of CO₂ emissions by 2.2 tons by reducing the amount of power used for production.
- Since the earthquake, there has been a wave of suggestions for energy saving from different workplaces all year, and we continue to make reductions.
- In fiscal 2013, we will continue to reduce CO₂ emissions by improving the efficiency and productivity of the electric furnaces. We will also coat the whole of the plant roof with insulating paint, to save energy in summer. We expect a total reduction of 34.5 tons in CO₂ emissions for the year.

Recycling and reducing waste

- In fiscal 2012, we maintained the 100% recycling rate we achieved in October 2004. We are continuing to promote the recycling of waste into useful resources and reducing processing costs.
- In fiscal 2013, we will continue our 100% recycling rate program. We will also review the industrial waste disposal contractor to reduce processing costs and recycle more wastes into useful resources.

Environmental education

- We conduct environmental education at the general morning gathering of the whole plant every May.
- At the fiscal 2012 session, we studied biodiversity, with the employees seeing photos of how we actually recycle the waste plastics and oil from the plant.
- At the fiscal 2013 session, we studied resources and the environment in the recycling society. To bring the subject home to people, we looked at how each of us could prevent global warming and reduce, reuse and recycle.

Water quality (Voluntary controls for less than 50m³/hour effluent)

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5.8-8.6	7.9	6.5	7.1
BOD	130	46	4	16
COD	130	43	8	23
SS	160	27	2	9
Oil	5	2.8	0.2	1.2
Fe	3	<0.3	<0.3	<0.3
Zn	1	0.2	0.07	0.12

Units: mg/l

Industrial Machinery & Equipment Division / Komagane Plant Chemical Products Department, Electronic Components Department



Location: Komagane, Nagano
Products: Specialized polyurethane foam products, metal base printed wiring boards
Commenced operations: December 1981
Employees: 152

Remarks by director

While the snow lingers on the flanks of Shimadamusume in the Central Alps, everyone begins planting out the rice. We are proud of our beautiful landscape and of our awareness of the need to preserve the environment. We encourage all our employees to join with the local community to work to protect the environment.



Tokio Miyashita Director, Chemical Products and Electronic Components Departments

Outlook and policies

The plant is located in a green and picturesque site, looking out at two of the Japan Alps. We produce functional urethane products and aluminum base printed wiring boards. We encourage all our employees to engage in the local environment-friendly society, in line with NHK Spring guidelines and action plans.

Fiscal 2012 and 2013 initiatives

Recycling and reducing waste

- In fiscal 2012, processing costs increased by 14% compared to the previous year due to increases in processing costs for waste plastics (waste urethane products) and waste water caused by increased production (leading to an increase in in-house product sales by 20% over the previous year). With strong sales and encouragement for recycling wastes into useful resources, we were able to meet our industrial waste index target.
- In fiscal 2013, as with the previous year, we will continue to aim to meet our company-wide index targets and work to cut down on waste plastics and waste water. We will also work toward achieving a recycling rate of 100%.

Reducing CO₂ emissions

- In fiscal 2012 we saved energy on office air conditioning. However, with the increase in in-house product sales (20% year-on-year), our CO₂ emissions were 5% over target, and we failed to meet it (reduction of 27% on fiscal 2007).
- In fiscal 2013, we are carrying on from the previous year installing high-efficiency multisystem air conditioning in the office meeting rooms and retiring our old (kerosene-fired) heating boilers. We are extending energy saving by adding automatic controls to our production and auxiliary equipment and repairing compressed air leaks.

Enhanced environmental management

- In fiscal 2012 we subdivided our hazardous materials storage areas, and established clear procedures for dealing with failures in our exhaust gas cleaning equipment.

- Fiscal 2013 is the first year of a three-year plan to renovate our obsolete waste water treatment facility. The new facility will have lower running costs, better automated monitoring and management and will yield sustained, consistent waste water quality, helping protect the environment.

Atmosphere (Regulated values: Air Pollution Control Law)

Substance	Equipment		Regulated value	Actual
NOx	Hot water boiler	A	180	84
		B	180	95
	Heating boiler	A	180	66
		B	180	92
Dust	Hot water boiler	A	0.3	0.02
		B	0.3	0.01
	Heating boiler	A	0.3	0.02
		B	0.3	0.03

NOx units: ppm Dust units: g/m³N

Water quality (Regulated value: Nagano prefectural regulations)

Item	Facilities	Regulated value	Actual		
			Maximum	Minimum	Average
pH	Production Building 1	5.8-8.6	7.6	7.1	7.4
	Production Building 2		7.5	6.8	7.1
BOD	Production Building 1	20	2	1	2
	Production Building 2		23	4	14
COD	Production Building 1	20	4	1	1
	Production Building 2		15	6	10
SS	Production Building 1	30	3	1	1
	Production Building 2		4	1	2
Oil	Production Building 1	5	1.8	0.3	1.2
	Production Building 2		2.2	0.5	1.2
Fe	Production Building 2	10	0.3	<0.1	0.2
Cu	Production Building 2	3	1.1	<0.1	0.1

Units: mg/l

Industrial Machinery & Equipment Division / Yasu Plant Parking Systems Department



Location: Yasu, Shiga

Products: Mechanical multilevel parking systems

Commenced operations: October 1996

Employees: 68

Remarks by director

With the mighty Hira Mountains on the shores of Lake Biwa, the lake country is beautiful throughout the year. We are involved in raising awareness of the environment, linking with the local community and getting every employee to join in protecting the environment.

Makoto Sakurai Director, Parking Systems Department



Outlook and policies

We develop and manufacture mechanical multilevel parking systems bearing in mind our wish to reduce the load on the environment. We aim to further protect the global environment and continue improving our care for the environment to ensure that we pass on the green mountains and clear air and rivers of these superb natural surroundings to later generations.

Fiscal 2012 and 2013 initiatives

Energy saving, reductions in CO₂ emissions and coping with power shortages

- In fiscal 2012 we saved power by stopping the motor used in the coating equipment pretreatment tank when it was not operating. In response to a request to assist by reducing power use during summer, we used an engine compressor and achieved a 15% reduction in peak power use over fiscal 2010.
- In fiscal 2013 we will use energy saving equipment and continue from last year to repair compressed air leakages. We will also reduce power consumption in production through short stop kaizen and quality kaizen. We have responded to the power shortages ongoing since fiscal 2012 by reducing demand for power by altering operating times, mainly by alternating production to save energy.

Recycling and reducing waste

- Continuing from the previous year, we will redouble efforts to renew and classify our industrial wastes. We will also select a new waste treatment contractor.

Managing environmentally hazardous materials

- In addition to accurately managing and implementing environmental laws, we will complete the renewal of our drainage equipment in accordance with requirements in the Amended Water Pollution Control Act.

Atmosphere (Regulated values: Air Pollution Control Law)

Substance	Equipment	Regulated value	Actual
NOx	Boiler	150	56
	Drying oven	230	25
Dust	Boiler	0.1	0.02
	Drying oven	0.2	0.03

NOx units: ppm Dust units: g/m³N

Water quality (Regulated value: Sewage Law)

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5-9	8.0	7.1	7.5
BOD	600	7	1	5
COD	—	6	1	4
SS	600	58	8	20
Oil	5	1.9	0.6	1.2
Ni	1	0.7	0.03	0.2
Total nitrogen	60	69	16	34
Total phosphorus	10	0.9	0.07	0.3

Units: mg/l

Financial Report

Five-year summary (consolidated)	47
Analysis of results	48
Consolidated balance sheets	50
Consolidated statements of income	51
Consolidated statements of changes in net assets	52
Consolidated statements of comprehensive income ...	53
Consolidated statements of cash flows	53
Notes to fundamental important matters for the creation of the consolidated financial statements	54
Notes	56
Consolidated supplemental schedules	64



Five-year summary (consolidated)

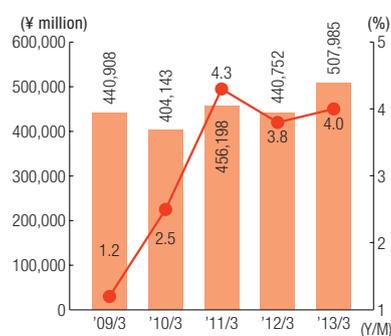
(Millions of Yen)

	Year ended in March 2009	Year ended in March 2010	Year ended in March 2011	Year ended in March 2012	Year ended in March 2013
Net sales	440,908	404,143	456,198	440,752	507,985
Cost of sales	396,219	353,303	389,142	384,643	441,316
Gross profit	44,689	50,839	67,056	56,109	66,668
Selling, general and administrative expenses	34,229	32,053	34,298	33,616	36,648
Operating income	10,459	18,785	32,757	22,493	30,020
Other income (expenses)	(851)	(3,462)	(1,809)	1,306	2,680
Income before income taxes and minority interests	9,608	15,323	30,948	23,799	32,701
Net income	5,262	10,290	19,420	16,741	20,333
Net assets	115,961	134,242	142,804	154,911	190,000
Total assets	324,888	357,141	356,048	393,695	425,050
Depreciation	26,600	24,074	22,584	21,371	21,393
Capital expenditure	34,800	15,695	20,538	20,370	25,506
Per share					(Yen)
Net income	21.98	43.45	82.44	71.47	83.70
Shareholders' equity	489.57	567.01	610.07	655.86	782.23
Cash dividends	10.5	10.5	15	15	16

Net sales

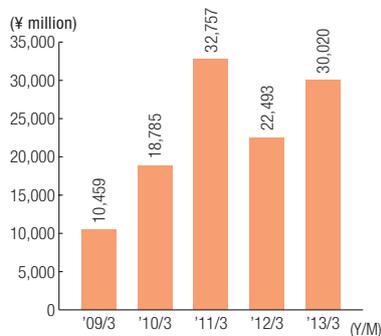
Net sales

ROS



Operating income

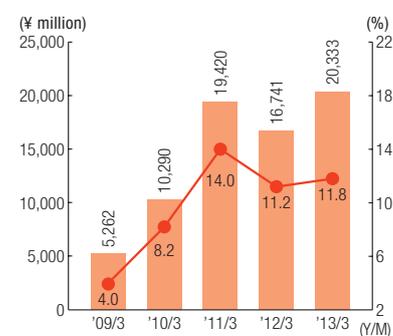
Operating income



Net income

Net income

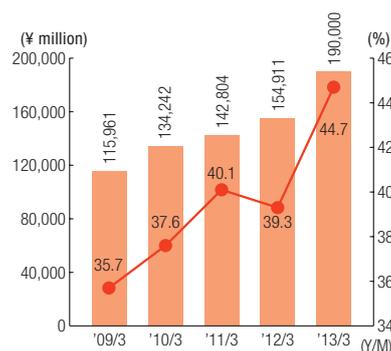
ROE



Equity

Equity

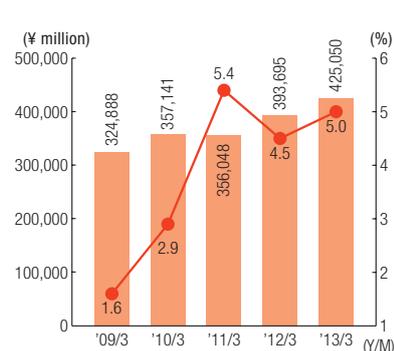
Equity ratio



Total assets

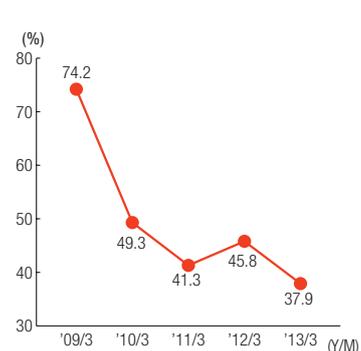
Total assets

ROA



Debt equity ratio

Debt equity ratio



Analysis of results

Operating results for fiscal 2012

As for the global economy in fiscal 2012, Europe continuously suffered from a sluggish economy due to the debt crisis problem, while the United States showed a gradual but solid recovery backed by steady recovery in the housing sector and improvement in employment. In China and Asia, the economy had been weak owing to the reduction in exports for Europe but showed signs of a recovery driven by solid demand in Asia.

