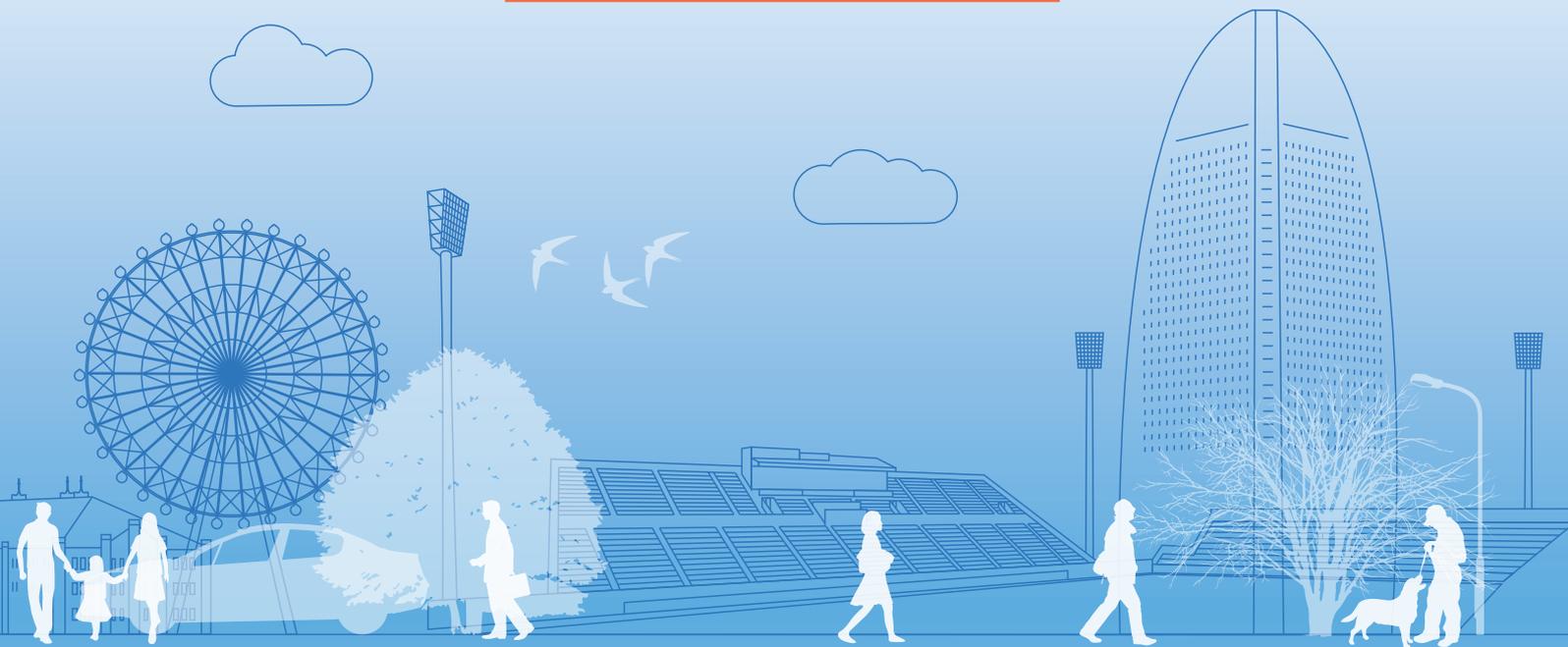


NHK SPRING REPORT

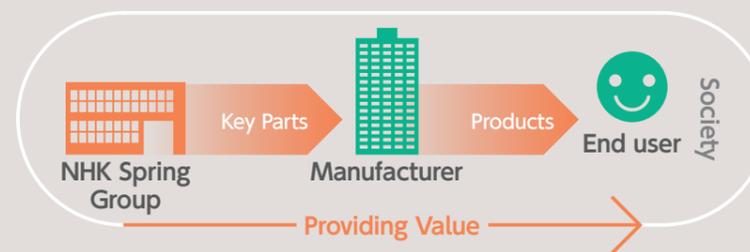
April 2015 — March 2016

2016



Building a better world by building innovative products

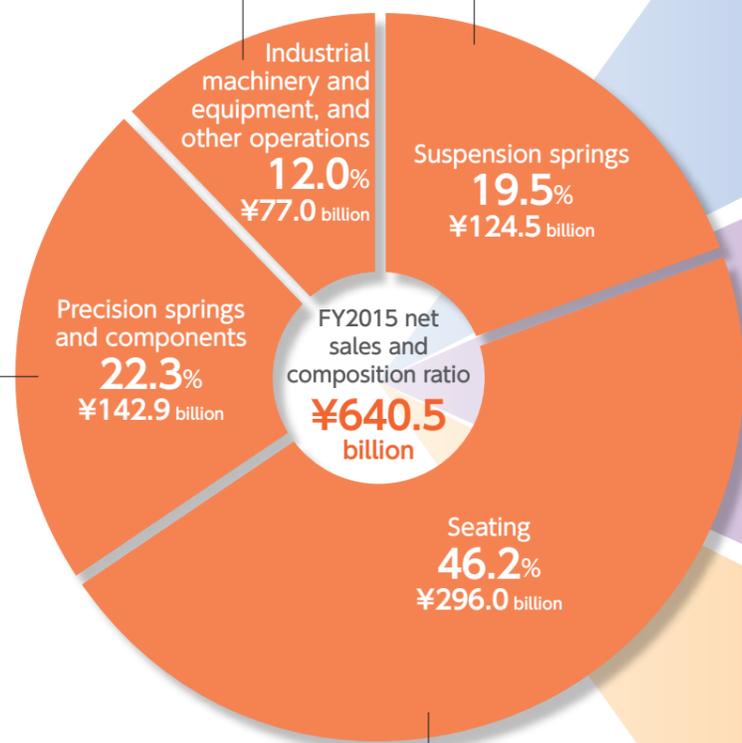
NHK Spring contributes to building innovative products and provides a wide range of value to society with high-level technology that utilizes the characteristics of springs.



Value to Society Provided by NHK Spring Group p04

- Brazed products
- Ceramic products
- Spring mechanisms
- Pipe support systems
- Parking systems
- Polyurethane foam products
- Metal base printed wiring boards
- Security products
- Lighting equipment
- Golf club shafts and others

- HDD suspension
- HDD mechanical components
- Wire springs
- Thin leaf springs
- Probe units for inspection of liquid crystal panels and semiconductors
- Fastener (screw)
- Precision machined components and others



- Leaf springs
- Coil springs
- Stabilizer bars
- Torsion bars
- Stabilizer links
- Stabilizer and others



Automobiles

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



- Coil springs, stabilizer bars, leaf springs, and other suspension springs
- Seats, mechanical components for seats, and interior products
- Wire springs, thin leaf springs, precision machined components
- Polyurethane foam products



Data communications

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



- HDD suspension, HDD mechanical components
- Wire springs, thin leaf springs
- Probe units for inspection of liquid crystal panels and semiconductors
- Precision machined components
- Ceramic products
- Brazed products
- Metal base printed wiring boards
- Polyurethane foam products



Industry and lifestyle

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



- Parking systems
- Pipe support systems
- Gasket springs
- Polyurethane foam products
- Spring mechanism products
- Security products

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Value to Society Provided by NHK Spring Group

NHK Spring produces key components for many applications with products that utilize the characteristics of springs at the core, including automobiles, data communications, industry, and lifestyle. We will introduce some of our products as a representation of how we contribute to society through building innovative products and providing value to the world.

Automotive suspension springs

Coil springs absorb shock and vibration from the road surface. Stabilizer bars help prevent automobiles from tilting during cornering and lane changes. Leaf springs help ensure both a comfortable ride and stability while driving. Designing our products to be smaller and more lightweight also helps improve fuel efficiency of automobiles.

Automotive seats

We produce automotive seats with excellent levels of comfort and safety, completely in-house from design and development through assembly. Our seats must pass through our strict testing criteria to ensure that we provide only the best seats to users in terms of design, durability, comfort, and other expected qualities.

Valve springs

We are constantly improving durability and heat resistance through the development of materials and processing methods. These products are highly reliable in their support of high-revving engines.

Arc springs

These arc-shaped springs are designed with a long stroke for suitable applications. These springs are used to achieve low stiffness and expanded torsion angles for clutch dampers used in automatic and manual transmissions in automobiles, which helps reduce vibration and improve fuel efficiency.

Disc springs

These springs are small, yet capable of handling significant loads, and so are often used in CVT and automatic transmissions in automobiles.

Semiconductor equipment parts

We produce high-performance products such as heater and cooler units used in semiconductor manufacturing equipment and even electrostatic chucks integrated with both heaters and coolers.

Super Seal / Super Sheet

These materials are made of special urethane foam and used in applications to create waterproof and airtight seals as well as provide sound absorption and cushioning. These products maintain stability and have excellent resiliency even under low compression, which is why they are used in many industries such as automotive, electronics, architecture and civil engineering.

Metal base printed wiring boards

These boards have excellent heat dissipation qualities by combining aluminum with insulating material that has high thermal and electro conductive properties. These boards protect electronic devices from heat, which improves reliability and facilitates compact designs.

HDD suspensions and mechanical components

Suspensions support the magnetic heads in HDD devices used in personal computers and other consumer electronic devices. Our HDD components are trusted around the world to make HDDs smaller, faster, and with higher capacities.

Mechanical multilevel parking systems

The palette lift rises vertically and also moves left and right, which is made possible by spring and metal processing technologies. Effectively utilizing land in this way helps resolve the social problem of ensuring sufficient parking space.

Pipe support systems

These systems are used to reduce noise and vibration produced by plant and hydraulic equipment, which helps improve safety of facilities.

Movable handrail balance unit

This unit is used with movable handrails to assist people with disabilities and elderly.

"Trustgram" and "Hypergram" anti-counterfeit labels

These label stickers help protect the counterfeiting of name-brand goods such as consumer electronics devices, personal computer parts, sporting goods, and others.

Golf club shafts (Nippon Shaft)

We offer the N.S. PRO line of lightweight steel shafts. This brand is famous all over the globe for the control and distance these shafts offer golfers.

Tension balancer

Tension balancers absorb flexion that occurs in cables that provide electricity to the railroad pantograph, which helps ensure a constant tension and safe operation of traincars.

Maritime related products

We offer products renowned for their high reliability to various fields in maritime.

Step by Step Towards A New Stage



K. Tamamura
Kazumi Tamamura
President and CEO

Firstly, I would like to thank everyone for your continuing support for the work of the NHK Spring Group.

The global economy is seeing signs of decline in growth of China and developing Asian countries, but moderate recovery is still estimated due to the recovery in Europe and the robust personal consumption in North America. The Japanese economy is also predicted to have moderate recovery in the same way, but the currency trends continue to be unclear. In the automotive industry, an increase in Japanese domestic production is not foreseen while global production is estimated to increase due to the growing demand overseas. However, in the IT

equipment industry, a decrease in the gross demand for HDD suspension is predicted due to the effects of a decline in HDD production.

In an environment with scattered demand, our three-year 2016 Medium Term Management Plan (2016 Midterm Plan), which began in 2014, is now in its last year. I hope to steadily execute what must be done this year to move to our next stage in the formulation of our subsequent midterm plan. NHK Spring is approaching its 80th year anniversary in 2019. Every employee of our Group will come together with the aim of this next stage by maintaining good relationships with all of our stakeholders while building a firm foothold as a global supplier. Even in the next term, our objective is to improve our earning power toward further growth. This is why we are enhancing our earning power overseas while promoting stronger competitiveness in our domestic businesses. This next stage is of course quality and delivery to our customers. The next step focuses on customers in all of the departments within the company. I believe a standpoint in each department oriented on the customer is vital. The next stage also requires stronger efforts to produce new products and new technology as the source of added value.

In addition, I also recognize that active engagement in CSR activities is necessary for the Group to grow sustainably. We will leverage our Group's strengths to cooperate in resolving social issues through CSR based on our core business. We will also act ethically, obeying international

norms and the laws and regulations of countries where we do business. We will always respect human rights. We systematically secure and educate human resources needed to expand our businesses in Japan and overseas through the promotion of diversity.

Through this report, we hope to gain people's understanding of our thoughts and our activities concerning the social responsibilities that our Group must perform. I ask for your continued support for our activities.

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.