On the other hand, Japan failed to grow exports due to the effect of the European debt crisis problem, the economic slowdown in China, and the prolonged trend of a higher yen; consequently, the recovery sputtered. However, the trend in the economy is for a gradual recovery following improved economic conditions overseas in the latter half of the fiscal year and advances in a weaker yen.

In the automobile industry, one of main business areas for our group, sales volume increased to 5,210,000 units in Japan, an increase of 9.6% from the year earlier, due to a recovery in demand after the Great East Japan Earthquake and the effect of the Eco-Car Subsidy program. Exports of completed automobiles were 4,661,000 units, an increase of 0.8% from year earlier. As a result, Japan's automobile production volume was 9,554,000, an increase of 3.1% from year earlier.

In the IT equipment industry, another main business area for our group, orders were reduced owing to production cuts by HDD (hard disk drive) manufacturers.

Under the above business environment, our group generated net sales increased by 15.3% from year earlier to ¥507,985 million. Operating income increased 33.5% to ¥30,020 million, ordinary income increased by 46.2% to ¥34,907 million, and net income rose 21.5% to ¥20,333 million.

Cash flow

Net cash from operating activities increased by ¥3,159 million from the year earlier to ¥29,222 million. This was mainly attributable to an increase in income before income taxes as a result of the recovery from the effect of the Great East Japan Earthquake and a reduction in working capital.

Net cash used in investing activities was, ¥29,129 million which was ¥1,998 million more than the year earlier. This was mainly due to expenditures for the purchase of property, plants, and equipment and an increase in disbursements for loans.

Cash flows from financing activities resulted in net excess expenditures of ¥10,311 million, up ¥19,659 million from year earlier. This was due to an increase in expenditures for the redemption of commercial paper and a decline in the amounts financed by long-and short-term borrowings.

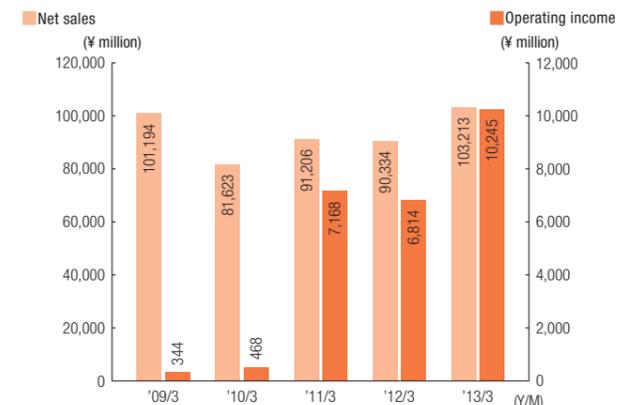
Free cash flow, defined as net cash from operating activities less net cash used for investment activities, totaled ¥93 million.

As a result of the foregoing, cash and cash equivalents at end of the period declined by ¥1,764 million at the end of the previous period to ¥57,009 million. Corporate bonds, commercial paper, and long-and short-term borrowings totaled ¥71,958 million, up ¥955 million at the end of the previous period.

Segment information

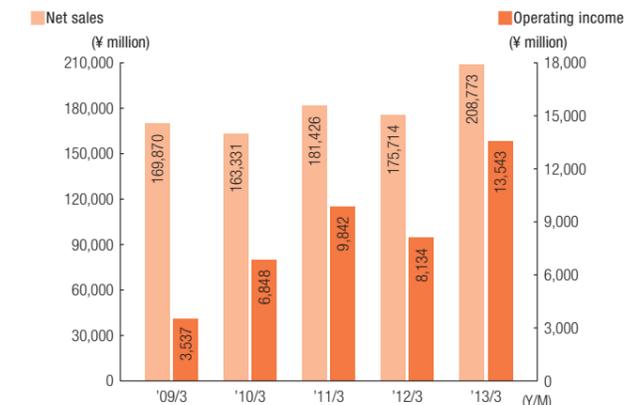
[Suspension springs]

The suspension springs segment posted sales of ¥103,213 million, increase of 14.3% from year earlier for fiscal 2012 with operating income rising by 50.4% to ¥10,245 million due to an increase in the production of automobiles in Japan and overseas.



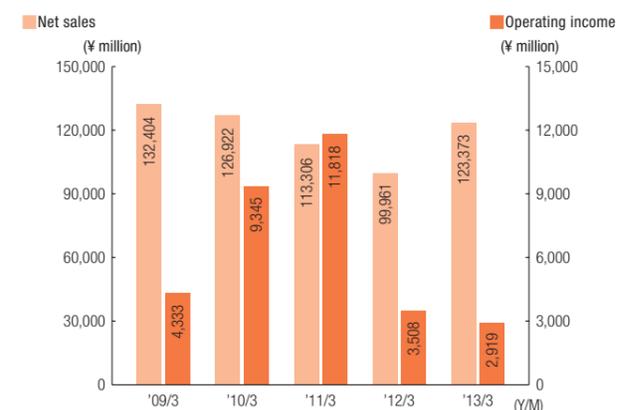
[Seating]

The seating segment posted sales of ¥208,773 million, increase of 18.8% from year earlier for fiscal 2012 with operating income increasing by 66.5% to ¥13,543 million due to an increase in the production of automobiles in Japan and overseas.



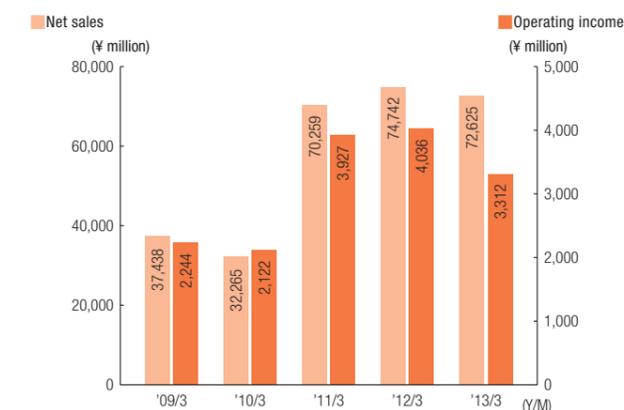
[Precision springs and components]

The precision springs and components segment posted sales of ¥123,373 million, an increase of 23.4% from year earlier for fiscal 2012 due to an increase in the production of automobiles in Japan and overseas and posted operating income fell 16.8% from year earlier to ¥2,919 million due to a cut in the production of hard disk drives.



[Industrial machinery and equipment, and other operations]

The industrial machinery and equipment and other operations segment posted sales fell 2.8% from year earlier to ¥72,625 million for fiscal 2012 with operating income fell 17.9% from year earlier to ¥3,312 million due to the sluggish Japanese economy.



Consolidated balance sheets

(Millions of Yen)

	FY2011 April 1, 2011 – March 31, 2012	FY2012 April 1, 2012 – March 31, 2013
Assets		
Current assets		
Cash and bank deposits	59,217	57,137
Notes and accounts receivable, trade	101,631	109,535*2
Merchandise and finished products	12,785	13,463
Work in process	6,944	8,492
Raw materials and supplies	10,111	10,075
Parts	3,230	3,204
Deferred tax assets	3,992	4,296
Other current assets	15,171	15,773
Allowance for doubtful notes and accounts	(177)	(63)
Total current assets	212,907	221,914
Fixed assets		
Property, plant and equipment		
Buildings and structures	108,477	118,768
Accumulated depreciation	(68,036)	(75,878)
Buildings and structures, net	40,440	42,890
Machinery and transport equipment	164,449	193,476
Accumulated depreciation	(130,880)	(155,254)
Machinery and transport equipment, net	33,569	38,222
Land	28,871	31,713
Leased assets	5,191	3,942
Accumulated depreciation	(2,349)	(2,024)
Leased assets, net	2,842	1,917
Construction in progress	6,183	7,469
Others	47,771	51,982
Accumulated depreciation	(42,499)	(45,354)
Other, net	5,271	6,627
Net property, plant and equipment	117,178	128,841*4
Intangible assets	2,797	3,689
Investments, long-term receivables and other assets		
Investment securities	48,261	53,470*1
Long-term loans	1,047	3,988
Deferred tax assets	3,206	3,316
Others	8,464	9,984*1
Allowance for doubtful notes and accounts	(168)	(154)
Total investments, long-term receivables and other assets	60,812	70,604
Total fixed assets	180,788	203,135
Total assets	393,695	425,050

(Millions of Yen)

	FY2011 April 1, 2011 – March 31, 2012	FY2012 April 1, 2012 – March 31, 2013
Liabilities		
Current liabilities		
Notes and accounts payable, trade	77,904	69,601
Electronically recorded obligations	29,953	25,417
Short-term borrowings	22,581	20,242*4
Accrued income taxes	3,422	6,381
Deferred tax liabilities	768	834
Allowance for directors bonus	229	260
Equipment notes payable	2,089	2,584
Other current liabilities	26,806	34,705
Total current liabilities	163,754	160,028
Long-term liabilities		
Corporate bonds	20,000	20,000
Long-term debt	22,421	21,715*4
Lease obligations	2,404	1,767
Deferred tax liabilities	6,845	8,277
Accrued retirement benefits for employees	9,425	11,267
Accrued retirement benefits for directors and corporate auditors	607	588
Accrued retirement benefits for corporate officers	688	663
Others	807	958
Total long-term liabilities	63,201	65,238
Total liabilities	226,956	225,266
Net assets		
Shareholders' equity		
Common stocks	17,009	17,009
Capital surplus	17,900	19,308
Retained earnings	127,904	144,436
Treasury stocks	(5,345)	(794)
Total shareholders' equity	157,469	179,959
Accumulated other comprehensive income (loss)		
Unrealized gain or loss on available-for-sale securities	13,413	16,533
Foreign currency translation adjustment	(15,971)	(6,492)
Total accumulated other comprehensive income (loss)	(2,557)	10,040
Minority interests	11,827	9,782
Total net assets	166,739	199,783
Total assets	393,695	425,050

Consolidated statements of income

(Millions of Yen)

	FY2011 April 1, 2011 – March 31, 2012	FY2012 April 1, 2012 – March 31, 2013
Net sales	440,752	507,985
Cost of sales	384,643	441,316 ^{*1,*3}
Gross profit	56,109	66,668
Selling, general and administrative expenses		
Selling expenses	10,884	12,277
General and administrative expenses	22,732	24,370
Total selling, general and administrative expenses	33,616	36,648 ^{*2,*3}
Operating income	22,493	30,020
Non-operating income		
Interest income	640	614
Dividend income	959	809
Equity in earnings of affiliates	865	336
Real estate rental income	833	705
Exchange (loss) gain, net	—	3,421
Others	996	1,243
Total non-operating income	4,294	7,130
Non-operating expenses		
Interest expenses	887	777
Loss on disposals of fixed assets	317	272
Exchange loss	447	—
Others	1,251	1,193
Total non-operating expenses	2,903	2,243
Ordinary income	23,884	34,907
Extraordinary gain		
Gain on sales of tangible fixed assets	99	199 ^{*4}
Gain on sales of investment securities	523	—
Gain on negative goodwill	—	670
Gain on reversal of allowance for doubtful accounts	205	—
Others	32	7
Total extraordinary gain	861	877
Extraordinary losses		
Impairment loss of fixed assets	350	2,309 ^{*5}
Loss on write-down of investment securities	22	423
Loss (gain) on step acquisitions	—	279
Appraisal loss on equity in affiliates	208	—
Loss related to litigation	291	—
Provision for allowance for doubtful accounts	9	—
Others	62	70
Total extraordinary losses	945	3,083
Income before income taxes and minority interests	23,799	32,701
Current	6,328	10,769
Deffered	(731)	211
Total income taxes	5,597	10,981
Income before minority interests	18,201	21,719
Minority interests in income of consolidated subsidiaries	1,460	1,385
Net income	16,741	20,333

Consolidated statements of changes in net assets

(Millions of Yen)

	FY2011 April 1, 2011 – March 31, 2012	FY2012 April 1, 2012 – March 31, 2013
Shareholders' equity		
Common stock		
Balance at the start of the period	17,009	17,009
Changes during the period		
Total changes during the period	—	—
Balance at the end of current period	17,009	17,009
Capital surplus		
Balance at the start of the period	17,523	17,900
Changes during the period		
Disposal of treasury stock	377	0
Changes due to share exchange	—	1,407
Total changes during the period	377	1,407
Balance at the end of current period	17,900	19,308
Retained earnings		
Balance at the start of the period	114,642	127,904
Increase resulting from change of fiscal term of consolidated subsidiaries	33	—
Changes during the period		
Dividends paid	(3,512)	(3,832)
Net income	16,741	20,333
Change in scope of consolidation	—	30
Total changes during the period	13,228	16,531
Balance at the end of current period	127,904	144,436
Treasury stock		
Balance at the start of the period	(6,755)	(5,345)
Changes during the period		
Purchase of treasury stock	(6)	(1)
Disposal of treasury stock	1,416	0
Changes due to share exchange	—	4,551
Total changes during the period	1,409	4,550
Balance at the end of current period	(5,345)	(794)
Total shareholders' equity		
Balance at the start of the period	142,420	157,469
Increase resulting from change of fiscal term of consolidated subsidiaries	33	—
Changes during the period		
Dividends paid	(3,512)	(3,832)
Net income	16,741	20,333
Change in scope of consolidation	—	30
Purchase of treasury stock	(6)	(1)
Disposal of treasury stock	1,793	0
Changes due to share exchange	—	5,959
Total changes during the period	15,015	22,489
Balance at the end of current period	157,469	179,959
Accumulated other comprehensive income (loss)		
Unrealized gain or loss on available-for-sale securities		
Balance at the start of the period	12,208	13,413
Changes during the period		
Net changes of items other than shareholders' equity	1,205	3,119
Total changes during the period	1,205	3,119
Balance at the end of current period	13,413	16,533

(Millions of Yen)

	FY2011 April 1, 2011 – March 31, 2012	FY2012 April 1, 2012 – March 31, 2013
Deferred hedge gains and losses		
Balance at the start of the period	(1)	—
Changes during the period		
Net changes of items other than shareholders' equity	1	—
Total changes during the period	1	—
Balance at the end of current period	—	—
Foreign currency translation adjustment		
Balance at the start of the period	(11,823)	(15,971)
Changes during the period		
Net changes of items other than shareholders' equity	(4,148)	9,478
Total changes during the period	(4,148)	9,478
Balance at the end of previous period	(15,971)	(6,492)
Total valuation and translation adjustment		
Balance at the start of the period	383	(2,557)
Changes during the period		
Net changes of items other than shareholders' equity	(2,941)	12,598
Total changes during the period	(2,941)	12,598
Balance at the end of current period	(2,557)	10,040
Minority interests		
Balance at the start of the period	10,940	11,827
Changes during the period		
Net changes of items other than shareholders' equity	887	(2,044)
Total changes during the period	887	(2,044)
Balance at the end of current period	11,827	9,782
Total net assets		
Balance at the start of the period	153,744	166,739
Increase resulting from change of fiscal term of consolidated subsidiaries	33	—
Changes during the period		
Dividends paid	(3,512)	(3,832)
Net income	16,741	20,333
Change in scope of consolidation	—	30
Purchase of treasury stock	(6)	(1)
Disposal of treasury stock	1,793	0
Changes due to share exchange	—	5,959
Net changes of items other than shareholders' equity	(2,054)	10,553
Total changes during the period	12,961	33,043
Balance at the end of current period	166,739	199,783

Consolidated statements of comprehensive income

(Millions of Yen)

	FY2011 April 1, 2011 – March 31, 2012	FY2012 April 1, 2012 – March 31, 2013
Income before minority interests	18,201	21,719
Other comprehensive income		
Unrealized gain or loss on available-for-sale securities	1,206	3,139
Deferred hedge gains and losses	1	—
Foreign currency translation adjustment	(3,939)	10,067
Equity equivalent to affiliated companies	(533)	200
Total other comprehensive income	(3,264)	13,407*
Comprehensive income	14,937	35,127
Comprehensive income attributable to:		
owners of the parent company	13,800	32,932
minority interests	1,137	2,194

Consolidated statements of cash flows

(Millions of Yen)

	FY2011 April 1, 2011 – March 31, 2012	FY2012 April 1, 2012 – March 31, 2013
Cash flows from operating activities		
Income before income taxes and minority interests	23,799	32,701
Depreciation and amortization	21,371	21,393
Loss on impairment of fixed assets	350	2,309
Increase (decrease) in provision for retirement benefits	(503)	175
Interest and dividends income	(1,599)	(1,424)
Interest expenses	887	777
Foreign exchange gains	304	(872)
Equity in earnings of affiliates	(865)	(336)
Loss on property, plant and equipment	250	44
Loss (gain) on sales of investment securities	(503)	—
Loss on write-down of investment securities	22	423
Decrease (increase) in notes and accounts receivable, trade	(25,111)	824
Decrease (increase) in inventories	(1,380)	1,995
Increase (decrease) in notes and accounts payable, trade	17,607	(22,843)
Other, net	(2,464)	992
Sub-total	32,167	36,162
Interest and dividends income received	3,105	2,119
Interest expenses paid	(871)	(795)
Income taxes paid	(8,338)	(8,263)
Net cash provided by operating activities	26,063	29,222
Cash flows from investing activities		
Payments into time deposits	(99)	336
Purchase of securities	(3,000)	—
Proceeds from sales of securities	4,000	—
Purchase of property, plant and equipment	(19,164)	(23,461)
Proceeds from sales of property, plant and equipment	774	579
Purchase of intangible assets	(944)	(1,082)
Purchase of investment securities	(9,312)	(2,568)
Proceeds from sales of investment securities	1,137	7
Disbursements for loans	(1,496)	(4,286)
Collection of loans	1,301	1,302
Other	(326)	45
Net cash used in investing activities	(27,130)	(29,129)

(Millions of Yen)

	FY2011 April 1, 2011 – March 31, 2012	FY2012 April 1, 2012 – March 31, 2013
Cash flows from financing activities		
Proceeds from issuance of short-term debt	9,178	2,349
Repayment of short-term debt	(8,257)	(6,888)
Proceeds from issuance of long-term debt	12,000	10,046
Repayment of long-term debt	(14,064)	(13,854)
Proceeds from issuance of bonds	25,000	28,000
Redemption of bonds	(12,000)	(24,000)
Payments for purchase of treasury stock	(9)	(1)
Income from sales of treasury stock	1,708	151
Repayments of lease obligations	(642)	(1,581)
Dividends paid	(3,527)	(3,832)
Cash dividends paid to minority shareholders	(298)	(701)
Other, net	259	—
Net cash used in financing activities	9,347	(10,311)
Effect of exchange rate changes on cash and cash equivalents	(1,861)	4,153
Net increase in cash and cash equivalents	6,418	(6,064)
Cash and cash equivalents at beginning of year	52,934	58,773
Increase in cash and cash equivalents resulting from subsidiaries newly included in consolidation	—	4,300
Increase in cash and cash equivalents resulting from change of fiscal term of consolidated subsidiaries	(579)	—
Cash and cash equivalents at end of year	58,773	57,009*

Notes to fundamental important matters for the creation of the consolidated financial statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries.....31

Names of consolidated subsidiaries:

Yokohama Kiko Co., Ltd., Sumihatsu Co., Ltd., Ites Co., Ltd., NHK Precision Co., Ltd., NHK Sales Co., Ltd., NHK Transport Co., Ltd., Nippatsu Service Co., Ltd., Nippon Shaft Co., Ltd., NHK Parking Systems Co., Ltd., Horikiri, Inc., Uniflex Co., Ltd., Tokuhatsu Co., Ltd., Tohoku Nippatsu Co., Ltd., Faurecia-NHK Kyushu Co., Ltd., NHK MEC Corporation, NHK Spring Production Company, Topura Co., Ltd., NHK Spring (Thailand) Co., Ltd., NHK International Corporation, New Mather Metals, Inc., NHK of America Suspension Components Inc., NHK Seating of America Inc., NHK Manufacturing (Malaysia) SDN. BHD., NAT Peripherals (Hong Kong) Co., Ltd., NHK Spring Precision of America Inc., NHK-Uni Spring (Guangzhou) Co., Ltd., NHK Spring Precision (Guangzhou) Co., Ltd., NHK Precision (Thailand) Co., Ltd., NHK Spring India Ltd., NAT (Dongguan) Co., Ltd. and NHK Spring (China) Co., Ltd.

Among these subsidiaries, Topura Co., Ltd., was included in the consolidation since the equity-method affiliated company became a wholly owned subsidiary of the Company as a result of a share exchange with the Company dated April 1, 2012.

The non-consolidated subsidiary of the Company, NHK Spring (China) Co., Ltd. was included in the consolidated financial statements because of a rise in materiality.

(2) Non-consolidated subsidiaries

Names of unconsolidated subsidiaries:

Ayase Seimitsu Co., Ltd. and G.L.G. Corporation

Reason for excluding from scope of consolidation

The accounts were excluded from consolidation since the aggregate amounts of these subsidiaries' combined assets, net sales, net income and retained earnings were immaterial in relation to those of the consolidated financial statements of the Company.

2. Scope of application of equity method

(1) Number of non-consolidated subsidiaries accounted for by the equity method: 2

Names of non-consolidated subsidiaries accounted for by the equity method:

Ayase Seimitsu Co., Ltd., G.L.G. Corporation

Number of affiliates accounted for by the equity method: 5

Names of affiliates accounted for by the equity method:

SNIC Co., Ltd., Sindai Co., Ltd., Faurecia-NHK Co., Ltd., Ibérica de Suspensões, S. L., Rassini-NHK Autopeças Ltda.

In the period under review, Topura Co., Ltd., which had been an equity method affiliate, became a consolidated subsidiary as a result of a share exchange.

Beginning with the period under review, Topura Co., Ltd., was therefore removed from the scope of equity-method affiliates.

(2) Non-consolidated companies and affiliates not accounted for by the equity method

Names of companies:

Nippatsu Harmony Co., Ltd.

Reason not accounted for:

The accounts of these affiliates were excluded from the equity-method accounting since the aggregate amounts of these affiliates, net income and retained earnings were immaterial in total.

3. Accounting standards

(1) Asset valuation method

1) Inventories

Inventories are mainly stated according to the weighted average cost method. (Values stated in the balance sheet are written down consistent with declines in sales value.)