Corporate overview

Corporate overview (as of September 30, 2016)

Trade name:	NHK SPRING CO., LTD.
Founding:	September 1939
Capital:	¥17,009.56 million
Employees:	4,866 (Non-consolidated), 20,757 (Consolidated) <small>*The number of employees including the average number of temporary employees during the year as of March 31, 2016</small>
Sales:	¥640.5 billion (Fiscal 2015 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
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:	Yokohama Minatomirai
Sales offices:	Kita-Kanto, Hamamatsu, Nagoya, Osaka, Hiroshima, Fukuoka
Stock market listing:	First Section, Tokyo Stock Exchange (Code 5991)
Group companies:	23 Domestic, 34 Overseas

Shares (as of September 30, 2016)

Total authorized shares	600,000,000
Total issued shares	244,066,144
Total number of shareholders	11,650

Movements in share price	High	Low
Apr.-Jun. 2015	1,497	1,222
Jul.-Sep. 2015	1,397	1,080
Oct.-Dec. 2015	1,286	1,143
Jan.-Mar. 2016	1,214	917

(Yen)

Members of the board of directors and auditors (As of September 30, 2016)

Board of Directors/Auditors

President & Chief Executive Officer	Kazumi Tamamura	Outside Director	Keiichiro Sue
Executive Vice President	Takao Itoi	Outside Director	Katsuko Tanaka
Executive Vice President	Kaoru Hatayama	Fulltime Auditor	Kenji Shimizu
Executive Vice President	Hiroyuki Kado	Fulltime Auditor	Tsunehiko Hiramata
Board of Director & Executive Corporate Officer	Akihiro Honda	Outside Auditor	Susumu Komori
Board of Director & Executive Corporate Officer	Takashi Kayamoto	Outside Auditor	Kazuto Tachibana
Board of Director & Executive Corporate Officer	Ryuichi Shibata		

Corporate Officers (excluding those with additional post as Board of Director)

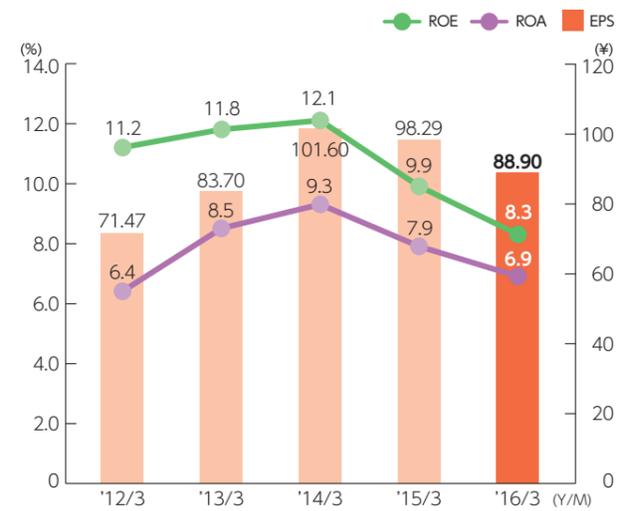
Executive Corporate Officer	Taro Umemura	Corporate Officer	Kenji Nagai
Senior Corporate Officer	Toshio Kazama	Corporate Officer	Tetsuya Fujiwara
Senior Corporate Officer	Toru Sugiyama	Corporate Officer	Toshinori Saeki
Senior Corporate Officer	Hidekazu Hoshino	Corporate Officer	Noritoshi Takamura
Senior Corporate Officer	Kiyohiko Kammei	Corporate Officer	Tatsuro Ono
Senior Corporate Officer	Hideto Enomoto	Corporate Officer	Takahiro Okawara
Senior Corporate Officer	Ko Masuda	Corporate Officer	Toshiyuki Aoyagi
Senior Corporate Officer	Kazuhiko Otake	Corporate Officer	Yukihiko Seki
Senior Corporate Officer	Hironobu Sugiura	Corporate Officer	Junichi Suzuki
Corporate Officer	Hiroki Sakamoto	Corporate Officer	Tomoyuki Chino
Corporate Officer	Hidefumi Yoshimura	Corporate Officer	Toshihiro Tachikawa
Corporate Officer	Jiro Oyama	Corporate Officer	Yuji Shibuya
Corporate Officer	Kazuhisa Uemura		

Financial highlights 2015 (Consolidated five-year summary)

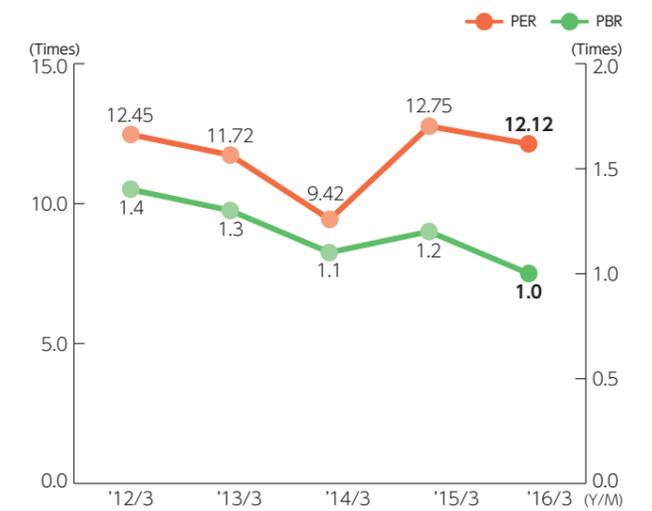
NHK Spring Profile

Operating Results	Accounting Period	Year ended in March 2012	Year ended in March 2013	Year ended in March 2014	Year ended in March 2015	Year ended in March 2016
Net sales	(Millions of Yen)	440,752	507,985	569,711	601,434	640,516
Operating income	(Millions of Yen)	22,493	30,020	37,480	32,702	35,041
Operating margin	(%)	5.1	5.9	6.6	5.4	5.5
Ordinary income	(Millions of Yen)	23,884	34,907	41,436	39,075	36,111
Ordinary margin	(%)	5.4	6.9	7.3	6.5	5.6
Profit attributable to owners of parent company shares	(Millions of Yen)	16,741	20,333	24,677	23,873	21,592
ROS	(%)	3.8	4.0	4.3	4.0	3.4
Profitability						
ROE	(%)	11.2	11.8	12.1	9.9	8.3
ROA	(%)	6.4	8.5	9.3	7.9	6.9
EPS	(Yen)	71.47	83.70	101.60	98.29	88.90
PER	(Times)	12.45	11.72	9.42	12.75	12.12
PBR	(Times)	1.4	1.3	1.1	1.2	1.0
Financial Condition						
Total assets	(Millions of Yen)	393,695	425,050	464,972	529,899	509,810
Owned capital	(Millions of Yen)	154,911	190,000	218,269	262,654	257,243
Equity ratio	(%)	39.3	44.7	46.9	49.6	50.5
Capital expenditure	(Millions of Yen)	20,370	25,506	20,713	20,671	27,392
Depreciation	(Millions of Yen)	21,371	21,393	21,042	21,448	23,582
Research and development expenses	(Millions of Yen)	10,055	11,750	13,803	15,702	16,328
Sales ratio	(%)	2.3	2.3	2.4	2.6	2.5
Shareholder return						
Cash dividends	(Yen)	15	16	20	20	22
Dividend payout ratio	(%)	21.0	19.1	19.7	20.3	24.7
Cash flows						
Net cash provided by operating activities	(Millions of Yen)	26,063	29,222	43,798	44,858	42,674
Cash flows from investing activities	(Millions of Yen)	(27,130)	(29,129)	(27,914)	(24,433)	(35,127)
Net cash used in financing activities	(Millions of Yen)	9,347	(10,311)	(16,200)	(5,264)	(13,672)
Cash and cash equivalents at end of year	(Millions of Yen)	58,773	57,009	61,993	83,439	72,238

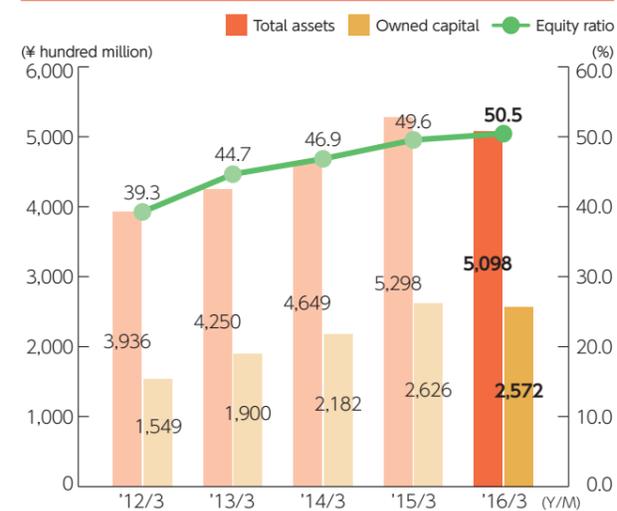
Profitability (ROE/ROA/EPS)



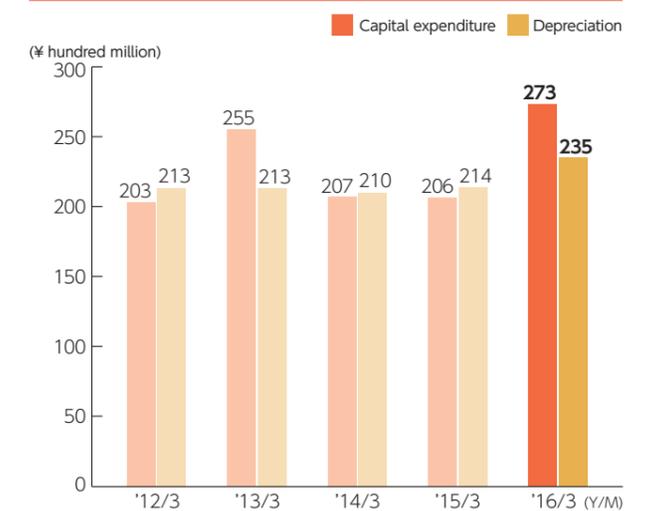
Profitability (PER/PBR)



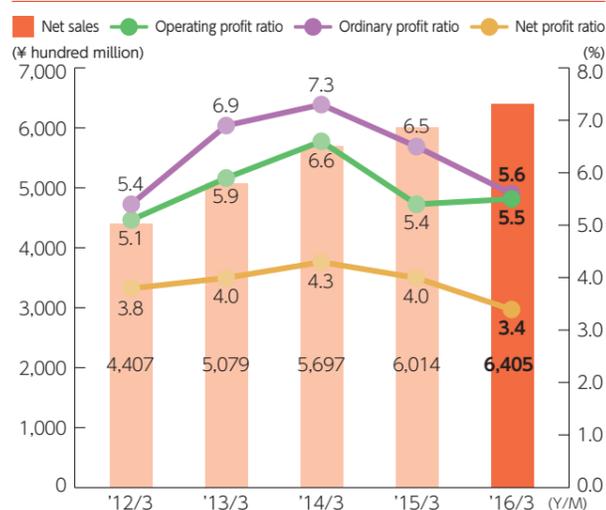
Financial Condition



Capital expenditure/Depreciation



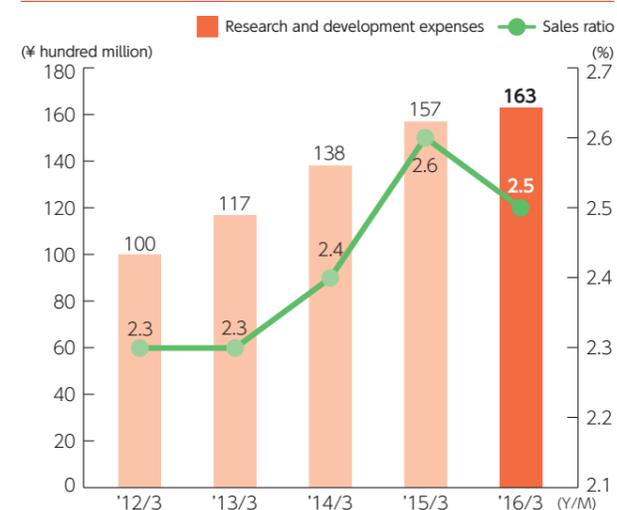
Net sales



Operating income, Ordinary income, Profit attributable to owners of parent company shares



Research and development expenses



Shareholder return



Operating results for fiscal 2015

The Japanese economy in fiscal 2015 has shown weak personal consumption. The recovery of businesses will continue moderately with efforts such as good corporate profits and improvements in the employment environment. However, the movement of recovery in business is slowing down in Europe. On the other hand, key growth in the United States steadily continues thanks to the recovery of the North American employment environment and favorable personal consumption. In Asian regions, there is ongoing slowdown in business recovery in China and the movement of recovery has also stagnated at moderate growth in Thailand. Even in other regions, the economic growth is showing slowdown. In the automobile industry, a primary business area for our group, sales volume in Japan declined 6.7% to 4,937,000 units due to factors such as a tax hike in the tax on light vehicles. The export of automobiles increased 2.0% from the year earlier with 4,582,000 units. As a result, the number of automobiles produced in Japan declined 4.2% from the year earlier with 9,187,000 units.