2) Securities

The amortized cost (straight-line) method has been used for bonds intended to be held to maturity.

Other securities

Marketable securities

Marketable securities are carried at fair market value, based on market price as of the balance sheet date. (Any changes in unrealized holding gain or loss, net applicable income taxes, are included directly in net assets.

The cost of securities sold is determined by the moving-average method.)

Non-marketable securities

Moving-average method

3) Derivative

Derivatives are carried at fair value.

(2) Depreciation and amortization of assets

1) Tangible fixed assets (excluding lease assets)

Amortization of intangible fixed assets computed by the declining-balance method at rates based on the estimated useful lives of the respective assets as prescribed by income tax law.

Buildings and structures at the Company's headquarters are depreciated by the straight-line method.

The Company and its domestic consolidated subsidiaries compute depreciation for buildings (excluding leasehold improvements and auxiliary facilities attached to buildings) acquired on or after April 1, 1998 by the straight-line method.

2) Low-value depreciable assets (excluding lease assets)

Low-value depreciable assets with acquisition prices ranging between ¥100,000 and less than ¥200,000 are depreciated in even amounts over three years in accordance with the provisions of the Corporation Tax Law.

3) Intangible assets (excluding lease assets)

Intangible assets are amortized on a straight-line basis over periods regulated by income tax law. Expenditure related to computer software development for internal use is capitalized as an intangible asset and amortized on a straight-line basis over the estimated useful life (five years) of the software.

4) Lease assets

Finance lease transactions other than those deemed to transfer ownership

The term of the lease is treated as the period of depreciation, and the straight-line method is applied with a zero residual value. Those finance lease transactions, other than those deemed to transfer ownership, whose lease commencement date was on or before March 31, 2008 have been treated in the accounts applicable to ordinary operating leases.

(3) Significant accruals

1) Allowance for doubtful receivables

To provide for losses from doubtful accounts, provisions for general claims are recognized based on actual default rates, and based on irrecoverable amounts for specified claims such as delinquent claims, taking into consideration individual collectability.

2) Accrued bonuses for directors

To provide for bonuses to directors, the Company recognizes the amounts

accrued at the end of the fiscal year under review based on the estimated payment at the end of the fiscal year under review.

3) Accrued retirement benefits for employees

To provide for employee retirement benefits, the Company recognizes the amounts accrued at the end of the fiscal year under review based on the consolidated retirement liabilities and pension assets at the end of the fiscal year under review.

Past service liability is proportionately expensed according to the straight-line method over a certain number of years (15 to 16 years) within employees' average remaining number of years of service at the time of accrual.

Actuarial differences are proportionately expensed, beginning with the next fiscal year after the year of accrual, according to the straight-line method over a certain number of years (10 to 16 years) within employees' average remaining number of years of service at the time of accrual.

4) Accrued retirement benefits for directors and corporate auditors

In order to provide for the retirement benefits of corporate officers, domestic consolidated subsidiaries recognize the required benefit amounts accrued at the end of the fiscal year in accordance with the regulations for retirement benefits of corporate officers or in accordance with internal rules.

5) Accrued retirement benefits for executive corporate officers

In order to provide for the retirement benefits of executive corporate officers, the Company and domestic consolidated subsidiaries recognize the required benefit amounts accrued at the end of the fiscal year in accordance with the regulations for retirement benefits of corporate executive officers or in accordance with internal rules.

(4) Significant hedge accounting methods

1) Hedge accounting methods

The Company uses deferred hedge accounting. Notably, currency forward contracts (including a number of currency options) are accounted for by periodic allocation where the requirements for this accounting method are satisfied. Interest rate swaps are accounted for according to special exception rules where requirements for this accounting method are satisfied.

2) Hedging instruments and hedged items

Hedging instruments	Hedged items
Foreign exchange contracts	Forecasted foreign exchange transaction
Interest rate swap	Borrowings

3) Hedging policies

As Group internal regulations, "Cash Management Regulations" provide as basic principles that hedging is to be used for currency risks and interest risks management.

With regard to foreign denominated trade receivables, which pose the main risk, in order to avoid the associated currency risk, the Company enters into comprehensive currency forward contracts. Currency forward contracts are used within the scope of actual export transactions in connection with regular foreign-denominated business transactions.

4) Method of determination of hedge effectiveness

The hedge effectiveness of currency forward transactions is determined through checks performed when currency forwards are contracted. Checks are performed in accordance with the "Cash Management Regulations" integral to the internal regulations of the Company. Hedge effectiveness of interest rate swaps, to the extent that such swaps meet the requirements for special exception rules, is determined in accordance with the Accounting Standards for Financial Instruments.

(5) Goodwill amortization and amortization period

Goodwill and negative goodwill originated on or prior to March 31, 2010, are amortized in equal amounts over a 5-year period consistent with the cause of origination. Negative goodwill originated on or after April 1, 2010, is taken to the consolidated income for the fiscal year of origination of such negative goodwill.

(6) Scope of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows are composed of cash on hand, bank deposits that are able to be withdrawn on demand and short-term investments with an original maturity of three months or less that are exposed to minor risk of fluctuation in value.

(7) Other important matters to create the consolidated financial statements

Consumption taxes

Transactions subject to national and/or local consumption are recorded at an amount exclusive of the consumption tax.

Notes Consolidated fiscal year (March 31, 2013)

Consolidated balance sheets

*1 Note regarding unconsolidated subsidiaries and affiliated companies

Each item in unconsolidated subsidiaries and affiliated companies are

Investment securities	¥13,370 million
Investment, other assets and others	¥7,455 million

*2 Transfers of accounts receivable trade

Sales receivables sold	¥1,105 million
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*3 Liabilities for assurance

Guarantees are given for non-consolidated companies' debts from financial institutions

Liabilities for assurance to non-consolidated companies' debts from financial institutions	¥2,471 million
Employee	¥117 million
Total	¥2,589 million

*4 Pledged asset

Buildings and structures	¥7,404 million (Carrying amount)
Machinery and transport equipment	¥36 million (Carrying amount)
Land	¥6,545 million (Carrying amount)
Total	¥13,985 million (Carrying amount)

The above is serving as floating mortgage for collateral of ¥3,683 million long-term debt (including ¥3,073 million long-term borrowing due within one year).

Consolidated statements of income

*1 Loss on devaluation of inventories after the amount after the book value was reduced due to the decreased profitability. Sales cost includes loss on devaluation of inventories.

¥250 million

*2 Breakdown of selling, general and administrative expenses are as follows:

(1) Selling expenses

Packing and delivery expenses	¥2,869 million
Salaries, allowances, and bonuses	¥4,806 million
Employee's retirement benefits	¥344 million
Depreciation	¥83 million
Commission expenses	¥742 million

(2) General and administrative expenses

Salaries, allowances, and bonuses	¥11,334 million
Employee's retirement benefits	¥905 million
Provision of accrued retirement benefits for directors and corporate auditors	¥372 million
Provision of accrued retirement benefits for corporate officers	¥77 million
Depreciation	¥2,198 million
Research and development expenses	¥1,869 million
Commission expenses	¥1,349 million

*3 Research and development expenses in general and administrative expenses and sales cost

¥11,750 million

*4 The breakdown of gains from sales of non-current assets recognized as extraordinary income is as follows:

Land	¥199 million
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*5 Loss on impairment of fixed assets

The NHK Spring Group has recorded impairment losses for the following assets:

Location	Purpose	Type
Toyokawa, Aichi Prefecture	Idle real estate	Land
Komagane, Nagano Prefecture	Production equipment for HDD suspensions	Buildings and structures Machinery and transport equipment
Koto-ku, Tokyo	Old office computer system	Leased assets

(Background of the recognition of impairment losses)

Since the Company's idle real estate was not expected to generate rental income and was not scheduled to be used or sold, the book value of such land was reduced to the estimated value based on a real estate appraisal, and the amount of the write-down was listed as an impairment loss and charged to extraordinary losses.

The Komagane plant of the Company recorded weak performance and posted continuous operating losses; consequently, the book value of the production equipment for HDD suspensions related to the business was written down to the recoverable value, listed as an impairment loss, and charged to extraordinary losses.

Since a portion of the old office computer system in the domestic consolidated subsidiary NHK Sales Co., Ltd., was no longer expected to be used due to the introduction of a new system, the amount relevant to lease expenses payable related to such portion was listed as an impairment loss and charged to extraordinary losses.

(Amount of impairment losses)

Type	Amount
Buildings and structures	¥281 million
Machinery, equipment, and transportation equipment	¥1,693 million
Land	¥259 million
Leased asset	¥75 million
Total	¥2,309 million

(Method for grouping assets)

Assets are grouped by management accounting category, where income and loss are continuously monitored, and idle assets are grouped by property.

(Method for calculating recoverable values)

As for the Company's idle real estate, the recoverable value was measured on the basis of the net selling price assessed on the estimated value according to a real estate appraisal.

With respect to the production equipment for HDD suspensions at the Komagane plant, the recoverable value was measured on the basis of the utility value with a 4.63% discount rate applied to future cash flow.

Since the old office computer system of NHK Sales, Co., Ltd., is not expected to be sold or used, the system was evaluated, and the recoverable value was listed as zero.

Consolidated statements of comprehensive income

* Other comprehensive income-related reclassification adjustment amounts and tax effects

Valuation difference on available-for-sale securities	
Amount at the start of the period	¥4,436 million
Reclassification adjustment amount	¥408 million
Before tax effect adjustments	¥4,845 million
Tax effect amount	(¥1,706 million)
Valuation difference on available-for-sale securities	¥3,139 million
Currency translation adjustment account	
Amount at the start of the period	¥10,067 million
Interest in equity-method affiliates	
Amount at the start of the period	¥200 million
Interest in equity-method affiliates	¥200 million
Other comprehensive income total	¥13,407 million

Consolidated statements of changes in net assets

1 Type and number of outstanding shares

Type	Beginning of the period under review	Increase in the number of shares during the year under review	Decrease in the number of shares during the year under review	Number of shares as of March 31, 2013
Common stock	244,066,144	—	—	244,066,144

2 Type and number of treasury stocks

Type	Beginning of the period under review	Increase in the number of shares during the year under review	Decrease in the number of shares during the year under review	Number of shares as of March 31, 2013
Common stock	7,871,122	2,367	6,704,329	1,169,160

(Reasons for the increase or decrease)

Details of the increase are as follows:

Increase due to purchases of less-than-one-unit shares	2,367 shares
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The breakdown of the decrease is as follows:

Decline due to a transfer relevant to the share exchange	6,703,856 shares
Decrease by sales of less-than-one-unit shares	473 shares

3 Dividends

(1) Amount of dividends paid

Resolution	Type of share	Total amount of dividend (million yen)	Dividend per share (yen)	Record date	Effective date
Annual general meeting of shareholders held on June 28, 2012	Common share	1,889	8.0	March 31, 2012	June 29, 2012
Board of Directors meeting held on Nov. 12, 2012	Common share	1,943	8.0	September 30, 2012	December 5, 2012

(2) Shares whose dividend record date is in the year and effective date is during next fiscal year

Resolution	Type of share	Dividend resource	Total amount of dividend (million yen)	Dividend per share (yen)	Record date	Effective date
Annual general meeting of shareholders held on June 27, 2013	Common share	Retained earnings	1,943	8.0	March 31, 2013	June 28, 2013

Consolidated statements of cash flows

*A reconciliation of cash and bank deposits in the consolidated balance sheets to cash and cash equivalents in the consolidated statements of cash flows.