In the IT equipment industry, another primary business area for our group, orders increased from the year earlier on the strength of increased HDD (hard disk drive) production spurred by robust production for data centers while production decreased for computers. Under the management environment and weak Japanese yen outlined above, sales by our group increased by 6.5% from the year earlier to ¥640,526 million. Looking at income compared to the year earlier, operating income increased by 7.2% to ¥35,041 million, ordinary income declined by 7.6% to ¥36,111 million, and net income declined by 9.6% to ¥21,592 million.

FY2015 Financial Conditions

Total assets at the end of fiscal 2015 decreased by ¥20,088 million to ¥509,810 million due to decrease in cash, bank deposits, and investment securities. Liabilities decreased by ¥15,033 million compared to the previous fiscal year to ¥239,972 million due to decrease in redemption of corporate bonds and payables. For net assets, there was an increase in profit attributable to owners of parent company shares but resulted in decrease of ¥5,055 million compared to the previous fiscal year to ¥269,837 million due to decrease in cumulative translation adjustments and remeasurements of defined benefit plants.

earlier to ¥35,127 million. This is primarily due to an increase in expenditures from the acquisition of tangible fixed assets. Cash flows from financing activities resulted in net excess expenditures of ¥13,672 million, an increase of ¥8,407 million from the year earlier. This is primarily due to expenditures from reimbursement of corporate bonds. Free cash flow, defined as net cash from operating activities less net cash used for investment activities, totaled ¥7,546 million. As a result of the foregoing, cash and cash equivalents at end of the period decreased by ¥11,200 million at the end of the previous period to ¥72,238 million. Corporate bonds, commercial paper, and long- and short-term borrowings totaled ¥57,331 million, a decrease of ¥7,187 million at the end of the previous period.

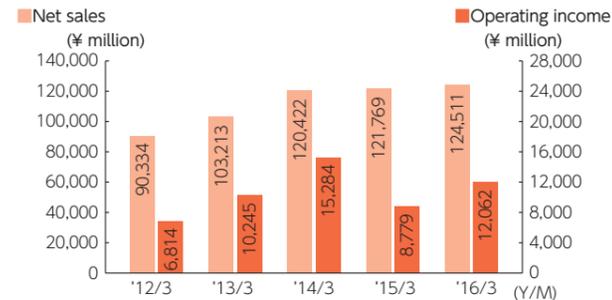
Cash flow

Net cash from operating activities decreased by ¥2,179 million from the year earlier to ¥42,674 million. This is mainly attributed to an increase in working capital. Net cash from expenditures of investment activities increased by ¥10,694 million from the year

Segment information

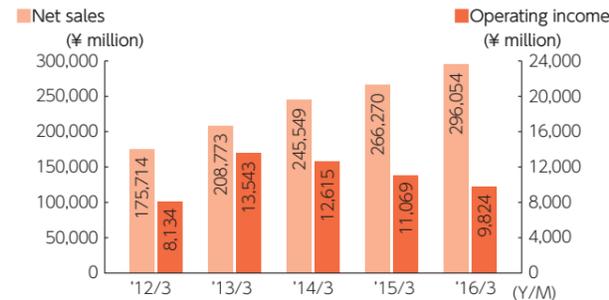
[Suspension springs]

The suspension springs segment posted sales of ¥124,511 million, an increase of 2.3% from the year earlier, due to increased automobile production in North America despite declines in production in Japan. Operating income increased by 37.4% to ¥12,062 million from the year earlier, due to factors including a decrease in expenses of expanding production in North America in the previous fiscal year.



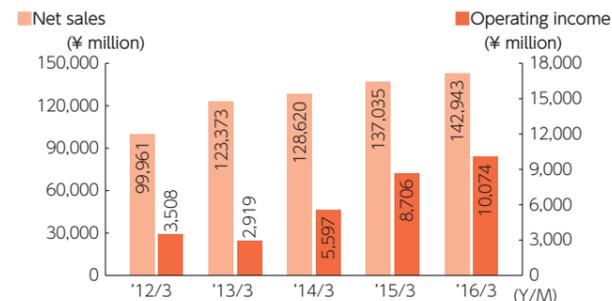
[Seating]

The seating segment posted sales of ¥296,054 million, an increase of 11.2% from the year earlier, due to increased automobile production by major customers in Japan and overseas. However, operating income declined by 11.2% from the year earlier to ¥9,824 million, due to factors including changes in order vehicle composition.



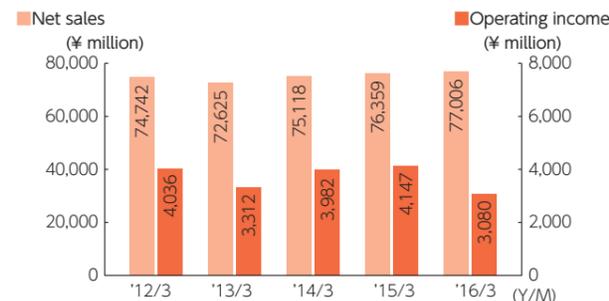
[Precision springs and components]

The precision springs and components segment posted sales of ¥142,943 million, an increase of 4.3% from the year earlier, with operating income of ¥10,074 million, an increase of 15.7% from the year earlier. This was due to increased automobile production in overseas and exchange rate effects.



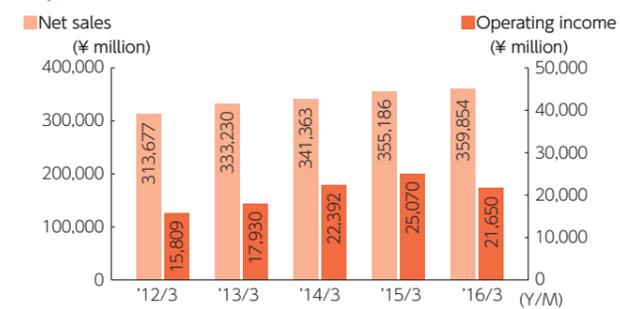
[Industrial machinery and equipment, and other operations]

Net sales of the industrial machinery and equipment and other operational segments increased 0.8% from the year earlier to ¥77,006 million, with operating income decreasing 25.7% from the year earlier to ¥3,080 million due to increased costs in some segments.

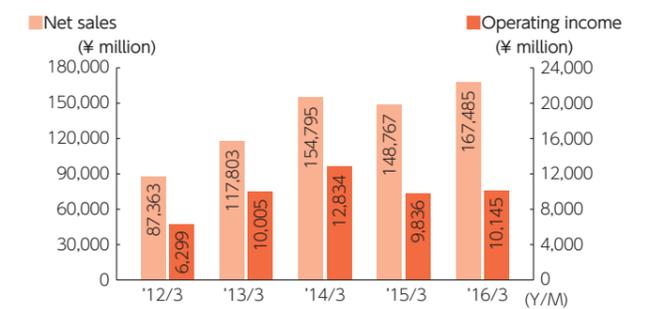


(Reference) Segment by location

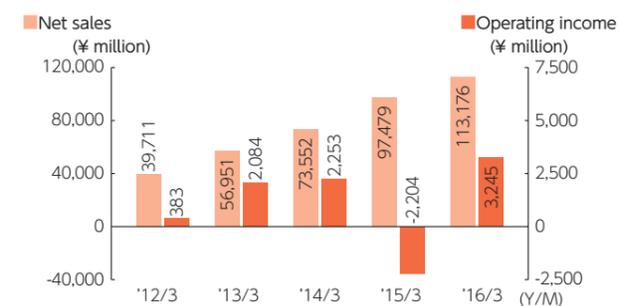
[Japan]



[Asia]



[North America, etc.]



Aggressive development domestically and overseas

NHK Spring Group is aggressively developing business both in Japan and overseas.

New company for automotive suspension springs starts operating in Kyushu

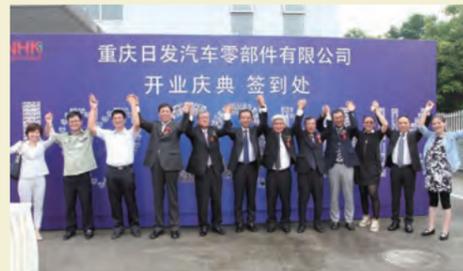
In 2014, NHK Spring Kyushu announced a new plant in Kanda, Fukuoka. A groundbreaking ceremony was held in April 2015 before proceeding with construction of the plant. The construction continued smoothly and operations began in the spring of 2016.



Shinto style groundbreaking ceremony at NHK Spring Kyushu

Founding Ceremony at NHK Seating (Chongqing)

NHK Seating (Chongqing) held foundation ceremony in June 2015. The company was reestablished due NHK Spring (Shenzhen), company established in 2003 as sewing site for seats in China, transferring to Chongqing. The company started operations as a new company in February of the same year.



Opening ceremony of NHK Seating (Chongqing)

Groundbreaking ceremony at NHK Spring Cambodia

In July 2015, a groundbreaking ceremony was held for NHK Spring Cambodia that was established as a subsidiary of NHK Spring Thailand. Representatives of NHK Spring Thailand and members of the local community were in attendance. Construction of the building is underway and preparations are ongoing to begin operations in 2016.

Capital Alliance with Sasayama

NHK Spring has entered capital alliance with Sasayama Co., Ltd., company engaging in manufacturing of molds for seat parts. This capital investment aims to establish stable procurement system for molds and enable stable supply high quality and low cost products to our customers. Signing ceremony and press conference was held in Tottori governor's official residence in July 2015.

Groundbreaking ceremony at new urethane plant in Gunma

Groundbreaking ceremony at new urethane building in Gunma Plant was held in September 2015. This expansion aims to further improve productivity. Operations have started in June 2016.

80th Anniversary of Horikiri

Our Group company Horikiri that engage in manufacturing of leaf springs for automobiles, etc. celebrated its 80th anniversary in October 2015. Greetings were exchanged with major business partners.

NHK International Moves Its Headquarters

NHK International, regional headquarters in United States, moved its headquarters to larger office from expansion of business in North America. Operations started in the new office from October 2015.

Beam raising ceremony at NHK Spring Hungary

In October 2015, a beam raising ceremony for the construction of the new plant was held at NHK Spring Hungary. NHK Spring representatives and members of the local community were invited. Television media also came to cover interviews of the Deputy Minister and the raising of the crossbeam for broadcast on the evening news. The company is advancing construction feverishly to start production in the second half of 2017.



Beam raising ceremony at the construction site

TOPICS Continuation of NHK Spring Mitsuzawa Football Stadium and Start of NHK Spring Yokohama FC Seagulls



We have renewed the naming rights to the NHK Spring Mitsuzawa Football Stadium for five years from 2016. We have also signed sponsorship contract with Yokohama FC Seagulls in the second division of Japan Women's Football League from this season and its name has changed to NHK Spring Yokohama FC Seagulls. We will support each other in the future and actively engage in social contribution activities through sports.



Players of NHK Spring Yokohama FC Seagulls

TOPICS Employment of Two Top Athletes

NHK Spring employed Kaede Miyasaka, certified track and field triple jump athlete for Japan Olympic Committee, and Mizuki Oshima, who joined the NHK Spring Yokohama FC Seagulls (related article in previous page) and selected in the U-23 Women's Japan National Soccer Team. We plan to further improve our recognition and corporate image through the two athletes.



Kaede Miyasaka



Mizuki Oshima



NHK GROUP



Overseas Group Companies (34)

North and Central South America

- NHK International Corporation** Other
Main Activities : R&D of suspension springs and engineering services, sales and support of HDD components
 - New Mather Metals, Inc.** Automotive suspension springs
Main Activities : Manufacture and sales of stabilizer bars
 - NHK of America Suspension Components Inc.** Automotive suspension springs Precision springs and components
Main Activities : Manufacture and sales of coil springs, trunk lid torsion bars, drive motor cores for electric and hybrid vehicles, disc springs for transmissions, and sales of stabilizer links
 - NHK Seating of America Inc.** Automotive seats
Main Activities : Manufacture and sales of automotive seats and interior feature parts
 - NHK Spring Precision of America Inc.** Precision springs and components
Main Activities : Manufacture and sales of automotive engine valve springs and AT springs
 - Topura America Fastener, Inc.** Precision springs and components
Main Activities : Manufacture and sales of various screws
 - NHK Spring Mexico, S.A.DE C.V.** Automotive suspension springs
Main Activities : Manufacture and sales of automotive suspension springs
 - Rassini-NHK Autopeças Ltda.** Automotive suspension springs
Main Activities : Manufacture and sales of leaf springs and coil springs
- ### Asia
- NHK Spring (Thailand) Co., Ltd.** Automotive suspension springs Automotive seats Precision springs and components HDD-related parts
Main Activities : Manufacture and sales of automotive suspension springs, seats, interior components, precision springs, and HDD components
 - NHK Precision (Thailand) Co., Ltd.** Precision springs and components
Main Activities : Manufacture and sales of brake discs, etc.
 - Autrans (Thailand) Co., Ltd.** Other
Main Activities : Automotive and motorcycle component logistics
 - NHK Manufacturing (Malaysia) SDN. BHD.** Industry and life related
Main Activities : Manufacture and sales of printed wiring boards
 - NHK Spring Philippines, Inc.** Precision springs and components HDD-related parts
Main Activities : Manufacturing of HDD parts, appearance inspection, and blanking of chemical products

- PT. NHK F. KBU Indonesia Automotive Seating** Automotive seats
Main Activities : Manufacture and sales of automotive seats
- NHK Spring (China) Co., Ltd.** Other
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.** Automotive suspension springs
Main Activities : Manufacture and sales of coil springs and stabilizer bars
- FNK China Co., Ltd.** Automotive seats
Main Activities : Development and sales of automotive seats and components
- NHK Seating (Hubei) Co., Ltd.** Automotive seats
Main Activities : Manufacture and sales of automotive seats
- NHK Seating (Chongqing) Co., Ltd.** Automotive seats
Main Activities : Design, manufacture and sales of automotive and related components and after service
- Chongqing Qingling NHK Seat Co., Ltd.** Automotive seats
Main Activities : Manufacture and sales of automotive seats, interior components, and automotive parts
- NHK Seating (Zhengzhou) Co., Ltd.** Automotive seats
Main Activities : Manufacture and sales of automotive seats
- Faurecia NHK (Xiangyang) Automotive Seating Co., Ltd.** Automotive seats
Main Activities : Manufacture and sales of automotive seats
- NHK Spring Precision (Guangzhou) Co., Ltd.** Precision springs and components HDD-related parts
Main Activities : Manufacture and sales of valve springs, helical springs, and HDD components
- NHK Spring (Hong Kong) Co., Ltd.** HDD-related parts
Main Activities : Sales coordination of HDD suspension, sales of HDD components
- NAT Peripheral (Hong Kong) Co., Ltd.** HDD-related parts
Main Activities : Manufacture and sales of HDD suspensions
- NAT Peripheral (Dong Guan) Co., Ltd.** HDD-related parts
Main Activities : Manufacture and sales of HDD suspensions
- NHK Spring (Taiwan) Co., Ltd.** Precision springs and components
Main Activities : Sales of microcontactor products
- Uni Auto Parts Manufacture Co., Ltd.** Automotive suspension springs Automotive seats
Main Activities : Manufacture and sales of leaf springs, coil springs, automotive seats, and interior components
- NHK Spring India Ltd.** Automotive suspension springs
Main Activities : Manufacture and sales of coil springs and stabilizer bars

NHK F. Krishina India Automotive Seating Private Limited Automotive seats
Main Activities : Manufacture and sales of automotive seats

NHK Automotive Components India Private Limited Precision springs and components
Main Activities : Manufacture and sales of precision springs and components

Europe

NHK Spring Europe B.V. Other
Main Activities : Business management, sales, and technical service in Europe

NHK Spring Hungary Kft. Automotive suspension springs
Main Activities : Manufacture and sales of coil springs and stabilizer bars

Ibérica de Suspensiones, S.L. Automotive suspension springs
Main Activities : Manufacture and sales of coil springs and stabilizer bars

Domestic Group Companies (23)

NHK Sales Co., Ltd. Other
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. Other
Main Activities : Motor truck transport, cargo transport and handling, warehousing, packaging, machinery installation, overseas import/export handling

Nippatsu Service Co., Ltd. Other
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, information system planning and management

G.L.G. Co., Ltd. Other
Main Activities : Operation of golf driving ranges

NHK Spring Production Company Automotive suspension springs Industry and life related
Main Activities : Manufacture and sales of automobiles and automotive related items

Sumihatsu Co., Ltd. Automotive suspension springs Industry and life related
Main Activities : Manufacture and sales of leaf springs, clip bands, coil springs, turnouts and crossings, rail clips, and synthetic rail ties

Horikiri, Inc. Automotive suspension springs
Main Activities : Manufacture and sales of springs of all types

NHK Spring Kyushu Co., Ltd. Automotive suspension springs
Main Activities : Manufacture and sales of automotive suspension and stabilizer bars

Tohoku Nippatsu Co., Ltd. Automotive suspension springs Automotive seats Precision springs and components
Main Activities : Manufacture and sales of coil springs, precision springs, wire springs, and automotive seat components



Ites Co., Ltd. Automotive seats
Main Activities : Manufacture and sales of automotive seats and interior components

Faurecia-NHK Co., Ltd. Automotive seats
Main Activities : Development and sales of automotive seats

Faurecia-NHK Kyushu Co., Ltd. Automotive seats
Main Activities : Manufacture and sales of automotive seats

Sindai Co., Ltd. Automotive seats Industry and life related
Main Activities : Manufacture and sales of automotive and furniture seat springs and seat frames, trunk lid torsion bars, and sun visor wires

Uniflex Co., Ltd. Precision springs and components
Main Activities : Manufacture and sales of automotive components; design, manufacture, and sales of general industrial machinery

Ayase Seimitsu Co., Ltd. Precision springs and components
Main Activities : Manufacture and sales of precision springs

Tokuhatsu Co., Ltd. Precision springs and components
Main Activities : Manufacture and sales of spring washers, wave spring washers, thin leaf springs, and wire springs

NHK Precision Co., Ltd. Precision springs and components
Main Activities : Manufacture and sales of screw tools, automotive components, data processing equipment components, and precision industrial components

NHK Parking Systems Co., Ltd. Industry and life related
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 Industry and life related
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. Industry and life related
Main Activities : Manufacture and sales of golf shafts, metal baseball bats, and pipe products

Topura Co., Ltd. Precision springs and components
Main Activities : Manufacture and sales of automotive screws, bolts, and general springs

Yokohama Kiko Co., Ltd. Industry and life related
Main Activities : Manufacture and sales of a variety of lighting systems

Nippatsu Harmony Co., Ltd. Other
Main Activities : Cleaning and greening of building interiors and exteriors, sorting and collection of general waste, auxiliary manufacturing

Legend	
Automotive suspension springs	Leaf springs, coil springs, stabilizer, torsion bars, bellows, and accumulators
Automotive seats	Automotive seats and interior components
Precision springs and components	Valve springs, microcontactor units, lock hinges, screws, and bolts
HDD-related parts	Suspension and HDD mechanical components
Industry and life related	Brazing products, ceramic products, pipe support products, polyurethane products, metal base printed wiring boards, parking systems, security-related products, sporting goods, lighting systems, and marine products
Other	R&D, regional headquarters and business and management support, transport service, parts of all types, sales and import/export of equipment, various services, and golf driving ranges

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NHK Spring Group's CSR Philosophy

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.

Message from the Chairman of the CSR Committee

NHK Spring Group Future CSR



Hiroyuki Kado
Chairman of the CSR Committee, Executive Vice President

NHK Spring regards its mission to be “contributing to the development of an affluent society through an attractive corporate identity”, making its corporate philosophy and business an ideal basis of management policy.

We will have a dialog with all of the stakeholders involved with NHK Spring, including our shareholders, investors, customers, partners, employees, and local communities, by building innovative products in each of our primary business fields – automobiles and data communications, industry and lifestyle. We will meet the expectations of our stakeholders and work to resolve wide-ranging social issues as a trusted company.

We are strengthening our corporate governance to ensure that we conduct our business in a proper manner, and we aim to increase our corporate value from a medium term perspective. We are enhancing an effective risk management system as well in addition to thoroughly raising awareness and

facilitating higher recognition about compliance throughout the entire group. We will also always respect human rights, and we are promoting diversity in our human resources. In addition, we actively encourage global and local environmental conservation in-line with NHK Spring guidelines and action plans to co-exist and create harmony with the global environment in our corporate activities.

We strive to promote and proliferate our CSR activities as well as improve quality by vowing to “work in CSR activities with the participation of all of our employees” in our fiscal 2016 management policy.

The location of NHK Spring Group companies are found in various regions both in Japan and overseas. As our circle of co-existence with local communities and the world grows wider, we have endeavored to solve global social issues as a group from the perspective of medium term management strategies.

Corporate Governance

We have established a system of governance, to ensure that we conduct our business in a proper manner.

Basic approach to corporate governance

NHK Spring maintains sound management while aiming to heighten corporate value from a medium term perspective by building organizational systems and structures for management and introducing necessary measures.

1. We ensure the rights and equality of our shareholders while striving to put in place an environment that allows them to properly exercise those rights.
2. We work to sustain a good relationship by fulfilling our responsibility as a company to stakeholders involved in NHK Spring, including our shareholders, customers, partners, local communities, and employees.
3. We appropriately conduct disclosure based on the law while also independently striving to provide information other than that required by law.
4. We focus on evaluating agenda items according to the expert knowledge and experience of each of our directors on the Board of Directors to determine the best policies for management. We monitor the business management trends in addition to actively discussing even the management issues derived from those agenda items in an effort to execute the role of our directors and our responsibilities properly as the Board of Directors.
5. We work to conduct an appropriate dialogue with our shareholders. We also strive to raise awareness and share information according to feedback received by our managers and directors such as the opinions of our shareholders gathered through this dialogue.

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 nine board members (including two external directors) as of June 28, 2016. The appointment of an external director in fiscal 2015 helps ensure the effectiveness of supervision over management and the validity of our decision-making.

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; as of June 28, 2016, it consists of four auditors, two of whom are external auditors.

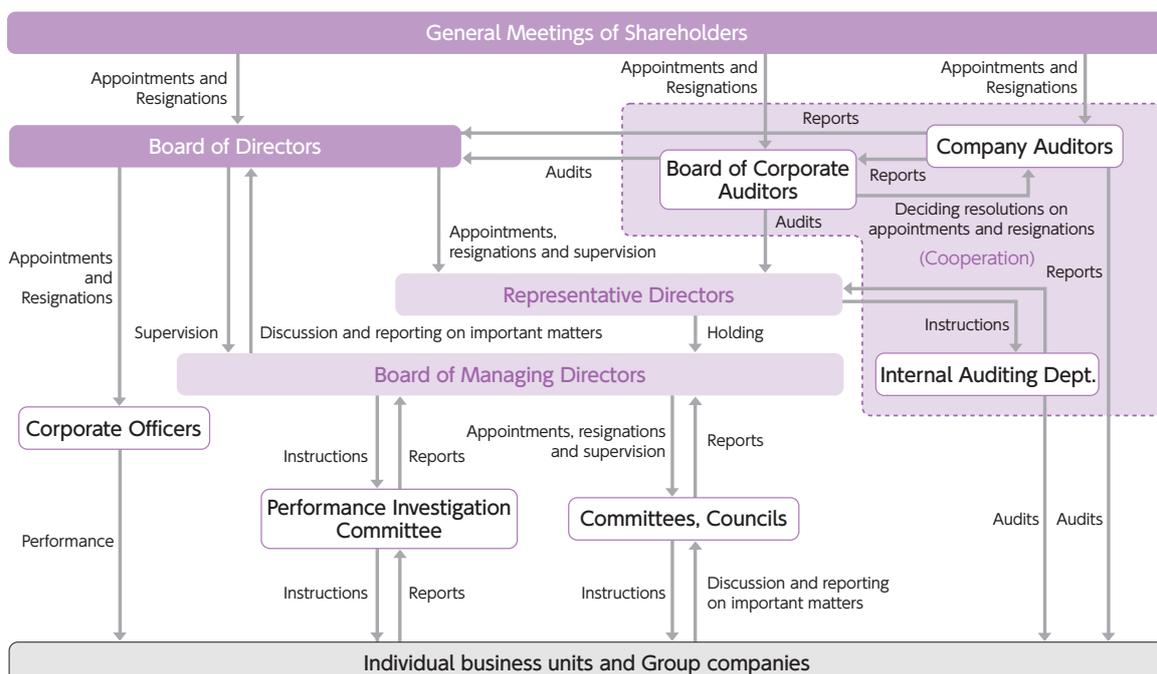
Basic Philosophy on Internal Control System

We have set all executives and employees to comply with laws and corporate ethics in the NHK Spring Employees Code of Conduct. We have also built a system with person with highest responsibility of compliance (President & Chief Executive Officer), person in charge of promoting compliance (Manager of Planning Division), person in charge of compliance education (manager of each department), and compliance promotion office (legal department) in the Compliance Standards promote compliance. In addition, we have created NHK Spring Employees Code of Conduct used for manual in education and awareness raising activities to prevent violation of laws and anti-social activities.