	(As of March 31, 2013)
Cash and bank deposits	¥57,137 million
Time deposits with maturity in excess of three months	(¥127 million)
Cash and cash equivalents	¥57,009 million

Leases

1. Finance leases, other than those which are deemed to transfer ownership of the leased assets to lessees, whose commencement dates preceded the commencement of the application of the accounting standards

(1) Acquisition cost equivalents, accumulated depreciation equivalents and net book value equivalents of leased property

(Millions of Yen)

	Machinery, equipment and vehicles	Property, plant and equipment	Intangible assets	Total
Acquisition cost equivalents	427	101	—	529
Accumulated depreciation equivalents	372	93	—	465
Net book value equivalents	55	8	—	63

(Note) Acquisition cost equivalents are calculated on the simple method that includes interest in lease payment.

(2) Future lease payments at March 31, 2013

Due within one year	¥48 million
Due over one year	¥15 million
Total	¥63 million

(Note) Future lease payments are calculated on the simple method that includes interest in lease payment.

(3) Current lease payments and depreciation equivalents

Lease payments	¥112 million
Depreciation equivalents	¥112 million

(4) Calculation methods of depreciation equivalents

Amounts equivalent to depreciation are calculated by the straight-line method, assuming that useful life is same as the lease term and the residual value equals zero.

2. Finance lease transactions

(1) Type of lease assets

Mainly production equipments (machinery and transport equipment) in Suspension Springs and in Precision Springs Segments.

(2) Depreciation method of leased assets

Amount of depreciation is calculated by the straight-line method, assuming that useful life is same as the lease term and the residual value equals zero.

3. Operating lease transaction

Future minimum lease payments for non-cancellable operating lease transactions

Due within one year	¥121 million
Due over one year	¥182 million
Total	¥304 million

(Impairment losses)

Finance lease transactions have no impairment loss.

Financial instruments

1. Outline of financial instruments

(1) Policy for financial instruments

The Group invests only to the short-term bank deposits and alike financed through borrowing from bank or issuance of commercial papers. Derivatives are used, not for speculative purposes, but to manage exposure to financial risks as described later.

(2) Type of financial instruments and related risk

Receivables such as notes and accounts receivable, trade are exposed to customer credit risk. Receivables denominated in foreign currencies arising from global business transactions are exposed to foreign currency exchange fluctuation risk; however, the risk associated with principal export transactions are constantly within the limit established based on actual export record in the past and are hedged by using forward exchange rate contracts. Equity investments are exposed to the risk of market price fluctuations; nevertheless, they mainly consist of equity of companies with which the Company has business relationship, and their fair value are evaluated quarterly and reported to the Board of Managing Directors.

Payment terms of payables, such as notes, accounts payable, trade, and electronically recorded obligations, are mostly less than one year. Although payables in foreign currencies are exposed to foreign currency exchange fluctuation risk, those risks are constantly netted against the balance of receivables denominated in the same foreign currency. The purpose of borrowings and commercial papers is to raise necessary fund for working capital and capital expenditures. Although some of them bearing floating interest rates are exposed to interest rate fluctuation risk, such exposure is hedged by using derivatives (Interest rate swaps).

(3) Risk management for financial instruments

1) Monitoring of credit risk (the risk that customer is or counterparties may default)

The Group monitors payment term and balances of receivables by customer is in accordance with internal rules on management of accounts receivable and has a system to periodically grasp credit risk of the customers.

2) Monitoring of market risk (the risk arising from fluctuations in foreign exchange rates, and interest)

The Group mitigates foreign currency exchange fluctuation risks in connection with receivables and short/long-term debt denominated in foreign currencies by individualizing risks by using exchange rate contracts for certain proportion of such receivables and debt.

In addition, the Company uses interest rate swap contracts for long-term debt to individualize interest payments on borrowings with floating interest rate; therefore, there is no interest rate fluctuation risk exposed to interest payments on long-term debt.

3) Monitoring of liquidity risk (the risk that the Group may not be able to meet its obligations on scheduled due dates)

The Group manages liquidity risk by timely projection and revision of cash flow plan by the department in charge of finance based on reports of each relevant department.

(4) Supplementary explanation of estimated fair value of financial instruments

Not applicable

2. Outline of marketable financial instruments

Carrying amount, fair value and unrealized gain/loss of the financial instruments as of March 31, 2013 (closing date of this fiscal year) are as follows.

(Millions of Yen)

	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash and bank deposits	57,137	57,137	—
(2) Notes and accounts receivable, trade	109,535	109,535	—
(3) Investment securities			
1) Bonds to be held to maturity	500	496	(3)
2) Other securities	38,554	38,554	—
(4) Long-term loans	3,988	4,287	298
Total assets	209,716	210,011	295
(1) Notes and accounts payable, trade	69,601	69,601	—
(2) Electronically recorded obligations	25,417	25,417	—
(3) Short-term borrowings	20,242	20,242	—
(4) Accrued income taxes	6,381	6,381	—
(5) Equipment notes payable	2,584	2,584	—
(6) Corporate bonds	20,000	20,213	213
(7) Long-term debt	21,715	21,712	(3)
(8) Lease obligations	1,767	1,865	97
Total liabilities	167,711	168,019	307
Derivative financial instruments *	[267]	[267]	—

* Receivables and payables incurred by derivative transactions are presented in net. Net payables are presented in brackets “[]”.

(Note 1) Methods to determine the estimated fair value of financial instruments and other matters related to securities and derivative transactions

Assets:

(1) Cash and bank deposits, and (2) Notes and accounts receivable, trade
These assets are recorded using book values because fair values approximate book values due to their short-term maturities.

(3) Investment securities

The fair values of equity investment are determined using the quoted price at the stock exchange, and those of bonds are determined using the quoted price obtained from the financial institutions. As for notes to securities by purpose of holding, please see the note for marketable securities.

(4) Long-term loans

The fair values of long-term loans are present value, calculated as estimated amount of principal and interest receivable, reflecting collectability and discounting using interest rate of appropriate index government bonds.

Liabilities

(1) Notes and accounts payable, trade, (2) Electronically recorded obligations, (3) Short-term borrowings, (4) Accrued income taxes, and (5) Equipment notes payable

These payables are recorded using book values because fair values approximate book values due to their short-term maturities.

(6) Corporate bonds

Calculated based on the reference trading statistics published by the Japan Securities Dealers Association.

(7) Long-term debt, and (8) Lease obligations

The fair values of long-term debt and lease obligations are determined by discounting the aggregated values of the principal and interest using an assumed interest rate applied in case the same type of loans or leases should be newly made. Long-term debt bearing floating interest rate are hedged by interest rate swap contracts meeting certain conditions and the fair values of

these debts are determined by discounting the aggregated values of the principal and interest accounted for together with the related interest rate swap contracts using the reasonably estimated interest rate to be applied when the same type of loans were conducted.

Derivative transactions

Please see the note for derivative transactions.

(Note 2) Financial instruments for which it is extremely difficult to determine the fair value

(Millions of Yen)

Category	Carrying amount
Equity investments of unlisted subsidiaries and affiliates	13,370
Other unlisted stocks	1,045

The items above are not included in “(3) Investment securities” because there is no market price and it is very difficult to identify fair values.

(Note 3) Redemption schedule of monetary assets and investment securities with contractual maturities

(Millions of Yen)

	Within one year	One to five years	Five to ten years	Over ten years
Cash and bank deposits	57,137	—	—	—
Notes and accounts receivable, trade	109,535	—	—	—
Investment securities				
Bonds to be held to maturity (corporate bonds)	—	—	500	—
Long-term loans	—	3,668	300	19
Total	166,672	3,668	800	19

(Note 4) Redemption schedule of long-term debt, lease obligations and other interest-bearing debt

(Millions of Yen)

	Within one year	One to two years	Two to three years	Three to four years	Four to five years	Over five years
Short-term borrowings	5,767	—	—	—	—	—
Bonds	—	—	10,000	10,000	—	—
Long-term debt	14,475	8,611	4,217	3,240	5,646	—
Lease obligations	—	481	348	510	356	69
Total	20,242	9,092	14,565	13,750	6,002	69

Marketable securities

1. Equity securities for the purpose of selling and buying (As of March 31, 2013)

Not applicable

2. Equity securities to be held to maturity (As of March 31, 2013)

(Millions of Yen)

Type		Carrying amount	Fair value	Unrealized gain (loss)
Securities which fair value exceeds their carrying amount	1) National bonds and local government bonds	—	—	—
	2) Corporate bonds	—	—	—
	3) Other	—	—	—
Subtotal		—	—	—
Securities which carrying value exceeds their fair value	1) National bonds and local government bonds	—	—	—
	2) Corporate bonds	500	496	(3)
	3) Other	—	—	—
Subtotal		500	496	(3)
Total		500	496	(3)

3. Other securities with fair value (As of March 31, 2013)

(Millions of Yen)

Type		Carrying amount	Acquisition cost	Unrealized gain (loss)
Securities which carrying value exceeds their acquisition cost	1) Equity securities	37,080	10,425	26,654
	2) Bonds	—	—	—
	3) Other	—	—	—
Subtotal		37,080	10,425	26,654
Securities which acquisition cost exceeds their carrying amount	1) Equity securities	1,473	2,113	(639)
	2) Bonds	—	—	—
	3) Other	—	—	—
Subtotal		1,473	2,113	(639)
Total		38,554	12,539	26,015

(Note) Impairment occurs if the fair market value decreased more than 50% compared to the acquisition cost except if the value is expected to recover. If the decreased rate is 30% to less than 50%, the possibility to recover is to be judged. If the Company determined that there is no possibility, it will be dealt with as impairment loss.

4. Other marketable securities sold during the fiscal year (April 1, 2012 to March 31, 2013)

Omitted as they have little significance

5. Securities written down (from April 1, 2012 to March 31, 2013)

In the year under review, securities were written down by ¥423 million (shares in the account item Other Securities of ¥423 million).

Derivative transactions

1. Derivative financial instruments that do not apply for hedge accounting

(Millions of Yen)

Hedge accounting method	Type of derivative transaction	Contractual value (thousand USD)	Contractual value over one year (thousand USD)	Fair value	Valuation gain (loss)
Transactions other than market transactions	Currency option transactions Sell:USD	47,000	—	(266)	(266)
Total		47,000	—	(266)	(266)

(Note) Method for calculating fair value: The calculation of fair value was based on prices provided by the client financial institutions.

2. Derivative financial instruments that apply for hedge accounting

(1) Currency

(Millions of Yen)

Hedge accounting method	Type of derivative transaction	Main hedged items	Contractual value (thousand USD)	Contractual value over one year	Fair value
Exchange contracts of deferral hedge accounting	Forward exchange contract Sell:USD	Foreign currency denominated receivables and payables	156	—	(0)
	EUR		—	—	—
	Buy:USD		—	—	—
Total			156	—	(0)

(Note) Fair value is calculated based on price and other factors provided by the dealing financial institution, etc.

(2) Interest rate

(Millions of Yen)

Hedge accounting method	Types of derivative transaction	Main hedged items	Contractual value	Contractual value over one year	Fair value
Exceptional disposition of interest rate swap contracts	Interest rate swap contract	Borrowings	21,698	11,957	(Note)
	Fixed rate payment				
	Floating receiving				
Total			21,698	11,957	(Note)

(Note) The fair value of the interest rate swap qualifying for exceptional accrual method is included in the above fair value of related long-term borrowings.

Retirement benefit

1. Retirement benefits of the Company

The Company and its subsidiaries in Japan have a contributory funded and a defined contribution pension plan, and a termination allowance plan as part of their defined benefits scheme. In certain cases, extra retirement benefits are paid when an employee retires.