We have also installed consultation and reporting service by general affairs, legal, and human resource departments for NHK Spring and part of Group companies and system that enable NHK Spring Group employees to directly consult with external lawyer.

Internal Audit Department systematically hold audits including Group companies to ensure effectivity and efficiency of operations, compliance to laws, and reliability of financial reports.

Governance system



Risk management

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

Risk management organization

Company risk is not limited to natural disasters; it includes many events that could occur unexpectedly. As part of our social responsibility, we have established a risk management standards and risk management system including building organization and roles to appropriately respond during emergencies to prevent the occurrence of and minimize damage caused by unexpected risks.

We are constantly looking for ways to improve our processes so that each employee can have a deeper understanding of risks in their daily work and therefore respond quickly to the occurrence of unexpected risks as well as work toward early resolution or mitigation.

Domestic and overseas support systems

Since 2010, we have been searching for potential risks in daily work activities (operational risks) both in Japan and at our overseas Group companies. We have then evaluated and prioritized these risks. Currently, our Group companies are conducting voluntary rating of risks on a regular basis. Each related department within our Head Office offers support and assistance to create solutions to key issues. In addition, we are considering standards for withdrawing overseas Group companies in response to uncertain global situation.

Responding to risks

In addition to disaster reduction measures, we have also formulated a Business Continuity Plan (BCP) and are conducting training so that employees know what to do after the occurrence of a natural disaster until the Business Continuity Plan (BCP) takes effect.

When an emergency occurs in Japan or overseas, a Crisis Management Team will be quickly established in the area(s) where the emergency has occurred and The Headquarters Crisis Management Team will be activated at Head Office to manage and control the situation as quickly as possible.

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. In this system, the company President has ultimate responsibility. Then there is the Chief Compliance Officer who is responsible for Compliance Officers who instruct and supervise compliance in each division. We have also established hotlines to our internal legal department, as well as external legal firms, to handle whistle blowing and compliance consultations. This system provides a source of consultation for employees when they are not sure about certain situations. We are also introducing internal notification systems at each Group company in China from this fiscal year.

CSR Committee

In 2014, we integrated the Risk Management Committee with the CSR Committee as we shifted our focus to risk management as part of our corporate responsibility. The CSR Committee investigates ways to prevent reoccurrence and reports to the Board of Managing Directors so that information is properly shared regarding the status and countermeasures in dealing with emergencies that may occur at any of our locations both in Japan and overseas.

Business Continuity Plan (BCP)

The NHK Group BCP Basic Policy and NHK Group BCP Guidelines are distributed to all NHK Group companies. We are also currently developing our Business Continuity Management (BCM) system.

When an emergency occurs, directly affected and related departments will convene at the countermeasure office and work together under the command of the chief officer to quickly mitigate and begin to control and recover from the emergency.

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

We have also begun holding initial response drill at overseas Group companies from 2015.



Initial response drill at Group company in China

Voice



Atsushi Negishima
CSR Department

Building an effective business continuity management system

Learning the lessons of the Great East Japan Earthquake as well as other natural disasters and risks, NHK Spring, while engaging in revision of a BCP that should minimize the damage caused by unexpected situations, is also striving toward building a management system.

Specifically, all relevant persons are giving insight on how to continue the business if equipment, suppliers or employees are affected. We examine measures. In addition, the plan is formulated and drill put into practice, thus raising the consciousness of all, eliminating problems in the BCP, and striving for improvement.

I am diligent in the daily drill with the local volunteer fire corps. I believe I can support the various drill that presumes a disaster within the NHK Spring Group by leveraging my experience in this activity, my knowledge and skill. In the future, I hope to also help in the formulation of the BCP and introduce training toward the various risks our overseas Group companies face.

Initiatives for Compliance

At NHK Spring, specific items that should be complied with in various situations in business activities and the social needs are stipulated in the NHK Spring Employees Code of Conduct, and each individual employee strives to conduct himself in accordance with compliance. In efforts to further enhance global compliance and ensure that we comply with laws both in Japan and overseas, hold regular training for each stage of their career such as newly employed and management level, etc., President's messages on antitrust compliance and prohibition of bribery. We have also been providing training to employees on a global scale.

In addition, we also distribute "Compliance Bulletin and Cases" and "Mail Magazine" which include useful information on preventing compliance violations.

As the content is selected from theme of the time, members involved collect information with high awareness every day.

Every November marks NHK Spring Ethics Month, at which time we hang posters and hold various events to raise employees' awareness of compliance across the Group.

Ensuring information security

NHK Spring and all Group companies, based on the NHK Spring Group Security Management Policy as the standard for preventing the unauthorized disclosure of information relating to transactions with customers and suppliers and personal information that includes the Japanese social security number of our employees, aim to provide information security through the management and operation of these standards and procedures.

The guidelines apply to the executives and employees of NHK Spring and its Group companies and the employees of contractors (including loan and part-time employees). 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.



We have also created e-learning courses on information security to raise awareness through employee training

Voice

Ayumi Yamazaki
CSR Department



Facilitating continued compliance awareness of each employee

Awareness of compliance in each and every employee is indispensable in achieving compliance management. The CSR Department works to raise awareness around the distribution of information, including compliance communications and case files as well as a mail magazine, to encourage employees to notice what action might be considered a breach according to examples rooted in the daily work of employees.

The CSR Department also started preparations in July for the NHK Spring Ethics Monthly published in November every year. We exchange ideas throughout the entire department about how to generate interest by deciding important themes for the year. Last year, we created and distributed a Compliance Card that every employee could carry with them so that they will always have our compliance declaration and consulting system at hand.

Each initiative to grow awareness to every facet of the NHK Spring Group is not easy, but the CSR Department will always work in the future in order to grow awareness about compliance in all NHK Spring employees.

Voice

Motoo Yamagami
Manager, Information Systems Department



Promote establishment of information security in all groups

Information security is not only essential to ensure the trust of stakeholders including customers, but is also considered a significant basis to support safe and secure social life. NHK Spring has formulated a basic approach to facilitate work while safeguarding information assets, based on the NHK Spring Group Security Management Policy. To increase awareness and knowledge in employees, we make efforts to enhance information security by creating rules, training employees through e-learning courses and so on, inspecting the management situation and performing continual reviews.

In addition, this planning group assesses and minimizes IT risk including regulating IT, system surveillance, and information security, and establishes the initiatives to maintain a healthy IT environment. They also promote the building and establishment of IT governance for the entire NHK Spring Group.

Social Report

Customers

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

Quality assurance

As we keep an eye on environmental changes both in Japan and abroad, we work to maintain our standard of world-leading quality and increase customer satisfaction.

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) Preventing quality and delivery problems for new start and products that has changes in 4M
- 2) Strengthening quality assurance system for cultivating culture of quality
- 3) Increase the level of reoccurrence prevention activities

Specific arrangements

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

1. Preventing quality and delivery problems for new start and products that has changes in 4M

- 1) Implement milestone management at actual site, actual thing, and actual confirmation
- 2) Implement initial response management and n-th supplier management
- 3) Verification of prevention measures (DRBFM, etc.), process validation, and productivity verification (setting alarm trigger and action)

2. Strengthening quality assurance system for cultivating culture of quality

- 1) Quality improvement activities including top management (quality inspection, participating in quality assurance meetings, etc.)
- 2) Mechanism for not forgetting past accidents
Inspection day for all past troubles (memorial day, etc.), newly install exhibit of past troubles, regular training on past troubles

3. Increase the level of reoccurrence prevention activities

- 1) Install QA gate to ensure leaks do not occur
- 2) Implement logical and reasonable measures
- 3) Building and utilizing database on past trouble

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 certification, 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.

ISO/TS 16949 certification acquired for **31** plants

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

Takuji Mori

Group Manager,
Unit Parts Purchasing Division, Purchasing Group,
Chassis Group, Functional Component Department,
Toyota Motor Corporation



Automobile manufacturing for the customers

Since starting transaction of leaf spring from the founding of NHK Spring in 1939, NHK Spring is supplying our 37 plants in 15 countries with automotive suspension springs and parts of seats. This is proof that NHK Spring has shared our concept of "local production for local consumption" and "contributing to the development of local society" and worked together with us.

In recent years, NHK Spring has been actively proposing technologies to reduce weight including material development of thick-walled pipes, high strength and high stress materials, and more. They are contributing to making automobiles more light weight in response to fuel consumption regulations are becoming stricter. NHK Spring is also engaging in manufacturing that places importance on quality and has received numerous quality awards, and contributing to us at a global scale.

I hope NHK Spring will continue their improvement activities and strive for new technologies as the leader of the industry. Let us continue this great partnership to engage in manufacturing that pursue safety, quality, technology and cost, manufacturing of automobiles for the customers, and regional contribution.

Shareholders and investors

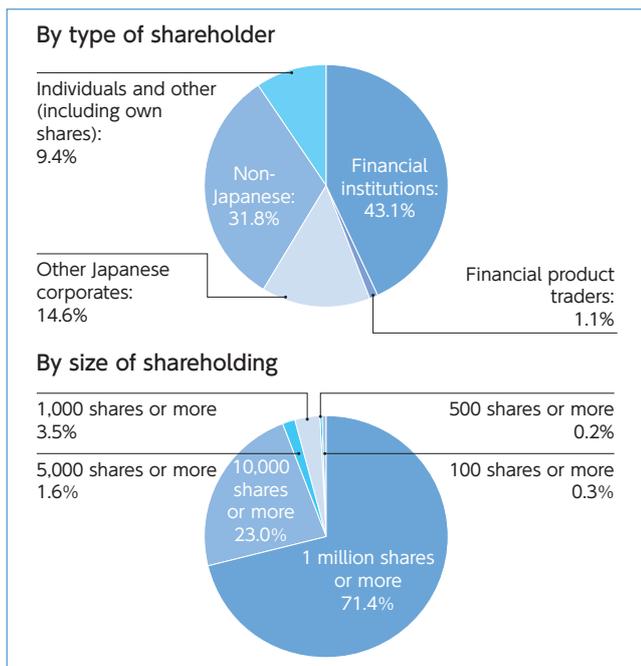
We believe that timely disclosure of the position and finances of NHK Spring is the key to support from shareholders and investors over the long term, and we strive to implement this.

Shareholder information and breakdown of shareholdings

Inquiries from shareholders are handled by the General Affairs Department. (Shareholder Register Custodian is Mitsubishi UFJ Trust Bank)

The graph below shows the breakdown of shareholders.

Breakdown of shareholdings (As of March 31, 2016)



WEB URL of Investor Information page
<http://www.nhkspg.co.jp/eng/ir/>

Disclosing information for investors

We hold briefings for analysts and institutional investors after the release of our half-yearly and full year accounts. In fiscal 2015, we held two briefings in May and November. We will continue to make every effort to release information to analysts and investors.

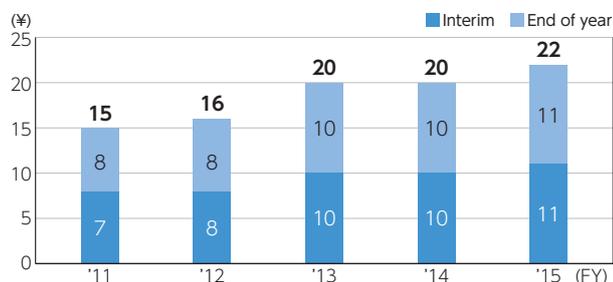


Briefing after release of accounts

FY2015 Return of profit

Performance in fiscal 2015 is available in the Financial Highlight (P8-11). Dividends for this term was ¥22 per share (yearly) to continue long-term stable payout to all the shareholders.

Change in amount of dividends paid



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.

Voice

Shiro Sakamaki
 Senior Analyst
 Equity Research Department
 Daiwa Securities Co., Ltd.



Focus on NHK Spring's future

I usually create report if the released performance results are favorable as an analyst. I also participated in the performance result explanation and directly hear from the management while also hear from person in charge of IR to analyze the performance results. Furthermore, I sometimes visit overseas offices and visit their plants.

Among their business, I highly evaluate NHK Spring's automotive suspension business which boast high market share. I also think that automotive seat business has been growing steadily compared to other seating manufacturers. As for business expansion by region, NHK Spring is showing overwhelming presence in Thailand.

Future trend of HDD suspensions in precision springs and components business is to be focused as it will be impacted by HDD industries as NHK Spring has high share in the industry.

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.

CSR Procurement Guideline

Recent social trend expects companies to strengthen their activities on social responsibility as a company (CSR), triggered by corporate scandals, employment and labor issues becoming more obvious due to financial crisis, and environmental issues. Amidst this situation, we have established CSR Procurement Guideline as a part of an initiative to raise the suppliers understanding of our CSR activities and engage in CSR throughout the supply chain with mutual understanding.

Green procurement

We have established Green Procurement Guidelines based on our basic procurement policy, which means 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 waste.

The content was fully updated in March 2016 as contact in the supply chain of chemical substances and legal compliance overseas becomes more and more important.

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 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

Osamu Fujikake
President
Imasen Electric Industrial Co., Ltd.



Moved by the pride as an independent parts manufacturer

We develop, design, and mass-produce seat adjusters and supply them not only in Japan but also globally to North America, China, and Thailand. We have long relationship with NHK Spring and I have also worked with them when I was a designer. I still remember and continue business with the words the person in charge of procurement at NHK Spring at that time in my heart. "We hope to take lead in ensuring that parts manufacturers can make profit as the automotive industry develops."

I am compelled with NHK Spring's guiding principles of "Continuous progress, Ceaseless excellence, Caring teamwork," and their pride of being an independent parts manufacturer and working together as one to provide new values to the society. We also appreciate their sometimes strict but kind guidance in the hopes of developing together with us suppliers.

I strongly believe that NHK Spring will continue challenging and developing in the automotive industry that require comprehensive competitive edge on a global scale. We hope to develop and propose appealing products as a recipient of Partner Award.

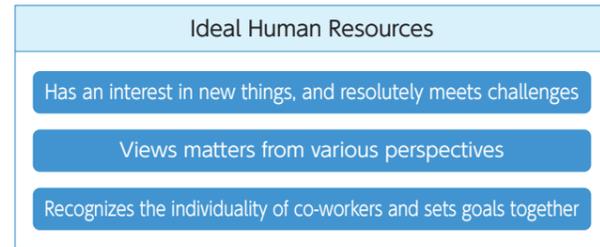
Employees

Our company places great value in our people, NHK Spring considers our employees to be important assets, and we make great effort in hiring and training them. In order to be a company where each employee's diverse sense of values can play an active role, we aim not only for diversity, but also enrichment through workplace health and safety and employee welfare.

Employment and training of human resources

Basic approach to employment

NHK Spring advocates growth through innovative ideas and practices. We extensively search for employees who have the desire to take on challenges and overcome problems through teamwork, while maintaining their individuality.



With regards to diversity of human resources, we have set targets for hiring women and non-Japanese employees and we also promote the hiring of handicapped staff through special subsidiary companies. In our mid-career recruitment, we actively employ human resources with excellent abilities in a wide range of fields such as top athletes and support their active participation.

Voice

Overseas Trainee in the Philippines

Kai Wan



Disk Drive Suspension & Component Sales Dept.

I was assigned to NHK Spring Philippines, one of NHK Spring's group companies, through the Overseas Trainee program which aims to develop employees who are equipped with the knowledge and experience to work in countries outside Japan. I stayed in the Philippines for approximately six months, where I was given the opportunity to learn about overseas operations as the person in charge of sales of precision springs and components. I also received language training at a local language school.

I gained valuable experience through daily contact with local clients and developing smooth business engagements with them. We even enjoyed playing golf together. I also learned presentation skills and other areas of business communication at the local English language school.

Being Chinese and having lived in Japan for five years since joining NHK Spring, I thought that I already had a good understanding of foreign cultures. However, the Philippines was a new challenge for me as it was my first visit there. Preparing material aspects such as clothes, food and housing is important for living overseas, but I felt that preparing psychologically is more important. During my assignment, I consciously tried to thoroughly understand the different culture in the Philippines. Through this mindset, I was able to get a feeling for various aspects of the culture through actually experiencing them and I could also communicate more smoothly which allowed me to expand my connections with local people in different fields.

Through this experience I was able to reaffirm the importance of diversity in global business. By being a trainee, it allowed me to become more flexible and even more open to diversity. I would like to use this experience after returning to Japan to contribute to the global expansion of NHK Spring through my work in the Sales Division.

Human resources development

As part of efforts toward sustainable growth, our human resource development seeks to improve the quality of both our human resources as a whole.

For example, we clearly define the desired mindset and actions for each employee to understand the corporate mission and demonstrate this through their conduct. As a result, the image of an ideal employee can be set in detail and skill development training is held based on targets set each year.

The training each person receives includes group training, which is divided by each level of the organization as well as job type and skill level, and foreign language and cultural training. We also proactively support external training such as overseas training opportunities and distance education. We work towards developing our human resources under the philosophy that individuals who want to grow will develop through the power of the organization and the support provided by the human resources system.



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

Recruitment

In recruitment, we conduct our own recruiting sessions, and we make every effort to send recruitment staff from our Human Resources Department to attend 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 what life in the company will be like once they start working.

We provide information on the recruitment website, and we have links to our recruitment page on our main website. Finally, we also put up advertising posters aimed at new graduates in railway stations.



Company briefing given by our recruiters



Recruitment page on our website



NHK Spring poster at station

Employing the people with disabilities

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

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. Since March 2009, NHK Sales and NHK Transport, both group companies, have been working as special group subsidiaries toward improving the employment ratio of those with disabilities.

Change in employment rate of people with disabilities (%)

	2012	2013	2014	2015	2016
Employment rate	1.84	2.06	2.03	2.14	2.10

As of the end of March 2016, these companies have established four offices, two in Kanagawa Prefecture and two in Nagano Prefecture, where 53 people with disabilities are happily working. In fiscal 2015, 32 people from local special education school and corporations participated in training. A total of 242 people from various corporations, schools, and related government officials visited and toured our facilities.



2015 Abilympics Kanagawa, contest of skills by people with disabilities

Occupational Health and Safety and Improving Health

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:

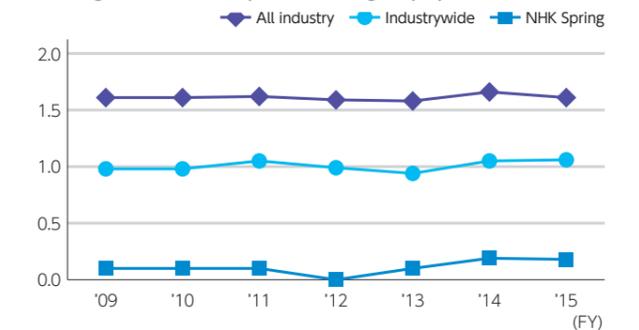
- **Risk assessment:** Method to find, mitigate, and eliminate potential dangers and hazards in workplaces.
- **Risk prediction:** Activity to prevent labor accidents before they happen by increasing sensitivity toward risks.
- **Health and safety training:** Training to obtain knowledge of dangers and hazards to prevent labor accidents before they happen.

The rate of days lost through injury has been lower than the average for all industry and manufacturing industry in recent years.

Going forward, we intend to apply the PDCA cycle to the occupational safety and health management system for continual further improvement.

$$\text{Rate of days lost through injury} = \frac{\text{Number of workplace injury victims}}{\text{Total hours worked}} \times 1 \text{ million hours}$$

Changes in rate of days lost through injury



Activities to Prevent Lifestyle Diseases

We are engaged in activities to prevent lifestyle diseases so the employees can work healthily and lively. We are promoting activities such as Health Visualization Program, Food and Nutrition Seminar, Health Guidance for Preventing Lifestyle Diseases, and Support for Smokers Wanting to Quit.

For A Sound Mental Health

We are engaged in further enhancing mental health care and building a workplace that is comfortable to work in. We implement stress check based on legitimization of stress check, consulting with employees with high stress, mental health education, and introducing consultation service in and outside the company to make consulting easier.



Implementing health improvement activity by making health status visible through pedometer, body composition scale, manometer, etc.

Benefits programs

We strive to provide a full range of benefits in line with the social environment, to assist our employees in 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.



NHK Spring Sports Festival held for the first time in 30 years to stimulate in-house communication (Yokohama Area)

Local communities

NHK Spring and our Group companies have operations in various areas in Japan and 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

It is the 9th year since we acquired the naming rights to the NHK Spring Mitsuzawa Football Stadium from 2008. The five-year contract was updated from March 2016. 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. Famous former members of the Japan's national soccer team who often appear on television gathered and held commemorative photo session with participating children and their parents. A few days later, tabloid advertisements were delivered to those subscribed to Asahi Shimbun in Yokohama City to introduce our activity to the local residents.

● 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. We have also incorporated diverse and unique activities, such as Futsal, in response to student needs.

The season opening games of the league 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.

Naming rights continued for 9th year



NHK Spring and Asahi Shimbun Junior Soccer School. Children running on the pitch with former professional soccer players

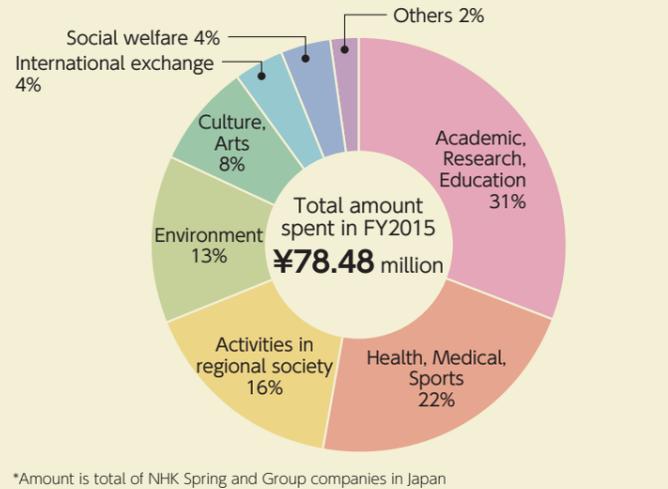


NHK Spring and College of Science & Engineering Soccer League in Kanto Area supporting activities of college students

School meals for children in the world with TFT

In February 2014, we introduced "Table For Two" (abbreviated as TFT) at the cafeteria of the Yokohama Office. TFT is a system to make donations for school meals in Africa by eating charitable meals at the cafeteria for executives and employees. In fiscal 2015, TFT was introduced to all of our nine plants in Japan. This

Ratio of amount used for social contribution activities by category



Category	Major examples
Academic, Research, Education	Donating research fees to universities, accepting internships, plant tour for elementary school students
Health, Medical, Sports	Blood donation, donating wheelchairs to hospitals, cosponsoring and participating as volunteers in sports events
Activities in regional society	Donating to local festivals, inviting local residents to summer festivals
Environment	Clean-up activities of neighboring areas
Culture, Arts	Donating to arts organizations and events
International exchange	Table For Two Activity, Eco-cap Activity
Social welfare	Donating to social welfare facilities
Others	Participating in crime prevention and traffic safety activities, donating to politicians and organizations

has allowed us to donate 130,116 school meals (55,571 meals year earlier). In the future, we plan to extend this activity to all group companies, including those overseas.

TFT donations **130,116** meals



Employees choosing TFT Menu

Internships and plant tours

We offer internships to provide work experience and plant tours.

We provide internships at our manufacturing plants as well as our design and development divisions, providing valuable work experiences in different areas every year. We will respond positively to demand for places where high school and university students are offered the invaluable experience of an actual workplace.



Providing a variety of internships

Sponsoring and collaborating with local events

We sponsor, collaborate with and support local events in the communities where we operate.

● Volunteering for the Yokohama Marathon

Employees of NHK Spring and other Group companies volunteered during the Yokohama Marathon 2016 held in March 2016. This year's event marks the second full marathon event in Yokohama which citizens can participate since its start in 2015. The NHK Group manned one water supply station to provide sports drinks and water to runners while cheering them onward.



Volunteering for the Yokohama Marathon

Our main efforts in fiscal 2015 were:

- Yokohama Arts Festival
- Yokohama International Costume Parade (The Yokohama Parade)
- Yokohama Sparkling Twilight (Fireworks)
- Tenryu Riverbank aqueous environs picnic (Ina, Komagane)
- Kids Engineer 2015
- Student Formula SAE Competition of Japan
- Yokohama Mother's Chorus
- The Kanazawa Festival (Kanazawa Ward, Yokohama City)
- Cleaning of the Sawarabi Workshop, a welfare facility people with disabilities (Shiga Prefecture)

We also contributed to the use of the gymnasium for the Special Olympics Nippon/Kanagawa, which supports people with intellectual disabilities, installation of vending machines, and 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.