Number of the companies and subsidiaries applying each plan during the fiscal year:

Contributory funded pension plan...The Company

Defined contribution pension plan...15 domestic consolidated subsidiaries

Termination allowance plan.....The Company and all domestic consolidated subsidiaries

As for foreign consolidated subsidiaries, two have contributory funded plan, and six have defined contribution plan. The Company and two domestic consolidated subsidiaries have retirement benefit trust.

2. The outline of the employees' pension and severance plans

1) Projected benefit obligation	(¥50,138 million)
2) Plan assets (including retirement benefit trusts)	¥31,639 million
3) Funded status of the plans (1+2)	(¥18,499 million)
4) Unrecognized net actuarial loss	¥7,496 million
5) Unrecognized prior service cost	(¥263 million)
6) Net retirement benefit obligation (3+4+5)	(¥11,267 million)
7) Accrued pension and severance costs	(¥11,267 million)

(Note) Simplified method is applied as for 14 consolidated companies in Japan.

3. Employees' pension and severance cost

1) Service cost	¥3,274 million
2) Interest cost	¥842 million
3) Expected return on plan assets	(¥751 million)
4) Amortization of net actuarial gain or loss	¥1,364 million
5) Amortization of prior service cost	(¥37 million)
6) Employee pension cost for the year (1+2+3+4+5)	¥4,692 million
7) Other	¥274 million
Total	¥4,966 million

(Note 1) Retirement benefits expenses of the Company's consolidated subsidiaries which were accounted for by the simplified method were registered under "1) Service cost" above.
(Note 2) "7) Other" is installment premium payment to defined contribution pension plan.

4. Assumption and policies adopted in the calculation of retirement benefit obligation

- Method of allocation of retirement benefits in the period
Straight-line method
- Discount rates
Domestic 1.4% to 1.8%
Foreign 4.1% to 8.5%
- Expected rates of return on plan assets
Domestic 1.3% to 4.2%
Foreign —
- Amortization years of actuarial gain or loss
From 10 to 16 years
(Amortized in the year following the year in which the gain or loss is recognized, primarily by the straight-line method, over a period which is shorter than the average remaining years of service of the employees.)
- Amortization years of prior service cost
From 15 to 16 years
(Amortized as incurred, by the straight-line method, over a period which is shorter than the average remaining years of service of the employees.)

Deferred tax accounting

1. Principal deferred tax assets and liabilities

(Deferred tax assets)

1) Current assets	
Accrued bonuses	¥3,207 million
Accrued enterprise taxes	¥448 million
Unrealized inter-company profit	¥226 million
Tax losses carried forward	¥113 million
Inventory write-downs	¥368 million
Accounts payable	¥222 million
Other	¥89 million
Deferred tax assets (current) subtotal	¥4,676 million
Valuation allowance	(¥257 million)
Total deferred tax assets (current)	¥4,418 million
Offset of deferred tax liabilities (current)	(¥122 million)
Net deferred tax assets (current)	¥4,296 million

2) Fixed asset	
Accrued retirement benefits for employees	¥4,814 million
Depreciation	¥2,698 million
Loss from securities revaluation	¥620 million
Allowance for doubtful receivables	¥119 million
Accrued retirement benefits for directors and corporate auditors	¥557 million
Total loss on impairment of fixed assets	¥126 million
Tax losses carried forward	¥3,565 million
Unrealized inter-company profit	¥239 million
Unrealized losses on other securities	¥43 million
Other	¥630 million
Deferred tax assets (fixed) subtotal	¥13,414 million
Valuation allowance	(¥4,807 million)
Deferred tax assets (fixed) total	¥8,607 million
Offset of deferred tax liabilities (fixed)	(¥5,291 million)
Net deferred tax assets (fixed)	¥3,316 million

(Deferred tax liabilities)

1) Current liabilities	
Retained subsidiaries profits	(¥832 million)
Allowance for doubtful receivables	(¥2 million)
Other	(¥122 million)
Deferred tax liabilities (current) total	(¥957 million)
Offset of deferred tax assets (current)	¥122 million
Net deferred tax liabilities (current)	(¥834 million)
2) Fixed liabilities	
Special tax purpose reserve	(¥3,465 million)
Depreciation	(¥8 million)
Unrealized losses on other securities	(¥9,954 million)
Allowance for doubtful receivables	(¥68 million)
Other	(¥71 million)
Deferred tax liabilities (fixed) total	(¥13,569 million)
Offset of deferred tax assets (fixed)	¥5,291 million
Net deferred tax liabilities (fixed)	(¥8,277 million)

2. Principal reasons for the difference between the statutory tax rate and the rate of income after application of deferred tax accounting

Statutory tax rate of the Company which submitted the consolidated balance sheets	
Effect of:	37.6%
Tax rate difference of subsidiaries	(5.3%)
Expense account and others not deductible permanently	1.2%
Dividend income and others not taxable permanently	(8.7%)
Foreign tax credit	(0.3%)
Investment tax credit	(0.4%)
Reduction adjustment on deferred tax assets as of the end of the period due to change in the tax rate	0.1%
Unrealized gains (losses) on valuation allowance	0.9%
Dividend income from the consolidated subsidiaries	8.5%
Research expense, etc., special deduction	(0.8%)
Other	0.8%
Effective tax rate	33.6%

Asset retirement obligations

Asset retirement obligations recognized on the consolidated balance sheets

(1) Summary of relevant asset retirement obligations

With regard to instances of asbestos used in property, plant and equipment, the affected assets are at the time of their retirement subject to the special methods required under the Ordinance on Prevention of Health Impairment due to Asbestos.

(2) Calculation of the amount of relevant asset retirement obligations

The calculation of relevant asset retirement obligations uses the end of the

remaining useful life as the estimated period until expenditure and applies a discount rate of 2.1%.

(3) Change in total consolidated asset retirement obligations in the period under review

Balance at start of period	¥274 million
Increase due to new consolidation	¥31 million
Adjustment for passage of time	¥0 million
Balance at end of period	¥305 million

Segment information

1. Outline of segment

Reporting segments are comprised of those constituent segments of the Group for which stand-alone financial information is available. They are the subject of periodic review for the board of directors to determine the allocation of management resources and for the evaluation of operating results.

The Company operates principally on four industrial segments: automotive suspension springs; automotive seating; precision springs and components; and industrial machinery and equipment, and other based on manufacturing division of the Company.

Main products of each segment are as follows:

Segment	Main products
Automotive suspension springs	Leaf springs, coil springs, stabilizer bars, torsion bars, stabilizer links, gas springs, stabilizer and others
Automotive seating	Seats, mechanical seating components, trim parts and others
Precision springs and components	HDD suspensions and mechanical components, wire springs, flat springs, LCD/semiconductor testing probe units, Fastener (screw), precision machine components and others
Industrial machinery and equipment, and others	Brazed products, ceramic products, spring mechanisms, pipe support systems, automatic parking systems, polyurethane products, metal-based printed wiring boards, security products, lighting equipment, golf club shafts and others

2. Method of calculation of sales, income, assets, liabilities, and other account items by reporting segment

The method of accounting applied for reporting segments corresponds to the descriptions in the "Important Matters Concerning the Basis of Preparation of Consolidated Financial Statements." Earnings of reported segments reflect values based on operating income.

Following the revisions to the Corporation Tax Law of Japan, the method of depreciation of tangible fixed assets acquired after April 1, 2012, was changed

to that based on the revised Corporation Tax Law of Japan in the year under review, and so the method of depreciation for the reporting segment was changed to that based on the revised Corporation Tax Law of Japan.

The change increased the segment incomes of suspension springs, seating, precision springs and components, and industrial machinery and equipment by ¥106 million, ¥85 million, ¥86 million, and ¥44 million, respectively, in the year under review compared with the existing method.

3. Net sales, income or loss, assets and liabilities, and other items by reporting segment

(Millions of Yen)

	Segment					Adjustments	Total
	Suspension springs	Seating	Precision springs and components	Industrial machinery and equipment, and other	Total		
Sales							
Sales to external customers	103,213	208,773	123,373	72,625	507,985	—	507,985
Inter-segment sales	1,665	65	1,616	7,913	11,260	(11,260)	—
Net sales	104,878	208,838	124,990	80,538	519,246	(11,260)	507,985
Operating income	10,245	13,543	2,919	3,312	30,020	—	30,020
Assets	71,655	98,135	105,879	66,142	341,813	83,236	425,050
Other							
Depreciation	3,660	4,252	9,920	1,904	19,738	1,655	21,393
Amount invested in equity-method affiliates	3,209	2,274	646	227	6,357	—	6,357
Property, plant and equipment and intangible fixed assets increase	4,312	6,824	10,618	2,397	24,152	1,354	25,506

(Note 1) The segment asset adjustment amount of ¥83,236 million includes corporate-level assets not allocated to the individual reportable segments. Corporate-level assets consist mainly of cash and deposits that do not belong to reportable segments.

(Note 2) Depreciation charges relate mainly to the head office building.

(Note 3) Adjustment amounts for increased property, plant, and equipment and intangible fixed assets of ¥1,354 million relate to increased corporate-level assets that do not belong to reportable segments.

4. Segment by location

(1) Sales

(Millions of Yen)				
Japan	North America	Asia	Other	Total
302,268	61,060	142,366	2,290	507,985

(2) Property, plant and equipment

(Millions of Yen)			
Japan	North America	Asia	Total
83,504	17,132	28,204	128,841

5. Information on impairment loss of property, plant and equipment of reporting segments

	Segment					Elimination of corporate assets	Consolidated total
	Suspension springs	Seating	Precision springs and components	Industrial machinery and equipment, and other	Total		
Impairment	—	—	1,974	75	2,050	259	2,309

6. Segment information of goodwill amortization

	Segment					Elimination of corporate assets	Consolidated total
	Suspension springs	Seating	Precision springs and components	Industrial machinery and equipment, and other	Total		
Amortization during the year	1	—	—	30	31	—	31
Balance at end of year	—	—	—	228	228	—	228

7. Information on gains accrued from negative goodwill by segments

In the precision springs and components segment, a gain was posted from negative goodwill of ¥516 million resulting from Topura Co., Ltd., becoming a consolidated subsidiary through a share exchange dated April 1, 2012. Since

the gain was listed under extraordinary income, it was excluded from segment income by reporting segment (operating income).

Related party information

1. Related party transactions

(1) Transactions with companies included in the consolidated financial statements and related parties.

Type	Name	Address	Capital (million yen)	Business area	Proportion of voting rights owned (%)	Related party transactions	Details of transactions	Amount of transactions (million yen)	Accounts recorded	Balance at end of year (million yen)
Affiliate	Faurecia-NHK Co., Ltd.	Naka-ku, Yokohama	400	Seating	50.0	Customer of our company Five concurrent director	Purchased most products from our company	8,725	Trade accounts receivable	4,245

(Note 1) Amount of transactions does not include consumption tax. Balance at end of year includes the consumption tax.

(Note 2) Conditions of transactions and its policy.

Sales of our company's products to subsidiaries and affiliates are determined by the reference to market values.

(2) Transactions with subsidiaries of companies included in the consolidated financial statements and related parties.

Type	Name	Address	Capital (million yen)	Business area	Proportion of voting rights owned (%)	Related party transactions	Details of transactions	Amount of transactions (million yen)	Accounts recorded	Balance at end of year (million yen)
Subsidiary	Nippan Business Support Co., Ltd.	Koto-ku, Tokyo	10	Supply of services to all business areas (factoring)	100 (indirect)	Transfer of the account payable	Transfer of accounts payable by consolidated subsidiaries	21,286	Trade accounts payable	7,280

(Note 1) Amount of transactions and balance at end of year include the consumption tax.

(Note 2) Conditions of transaction and its policy.

Transfer of the account payable are determined as same as those of general transactions.

2. Note on the Company or related companies

Not applicable

Per share information

1. Net assets per share ¥782.23

2. Net income per share ¥83.70

(Note) Basic calculation

1. Net assets per share

Item	
Total net assets (million yen)	199,783
Amount deducted from total net assets (million yen)	9,782
(Minority interests)	(9,782)
Net income available for dividends on common stock at end of year (million yen)	190,000
Number of outstanding shares of common stock (thousand shares)	244,066
Number of common stock for treasury (thousand shares)	1,169
Descriptions of potential shares included in the computation of diluted net income per share (thousand shares)	242,896

2. Net income per share

Item	
Income in the consolidated balance sheets (million yen)	20,333
Amount not available for common shareholders (million yen)	—
Net income available for dividends on common shares (million yen)	20,333
Weighted-average number of common shares outstanding during the year (thousand shares)	242,936

Consolidated supplemental schedules

1. Schedule of bonds payable

Company name	Description	Date of Issuance	Balance at the start of the period (million yen)	Balance at end of current year (million yen)	Interest rate (%)	Collateral	Maturity
NHK Spring Co., Ltd.	7th non-collateral corporate bonds (inter-bond pari passu clause)	December 15, 2010	10,000	10,000 [—]	0.789	—	December 15, 2015
NHK Spring Co., Ltd.	8th non-collateral corporate bonds (inter-bond pari passu clause)	September 13, 2011	10,000	10,000 [—]	0.544	—	September 13, 2016
Total	—	—	20,000	20,000 [—]	—	—	—

(Note 1) The amounts in brackets presented under "Balance at end of current year" represent the amounts scheduled to be redeemed within one year.

(Note 2) The following table shows the redemption schedule of bonds for five years is summarized.

(Millions of Yen)

Within one year	One to two years	Two to three years	Three to four years	Four to five years
—	—	10,000	10,000	—

2. Schedule of borrowings

Category	Balance at the start of the period (million yen)	Balance at end of current year (million yen)	Average interest rate (%)	Maturity
Short-term debt	9,733	5,767	0.599	—
Current portion of long-term borrowings	12,847	14,475	1.336	—
Current portion of lease obligations	604	512	—	—
Long-term borrowings (excluding current portion)	22,421	21,715	0.916	2014 to 2017
Lease obligation (excluding current portion)	2,404	1,767	—	2014 to 2017
Other interest-bearing liabilities Commercial paper (due within one year)	6,000	10,000	0.109	—
Total	54,013	54,238	—	—

(Note 1) Average interest rate represents the weighted-average rate applicable to the year-end balance.

(Note 2) The following table shows the aggregate annual maturities of long-term borrowings (excluding the current portion) and lease obligations (excluding the current portion) for five years.

(Millions of Yen)

Category	One to two years	Two to three years	Three to four years	Four to five years
Long-term borrowings	8,611	4,217	3,240	5,646
Lease obligations	481	348	510	356

(Note 3) Average interest rate is not described for lease obligation (excluding lease obligation due within one year) and lease obligation due within one year is indicated by using interest calculated methods in some subsidiaries.

Group Companies — Overview

Domestic Group companies (23)

NHK Sales Co., Ltd.

Head Office: 2-13-1 Edagawa, Koto-ku, Tokyo, 135-0051, Japan
TEL. +81-3-5690-3001 FAX. +81-3-5690-3025

Main Activities: Sales and import/export of automotive components, automotive springs, industrial machinery and components, precision springs and hybrid function components, fasteners, materials, data devices, machined components, and industrial equipment and components

NHK Transport Co., Ltd.

Head Office: 3-10 Fukuura, Kanazawa-ku, Yokohama, 236-0004, Japan
TEL. +81-45-788-0811 FAX. +81-45-701-5521

Main Activities: Motor truck transport, cargo transport and handling, warehousing, packaging, machinery installation, and overseas import/export handling

Nippatsu Service Co., Ltd.

Head Office: NHK Nishi-guchi Bldg., 3-32-1 Tsuruyacho, Kanagawa-ku, Yokohama, 221-0835, Japan
TEL. +81-45-316-7700 FAX. +81-45-322-2271

Main Activities: Sales of petroleum, petroleum products, chemical products, automotive components and automotive products; sales of chemical products and pressurized gas; total building management, security service, construction of ancillary facilities; accident and life insurance; real estate, construction business, and information system planning and management

G.L.G. Corporation

Head Office: 2-1-12 Kitakase, Saiwai-ku, Kawasaki-shi, Kanagawa, 212-0057, Japan
TEL. +81-44-599-2471 FAX. +81-44-588-4814

Main Activities: Operation of golf driving ranges

NHK Spring Production Company

Head Office: 56 Suzukawa, Isehara-shi, Kanagawa, 259-1146, Japan
TEL. +81-463-94-8425 FAX. +81-463-94-8435

Main Activities: Manufacture and sales of automobiles and automotive related items

Sumihatsu Co., Ltd.

Head Office: MY Iwamotocho Bldg, 4th Floor, 3-5-5 Iwamotocho, Chiyoda-ku, Tokyo, 101-0032, Japan
TEL. +81-3-3864-6331 FAX. +81-3-3864-61305

Main Activities: Manufacture and sales of leaf springs, clip bands, coil springs, turnouts and crossings, rail clips, and synthetic rail ties

Horikiri, Inc.

Head Office: 1827-4 Kami-Kouya, Yachiyo-shi, Chiba, 276-0022, Japan
TEL. +81-47-484-1111 FAX. +81-47-484-2442

Main Activities: Manufacture and sales of springs of all types

Tohoku Nippatsu Co., Ltd.

Head Office: 18-25-2 Fujine, Waga-cho, Kitakami-shi, Iwate, 024-0334, Japan
TEL. +81-197-73-5221 FAX. +81-197-73-7143

Main Activities: Manufacture and sales of coil springs, precision springs, wire springs, and automotive seat components

Ites Co., Ltd.

Head Office: 2258 Kamiyabecho, Totsuka-ku, Yokohama, 245-0053, Japan
TEL. +81-45-813-4777 FAX. +81-45-812-0840

Main Activities: Manufacture and sales of automotive seats and interior components

Faurecia-NHK Co., Ltd.

Head Office: JN Bldg., 3rd Floor, 3-56-1 Aioicho, Naka-ku, Yokohama, 231-0012, Japan
TEL. +81-45-345-3001 FAX. +81-45-345-3002

Main Activities: Development and sales of automotive seats

Faurecia-NHK Kyushu Co., Ltd.

Head Office: 9-9 Shinhamacho, Kanda-machi, Miyako-gun, Fukuoka, 800-0321, Japan
TEL. +81-93-435-3300 FAX. +81-93-435-2900

Main Activities: Manufacture and sales of automotive seats

Sindai Co., Ltd.

Head Office: 3-3-6 Shinden-cho, Takahama-shi, Aichi, 444-1301, Japan
TEL. +81-566-52-1221 FAX. +81-566-52-1225

Main Activities: Manufacture and sales of automotive and furniture seat springs and seat frames, trunk lid torsion bars, and sun visor wires

SNIC Co., Ltd.

Head Office: 1403 Higashihiratsubo, Iwata-shi, Shizuoka, 438-0211, Japan
TEL. +81-538-66-5511 FAX. +81-538-66-5510

Main Activities: Manufacture and sales of automotive and motorcycle seats

Uniflex Co., Ltd.

Head Office: 2445-5 Kitahara, Nishiminowa-aza, Ina-shi, Nagano, 399-4501, Japan
TEL. +81-265-76-3280 FAX. +81-265-76-3288

Main Activities: Manufacture and sales of automotive components; design, manufacture, and sales of general industrial machinery

Ayase Seimitsu Co., Ltd.

Head Office: 1-13-6 Yoshioka-higashi, Ayase-shi, Kanagawa, 252-1125, Japan
TEL. +81-467-76-7631 FAX. +81-467-76-6472

Main Activities: Manufacture and sales of precision springs

Tokuhatsu Co., Ltd.

Head Office: 1-1-1 Kitagawara, Itami-shi, Hyogo, 664-0873, Japan
TEL. +81-72-782-6966 FAX. +81-72-782-6712

Main Activities: Manufacture and sales of spring washers, wave spring washers, thin leaf springs, and wire springs

NHK Precision Co., Ltd.

Head Office: 2-1-49 Numame, Isehara-shi, Kanagawa, 259-1126, Japan
TEL. +81-463-94-5235 FAX. +81-463-93-5104

Main Activities: Manufacture and sales of screw tools, automotive components, data processing equipment components, and precision industrial components

NHK Parking Systems Co., Ltd.

Head Office: Yokohama Nishiguchi K-Building, 6th Floor, 2-8-19, Kitasaiwai, Nishi-ku, Yokohama, 220-0004, Japan
TEL. +81-45-326-2890 FAX. +81-45-326-2896

Main Activities: Planning, design, manufacture, sales, installation, leasing, maintenance, and renovation of automatic multi-level parking garage systems; manufacture, sales and design of parking garage ancillary equipment

NHK MEC Corporation

Head Office: 3-21-10 Shin-Yokohama, Kohoku-ku, Yokohama, 222-0033, Japan
TEL. +81-45-475-8901 FAX. +81-45-475-8909

Main Activities: Manufacture and sales of marine and industrial mechanical remote control boxes, control cables, electronic remote control systems, steering systems, and foot pedals

Nippon Shaft Co., Ltd.

Head Office: 2-1-15 Sachiura, Kanazawa-ku, Yokohama, 236-0003, Japan
TEL. +81-45-782-2561 FAX. +81-45-783-3559

Main Activities: Manufacture and sales of golf shafts, metal baseball bats, and pipe products

Topura Co., Ltd.

Head Office: 201 Soya, Hadano-shi, Kanagawa, 257-0031, Japan
TEL. +81-463-82-2711 FAX. +81-463-83-4877

Main Activities: Manufacture and sales of automotive screws, bolts, and general springs

Yokohama Kiko Co., Ltd.

Head Office: 2-11-1 Fukuura, Kanazawa-ku, Yokohama, 236-0004, Japan
TEL. +81-45-787-7314 FAX. +81-45-781-2709

Main Activities: Manufacture and sales of a variety of lighting systems

Nippatsu Harmony Co., Ltd.

Head Office: 3-10 Fukuura, Kanazawa-ku, Yokohama, 236-0004, Japan
TEL. +81-45-786-7571 FAX. +81-45-786-7501

Main Activities: Cleaning and greening of building interiors and exteriors, sorting and collection of general waste, and auxiliary manufacturing

Overseas Group companies (28)

North and South America

NHK International Corporation

Head Office: 50706 Varsity Court, Wixom, Michigan, 48393, U.S.A.
TEL. 1-248-926-0111 FAX. 1-248-926-2022

Main Activities: R&D of suspension springs and engineering services, sales and support of data communications components

New Mather Metals, Inc.

Head Office: 326 Page Dr., Franklin, Kentucky 42134, U.S.A.
TEL. 1-270-598-5900 FAX. 1-270-598-5950

Main Activities: Manufacture and sales of stabilizer bars

NHK of America Suspension Components Inc.

Head Office: 3251 Nashville Road, Bowling Green, Kentucky, 42101, U.S.A.
TEL. 1-270-842-4006 FAX. 1-270-842-4618

Main Activities: Manufacture and sales of coil springs, trunk lid torsion bars, and sales of stabilizer links

NHK Seating of America Inc.