Mitsuzawa Park Clean-up Walk with many Seagulls players participating



Lending the gym to Special Olympics Nippon / Kanagawa



Exhibited at Kids Engineer 2016 event to raise the children's interest in science



Held basketball class for people with disabilities

Group company involvement

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

Supported Little League team [NHK International, NASCO]

NHK International supported the local Little League team (entered the world series) of Bowling Green, Kentucky, United States where NASCO is located in. NHK International will continue contributing the local community.



Three representatives from the team visited the company and gave letter of thanks

Donated reserve fund of employees to Kanda [FNQ]

Faurecia-NHK Kyushu donated 4 million yen to Kanda, Fukuoka Prefecture where the company is located. Employees of FNQ have been reserving 500 yen per month for use by single parent families. FNQ has also donated 2 million yen five years ago.



Giving inventory to the Mayor Yoshihiro from Executive Corporate Officer and FNQ Plant Manager Morishita

Donation of Two Wheelchairs to Yokohama City University Hospital [NHK Spring Mutsumi-kai]

NHK Spring Mutsumi-kai consisting from domestic Group companies donated wheelchairs to Yokohama City University Hospital located next to the Yokohama Office as part of its social contribution activity. This donation is done every year using the sales profit of used books provided by the employees and has reached its 18th year this year.



Chairman Kojimabe (left) and Director Hirahara in front of the donated wheelchair

Holding Summer Festival at Tsukuba Plant [Sumihatsu]

On August 27th, we held our regular summer festival at the Sumihatsu Tsukuba Plant. Roughly 1,100 employees, their families as well as people from the neighborhood participated. The Sumihatsu Summer Festival is energized every year by a plentiful program that includes stage performances, a cola speed drinking contest, and a Super Sentai hero show. The festival is filled with various shops from refreshment stands to a booth held by NHK Transport. Sumihatsu is the sponsor of youth baseball and soccer competitions and is expanding these activities as community contribution activities. In the future, we will continue to be a company rooted in the community.



Lively Sumihatsu Summer Festival crowded with visitors

Accepting Junior High School Student Work Experience Class [G.L.G.]

G.L.G., a company that operates golf practice facility in Kawasaki City, accepted local Kawasaki City Hiyoshi Junior High School work experience class. Student took turns experiencing customer reception at the front and cleaning and maintenance of the range. G.L.G. will continue various contribution activities as a golf practice facility that is rooted in the community.



Junior high school students participated in various career experiences.

Environmental Report

Environmental Voluntary Action Plan

We have established the 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. The NHK Spring Group draws up Environmental Activity 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 saving target at over 1% improvement in unit energy consumption to sales per year to promote energy saving.
 - 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 waste
- Lifting recycling
- Compliance with various environmental laws and regulations
- Reducing and managing pollutants
- Contributing to local communities & environmental protection
- Promoting use and development of energy-saving products

Global Environmental Activities Plan

- 1. Framework to encourage activities**

Operating the Global Environmental Measures Committee and encouraging protection of the environment across the entire Group.
- 2. Involvement in specific issues**
 - 1) Saving energy and reducing CO₂
 - 2) Involvement in the recycling-oriented society
 - 3) Encouraging green procurement at a global level
 - 4) Product design and technical development taking account of impact on the environment
 - 5) Reducing toxic chemicals
 - 6) Preventing environmental accidents
 - 7) Streamlining logistics
 - 8) Reliably running and upgrading Environmental Management Systems (EMS)
- 3. Publicity and social activities**

We recognize our corporate social responsibilities (CSR), and develop environmental conservation activities throughout the company, which will widely gain the empathy of local communities and the general public.
- 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 Activity Policies

Based on our Environmental Activity Policies set up each year, we tackle global environmental problems from the Group and global viewpoints.

To achieve our independent target to reduce CO₂ unit consumption 1% or more each year, in fiscal 2016, we are furthering energy saving and resource saving activities globally.

For waste management, we will continue with domestic zero emissions activities, and promote limit emissions and cost. We also aim to improve the recycling rate at our overseas bases.

We will systematically conduct management of environmental load substances, maintain and update environmental equipment, and respond to facilities subject to laws and regulations.

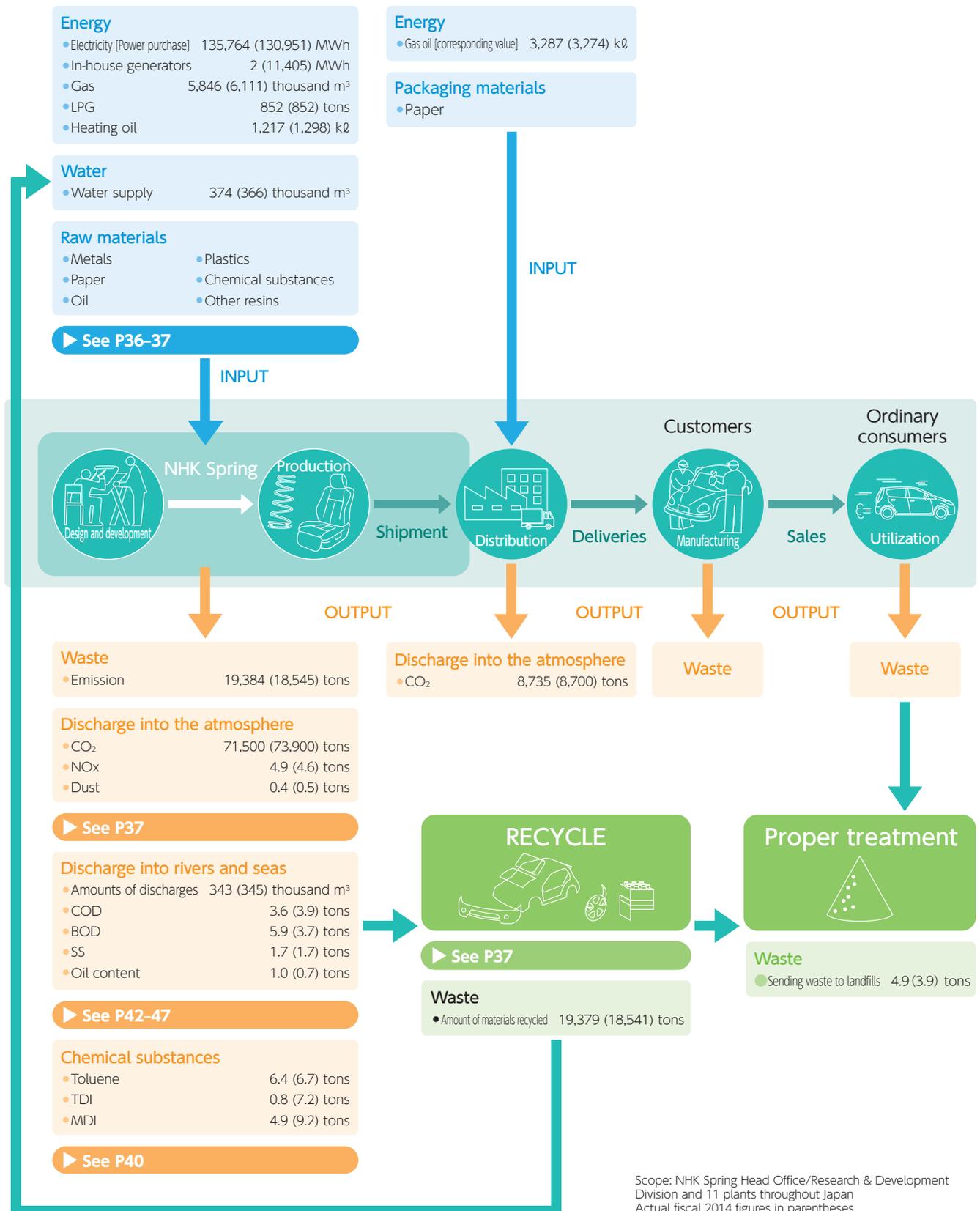
Environmental Activity Policies 2016

- 1. Encourage global environmental management**
 - 1) Continuing and broadening our CO₂ reductions
 - 2) Maintaining zero emissions* and continuing to reduce waste
 - 3) Promoting control 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 complying with new 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, also regards thermal recycling as recycling

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 waste.



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 continuous 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 Waste Reduction Committee, which work to implement CO₂ reduction and waste product reduction activities.

Chemicals, such as environmentally hazardous substances and compliance with environmental laws, 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.

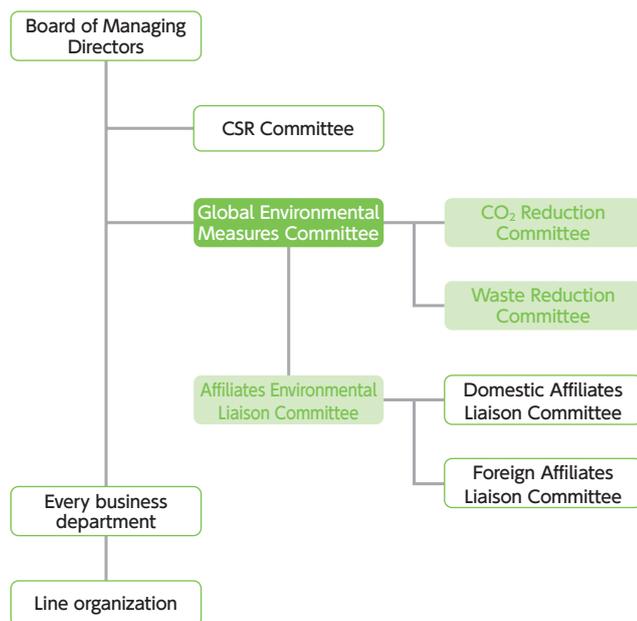
Zero Emission Activities

In addition, we launched a Zero Waste Project 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 carried out initiatives aimed at zero emissions from 2005, and achieved the target in 2009. As well as maintaining the domestic zero emissions in Japan, we are making efforts to reduce the amount of waste. We have also been conducting efforts to improve our recycling rate since 2009 and are continuing to at overseas Group companies.

2010 recycling rate Achieved **100%**

System for encouraging environmental protection



Voice



Takashi Yonezawa
Manager, Safety & Environmental Activities
Department, Engineering Division

Promoting reduction of CO₂ and waste

NHK Spring set an internal target for 1% unit consumption reduction of CO₂ emissions compared to fiscal 2012 in fiscal 2013, and we work as a group to achieve it. We have accomplished reductions far above this target in fiscal 2015 through the accumulation of honest hard work, such as in our lighting, air conditioning, and heat furnace as well as the review of yield cycle times.

We also simultaneously achieved Japan Auto Parts Industries Association targets to reduce the CO₂ net sales unit consumption 1% compared to the yearly rate in fiscal 2007.

On the other hand, recycling rate in fiscal continued to be 100% from the previous year through recycling waste and reducing generation by thorough waste separation and reviewing waste treatment.

We will continue to promote CO₂ reduction waste management activities through eliminating inefficiency and inconsistency.

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.

ISO 14001 certification **11** Plants (Japan)

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

Certification status of Group companies

Domestic Group companies

All 16 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 2016, 16 overseas Group companies had done so, and others are working towards it.

ISO 14001 certified Group Companies

16 companies (Japan), **16** companies (Overseas)

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 Nippatsu Co., Ltd.	September 2004
	Ites Co., Ltd.	April 2007
	Faurecia-NHK Kyushu Co., Ltd.	March 2005
	Sindai Co., Ltd.	May 2007
	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, Central 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
	NAT Peripheral (Dong Guan) Co., Ltd.	October 2005
	Uni Auto Parts Manufacture Co., Ltd.	March 2006
	NHK Spring India Ltd.	October 2003
	NSP	October 2014
NACI	January 2010	
Europe	Ibérica de Suspensiones, S.L.	December 2003

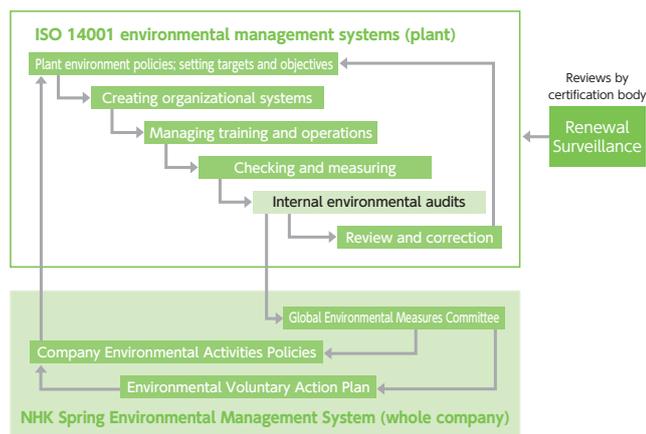
Environmental auditing

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 received external audits in fiscal 2015; six plants had surveillance audits, and five plants had a renewal audit. The results of these audits found that each of the plants and the environmental management systems were being run correctly, that pollution was being prevented, and that we were making continuing efforts to improve. Each plant and Group company will receive renewal audits for the revised version of the ISO 14001 by September 2018 and we plan to systematically acquire the certification.