Head Office: 2298 West State Road 28, Frankfort, Indiana, 46041-8772, U.S.A.
TEL. 1-765-659-4781 FAX. 1-765-659-5591

Main Activities: Manufacture and sales of automotive seats and interior feature parts

NHK Spring Precision of America Inc.

Head Office: 10600 Freeport Drive, Louisville, Kentucky, 40258, U.S.A.
TEL. 1-502-935-5556 FAX. 1-502-935-5506

Main Activities: Manufacture and sales of automotive engine valve springs and AT springs

Rassini-NHK Autopeças Ltda.

Head Office: Av. Marginal da Via Anchieta, km 14,5, 09883-000, São Bernardo do Campo, São Paulo, Brasil
TEL. 55-11-4366-9300 FAX. 55-11-4368-0275

Main Activities: Manufacture and sales of leaf springs and coil springs

Asia

NHK Spring (Thailand) Co., Ltd.

Head Office: Bangna Towers A, 6-7th Fl., 2/3 Moo 14, Bangna-Trad Rd., K.m. 6.5 Bangkaew, A.Bangplee, Samutprakarn 10540, Thailand
TEL. 66-2-730-2200 FAX. 66-2-730-2226

Main Activities: Manufacture and sales of automotive suspension springs, seats, interior components, precision springs, and components related to data communications

NHK Precision (Thailand) Co., Ltd.

Head Office: No.549 Moo 4, Bangpoo Industrial Estate Soi 11B, T.Phragsa. A.Muang Samutprakarn, 10280, Thailand
TEL. 66-2-709-3678 FAX. 66-2-709-3839

Main Activities: Manufacture and sales of brake discs, etc.

Autrans (Thailand) Co., Ltd.

Head Office: 19th Floor, Ocean Tower 2, 75/31 Soi Sukhumvit 19, Sukhumvit Rd North Klom-toey, Wattana, Bangkok, 10110, Thailand
TEL. 66-2-661-7204 FAX. 66-2-661-7217

Main Activities: Automotive and motorcycle component logistics

NHK Manufacturing (Malaysia) SDN. BHD.

Head Office: Lot 44, Persiaran Bunga Tanjung 1, Senawang Industrial Park, 70400, Seremban, Negeri Sembilan, Darul, Khusus, Malaysia
TEL. 60-6-678-7495 FAX. 60-6-678-7492

Main Activities: Manufacture and sales of printed wiring boards

NHK Spring Philippines, Inc.

Head Office: Phase 3-109, East Ave., Special Export Processing Zone, Laguna Technopark, Binan, Laguna, Philippines, 4024
TEL. 63-49-541-1122/03 FAX. 63-49-541-1121

Main Activities: Manufacturing of HDD parts, appearance inspection, and blanking of chemical products

NHK Spring (China) Co., Ltd.

Head Office: Room1511, Goldlion Digital Network Center, 138 Yiyu East Road, Tianhe District, Guangzhou, P.R. China
TEL. 86-20-3826-7053 FAX. 86-20-3826-7115

Main Activities: Investment support in China and support for integration, management, business expansion, etc. for group businesses in China.

NHK-Uni Spring (Guangzhou) Co., Ltd.

Head Office: 1820 KaiFa Dadao, Luogang Dist., Guangzhou 510530, P.R. China
TEL. 86-20-8226-6136 FAX. 86-20-8226-6187

Main Activities: Manufacture and sales of coil springs and stabilizer bars

NHK Seating (Guangzhou) Co., Ltd.

Head Office: Room 120, First Floor, No.1 B Block Xinhua Town Avenue, Huadu District, Guangzhou, Guangdong, P.R. China
TEL. 86-20-8689-8585 FAX. 86-20-8688-8616

Main Activities: Development, manufacture, and sales of automotive seats

FNK China Co., Ltd.

Head Office: Suite No. 13, 23rd Floor, Tower B, Sinopec Building, 191 Tiyu Xi Road, Tianhe District, Guangzhou, Guangdong Province, P.R. China
TEL. 86-20-3803-6786 FAX. 86-20-3803-6239

Main Activities: Development and sales of automotive seats and components

NHK Seating (Hubei) Co., Ltd.

Head Office: Hubei NHK Automobile Industrial Park, No.17, Teanna Road, Xiangyang Hi-Tech Zone, Xiangyang Hubei, P.R. China
TEL. 86-0710-3311869 FAX. 86-0710-3312989

Main Activities: Manufacture and sales of automotive seats

NHK Seating (Zhengzhou) Co., Ltd.

Head Office: Room A0626 Zhongxing Plaza, No. 1405 East Hanghai Road, Zhengzhou Economic & Technological Development Zone, Henan, P.R. China
TEL. 86-0371-6677-7783 FAX. 86-0371-6677-7320

Main Activities: Manufacture and sales of automotive seats

NHK Spring Precision (Guangzhou) Co., Ltd.

Head Office: 189 Lianguang Road, Eastern Sub-District, Guangzhou Economic & Technological Development Dist., Guangdong Province, P.R. China
TEL. 86-20-8226-6456 FAX. 86-20-8226-6270

Main Activities: Manufacture and sales of valve springs, helical springs, and data communications components

Chongqing Qingling NHK Seat Co., Ltd.

Head Office: Keyuan 2-58, Shiqiao-pu, Jiulongpo Chongqing, P.R. China
TEL. 86-23-6860-8854 FAX. 86-23-6863-7814

Main Activities: Manufacture and sales of automotive seats, interior components, and automotive parts

NHK Spring (Shenzhen) Co., Ltd.

Head Office: 3-4, A1, Hesheng Industry Zone, Sanlian Heshakeng Village, Buji Town, Longgang District, Shenzhen, P.R. China
TEL. 86-755-8967-4119 FAX. 86-755-8967-4117

Main Activities: Manufacture and sales of carbon products, carbon shafts, and automotive seat components

NHK Spring (Hong Kong) Co., Ltd.

Head Office: Suite Nos. 15B-17, 9th Floor, Tower 3, China Hong Kong City, 33 Canton Road, T.S.T., Kowloon, Hong Kong
TEL. 852-2314-4703 FAX. 852-2314-4707

Main Activities: Sales coordination of HDD suspension, and sales of data communications components

NAT Peripheral (H.K.) Co., Ltd.

Head Office: Suite Nos. 15B-17, 9th Floor, Tower 3, China Hong Kong City, 33 Canton Road, T.S.T., Kowloon, Hong Kong
TEL. 852-2377-1068 FAX. 852-2314-4707

Main Activities: Manufacture and sales of HDD suspensions

NHK Spring (Taiwan) Co., Ltd.

Head Office: 6F-2, No. 76 Sec. 2 Dongda Road, Hsinchu City, 300 Taiwan, R.O.C.
TEL. 886-3-5323800 FAX. 886-3-5323202

Main Activities: Sales of microcontactor products

Uni Auto Parts Manufacture Co., Ltd.

Head Office: 40-10, Po Kung Kun, Hsi Fu Tsuen, San-Yi Hsiang, Miaoli Hsien, Taiwan, R.O.C.
TEL. 886-37-873801 FAX. 886-37-874239

Main Activities: Manufacture and sales of leaf springs, coil springs, automotive seats, and interior components

NHK Spring India Ltd.

Head Office: Plot No.31, Sector 3, Industrial Model Township, Manesar (Haryana)122050, India
TEL. 91-124-4590700 FAX. 91-124-4590720

Main Activities: Manufacture and sales of coil springs and stabilizer bars

NHK F Krishina India Automotive Seating Private Limited

Head Office: Plot No.31, Sector 3, Industrial Model Township, Manesar (Haryana)122050, India
TEL. 91-124-4590700 FAX. 91-124-4590720

Main Activities: Manufacture and sales of automotive seats

NHK Automotive Components India Private Limited

Head Office: Plot No.31, Sector 3, Industrial Model Township, Manesar (Haryana)122050, India
TEL. 91-240-6637000 FAX. 91-240-6637277

Main Activities: Manufacture and sales of precision springs and components

Europe

Ibérica de Suspensiones, S.L.

Head Office: Poligono Industrial La Mina, 12520 Nules (Castellón), Spain
TEL. 34-964-67-4212 FAX. 34-964-67-3540

Main Activities: Manufacture and sales of coil springs and stabilizer bars

Corporate Overview

Corporate overview (as of March 31, 2013)

Trade name:	NHK SPRING CO., LTD.
Founding:	September 1939
Capital:	¥17,009.57 million
Employees:	4,769 (Non-consolidated), 21,215 (Consolidated) * Including average number of temporary employees during the year
Sales:	¥507.9 billion (Fiscal 2012 consolidated)
Head office:	3-10 Fukuura, Kanazawa-ku, Yokohama, 236-0004, Japan
Divisions:	Suspension Spring Division, Seating Division, Precision Spring & Components Division, DDS (Disk Drive Suspension) Division, Industrial Machinery & Equipment Division, Security Technologies & Solutions Division
Plants:	Yokohama Plant (suspension spring/seating), Shiga Plant, Gunma Plant, Toyota Plant, Atsugi Plant, Ina Plant, Komagane Plant (DDS/industrial machinery & equipment), Isehara Plant, Yasu Plant
Branches & Sales offices:	Yokohama Minatomirai, Kita-Kanto, Hamamatsu, Nagoya, Osaka, Hiroshima, Fukuoka
Stock market listing:	First Section, Tokyo Stock Exchange (Code 5991)
Group companies:	23 Domestic, 28 Overseas

Shares

Total authorized shares	600,000,000
Total issued shares	244,066,144
Total number of shareholders	14,732

Movements in share price	High	Low
Apr.-Jun. 2012	912	790
Jul.-Sep. 2012	889	667
Oct.-Dec. 2012	751	600
Jan.-Mar. 2013	998	707

(Yen)

Members of the board of directors and auditors (As of June 27, 2013)

Board of Directors	Corporate Officers
President & Chief Executive Officer Kazumi Tamamura	President & Chief Executive Officer Kazumi Tamamura
Executive Vice President Takao Itoi	Executive Vice President Takao Itoi
Board of Directors Hiroyuki Kado Akira Umebayashi Tsunehiko Hirama Akihiro Honda	Executive Corporate Officers Kaoru Hatayama Hiroyuki Kado Akira Umebayashi
Auditor	Senior Corporate Officers Tsunehiko Hirama Akihiro Honda Toshio Hamano Taro Umemura Ryuji Yashiro Fumiaki Kimura Takashi Kayamoto Ryuichi Shibata
Seijiro Uryu Kenji Shimizu Hitoshi Horie Susumu Komori	Corporate Officers Toshio Kazama Toru Sugiyama Hidekazu Hoshino Morio Horimoto Kiyohiko Kanmei Isao Otani Hideto Enomoto Kou Masuda Naoto Sakai Kazuhiko Otake Tatsuro Nakajima Hironobu Sugiura Jiro Oyama

A note from the editors

Thank you so much for reading this report. It started out in 2000 as the Environment Report; it then became our Environmental and Social Report, and our Social and Environmental Report, before being renamed the CSR Report in 2007. Since 2008, we have added a financial report, and we now call it the NHK Spring Report.

We value your opinions and invite you, our readers, to tell us what information you would like us to include in future issues of this report.

We would be also grateful for your candid opinion and feedback.

September 2013



Contact: Public Relations Group, Corporate Planning Division
NHK SPRING CO., LTD.

3-10 Fukuura, Kanazawa-ku, Yokohama, 236-0004, Japan
TEL. +81-45-786-7513 FAX. +81-45-786-7598

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