Fiscal 2015 external audits

6 plants (surveillance audits), **5** plants (renewal audits)

Environmental auditing

The members of our environmental audit team conducting audits have completed special training. As well as conducting internal environmental audits at each plant in fiscal 2015, for the four Group companies in Japan, environmental audits were performed by NHK Spring headquarters. 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.



Domestic environmental audits

Voice

Jin Wakabayashi
 Manager, Manufacturing Section No.1
 Atsugi Plant
 Precision Spring & Components Division



Improvement through everyone participating

Atsugi Plant located at the center of Kanagawa with Sagami River to its east and Nakatsu River to its west. We also aim to be at playing a central role in environmental contribution. With a slogan of energy-saving with everyone participating, we made active improvement from actualizing ideas to rationalization of productivity improvement.

In fiscal 2016, we set an aim of 5.0% reduction compared to previous fiscal year and advanced transition to 2015 version of the ISO 14001. We are planning acquisition in 2017 while raising awareness of all employees.

Expectation for environment is becoming higher every year but Atsugi Plant will play a central role through improvement with every employee participating.

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 education

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 promotion. Specialist education is provided when staff begin new positions, and regular skill upgrading is also provided.

Furthermore, abstracts of relevant domestic environmental laws have been periodically distributed to Group companies since fiscal 2014 to share information.

Contents of environmental education

Education at different levels		
Recipients	Content of training	
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		
Recipients	Content of training	
Internal environmental auditors (Responding to ISO revision)	Training and education	Internal environmental auditor training and refresher courses
	Skills upgrading training	Environmental auditor workshops for lead auditors
Overseas secondees (expatriates)	Environmental management system, overseas environmental laws, NHK Group environmental requirements	

Environment-related qualified persons

244 people
(including multiple qualifiers)

Numbers of staff with environmental qualifications (as of June 2016)

(Units: Persons)

Qualification	Classification		Numbers holding qualifications
Pollution prevention management	Air	Type 1	9
		Other	25
	Water quality	Type 1	7
		Other	27
	Noise		36
Vibration		32	
Environmental management system auditors	Assistant auditor		2
Working environment measurement experts	Type 1	Dust	6
		Special chemicals	5
		Metals	2
	Organic solvents	5	
	Type 2		6
Certified environmental measurers	Level-related		2
Specially controlled industrial waste managers			39
Qualified persons for energy management			32
Energy managers for Type 2 Designated Energy Management Factories			9

Consciousness-raising activities

Every year from 1992 to 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. From fiscal 2013, we have held the "NHK Spring Group Forum," jointly held with the NHK Spring Group technology exchange platform "Technical Forum."

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.



NHK Spring Group Forum lecture and exhibit on the environment

Voice

Satoshi Miyashita
Technological Manager
Gunma Plant
Seating Division



Implementing environmental conservation activity with everyone participating

Gunma Plant engages in integrated system that development, design, prototyping and evaluating automotive seats, cutting and sewing skin material, urethane foam, metal assembly, and sheet assembly. For sheet assembly line, we are engage in JIT Manufacturing of synchronous production and delivery based on the information of automotive assembly manufacturing line of our customer Subaru (Fuji Heavy Industries Ltd.).

Plant Restructuring Project continuing from fiscal 2012 has reached its final stage. We aim to respond to Subaru's strong production while strengthening manufacturing as a complete seat plant and foremost, creating a safe and comfortable workplace. We also plan to implement environmental contribution activities with everyone participating through cooperating with headquarters and Seating Division to hold environmental educating for employees and internal auditors.

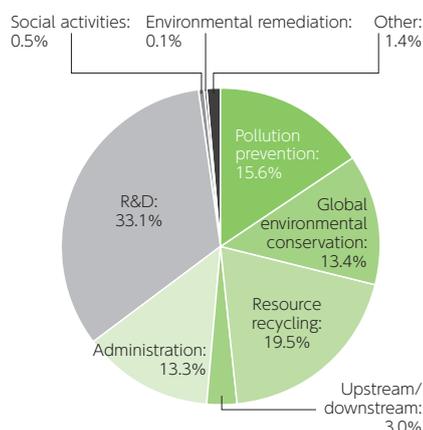
Environmental accounting

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

Fiscal 2015 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 2015 expenditure on supporting the environment at a total of ¥808.4 million. The breakdown is shown in the table to the right, but due to the review of various environmental conservation activities, the R&D and global environmental conservation costs dramatically decreased from fiscal 2014.



Fiscal 2015 - Cost of environmental conservation

(Units: ¥ million/year)

Classification of costs	Main elements	Value* in FY2014	Value* in FY2015
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	131.6	126.1
2) Global environmental conservation	Preservation of green areas around plants, energy-saving measures, warming prevention, etc.	214.1	108.4
3) Resource recycling	Waste treatment, zero emissions measures, office recycling, etc.	144.2	158.0
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)	22.0	24.4
5) Administration	Waste manifest management, ISO 14001 maintenance and renewal inspections and ISO 14001 office personnel costs, reporting to the government, etc.	125.1	107.6
6) R&D	Research to reduce environmental loads and development of products to contribute to reducing environmental loads	583.9	267.9
7) Social activities	Social service activities (cleaning waterways and surroundings of plants), etc.	4.3	4.0
8) Environmental remediation	Remediating environmental damage to surroundings	0.7	0.5
9) Other	Costs for environmental conservation other than the above (including handling of PCB waste treatment)	10.4	11.5
Total		1,236.2	808.4

* Value: Totals of Environmental Investments and Environmental Conservation

Fiscal 2015 - Cost of environmental conservation

808.4 million yen

Classification and performance of fiscal 2015 investments

The following table shows our performance in fiscal 2015. We have been maintaining low volume of waste landfill since fiscal 2010 as a result of promoting recovering resources. The unit consumption of energy use, CO₂ and waste processing costs

decreased, but unit consumption related to energy costs tended to increase due to the rise in various unit costs. We will continue to make improvements for cost-effective investments in the future.

Performance of fiscal 2015 investment effects

	Material effects*1			Economic effects*2			Assessment
	FY2014 performance	FY2015 performance	Effects	FY2014 performance	FY2015 performance	Effects	
Energy use per unit output (GJ/¥ million)*3	10.65	10.44	△ 0.22	—	—	—	○
CO ₂ per unit output (ton C/¥ million)*3	0.121	0.116	△ 0.005	—	—	—	○
Wastes to landfill (tons/year)	3.9	4.9	1.0	—	—	—	○
Wastes recycled (tons/year)	18,541	19,379	838	—	—	—	○
Energy costs per unit output (¥/¥ thousand)*3	—	—	—	20.7	22.0	1.27	△*4
Waste treatment costs per unit output (¥/¥ thousand)*3	—	—	—	0.59	0.57	△ 0.02	○

*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

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 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

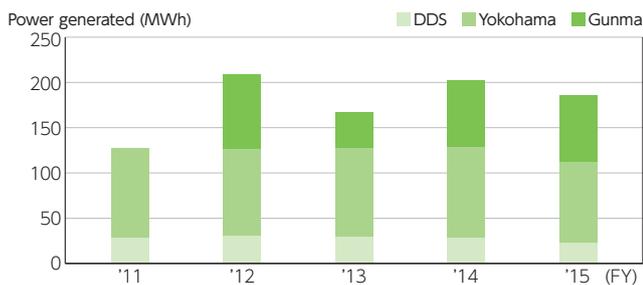


Yokohama Office
(100 kW)
Commissioned 2009

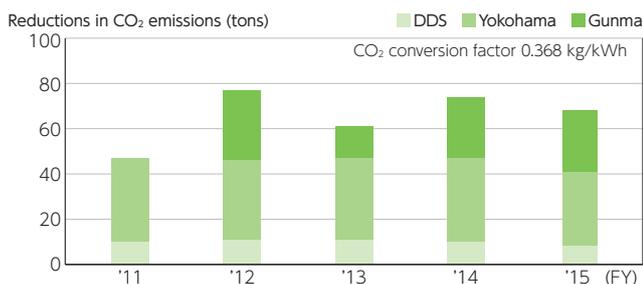


Gunma Plant (56 kW)
Commissioned 2012

NHK Spring solar generation performance



*In fiscal 2013, because of a malfunction in the control system, electric power generation dropped (restored)



Zero emissions

To realize an environmentally-friendly society, we promote recycling of waste and continually strive to reduce emissions by establishing a recycling center and an Environmental Dojo at each of our business establishments.

Recovering and reuse of resources from waste plastic

Soft types of plastics that can be turned into useful resources are stored and transported as compact as possible by using compression packing machines. We recycle with the appropriate waste processors. We are also processing and turning high quality waste into useful resources and recycling the raw materials of plastic.

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.



Recycling Center at
Yokohama facility



Non-rigid plastic in
compressed packaging



On-site checks of waste
processors

NHK Spring fiscal 2015 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 preservation 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. The unit energy consumption for fiscal 2015 was 2% less year-on-year, achieving the annual goal.

Targets		
Unit energy consumption to sales: Annual reduction of 1% (based on fiscal 2007) (Under the Law Concerning the Rational Use of Energy, evaluation criteria of factories for rationalization of energy use)		
FY2015 target	FY2015 actual	Assessment
Target unit consumption* 92.0	Unit consumption 79.9	

*Target unit consumption: Targeted reduction with fiscal 2007 unit consumption as 100

Movements in target and actual energy consumption to sales



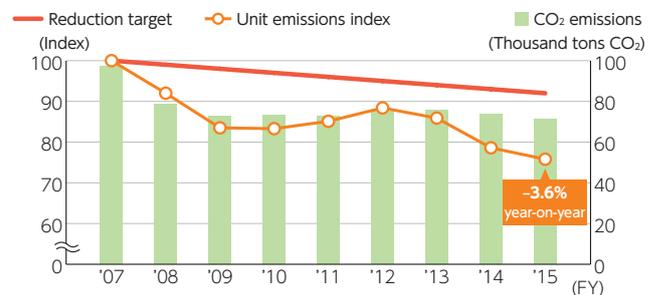
Reduction in CO₂ emissions

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. Our unit CO₂ emissions for fiscal 2015 decreased by 3.6% over the previous year allowing us to meet our yearly targets.

Targets		
Net sales CO ₂ unit consumption: Annual reduction of 1% (based on fiscal 2007) (According to Japan Auto Parts Industries Association Eighth Environmental Voluntary Action Plan)		
FY2015 target	FY2015 actual	Assessment
Target unit consumption* 92.0	Unit consumption 75.8	

*Target unit consumption: Targeted reduction with fiscal 2007 unit consumption as 100

Movements in target and actual CO₂ emissions



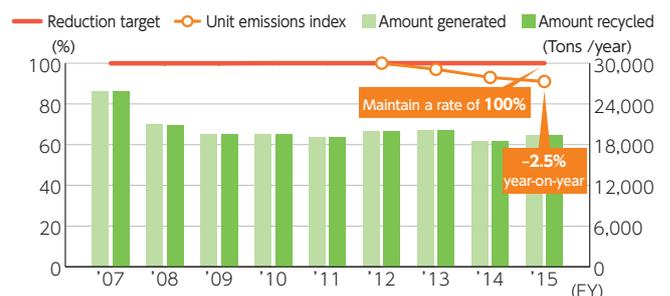
Recycling of waste

We have a target of zero emissions.* To reach it, we are involved in reducing the amount of waste going to landfill, lifting our recycling rate, and reducing our output of waste. 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. In addition, by promoting productivity improvements and re-use of valuable materials, amount of waste has been reduced by 2.5% compared to the previous fiscal year.

Targets			
Maintain zero emissions across the entire company (Recycling rate of at least 99% achieved since fiscal 2004)			
FY2015 target	FY2015 actual	Assessment	FY2016 target
Continue recycling rate of 99% or higher	Recycling rate of 100% (at least 99.95%)		Continue recycling rate of 99% or higher

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

Movements in amounts of waste generated and recycled



*Unit consumption in fiscal 2012 as 100

Group company involvement

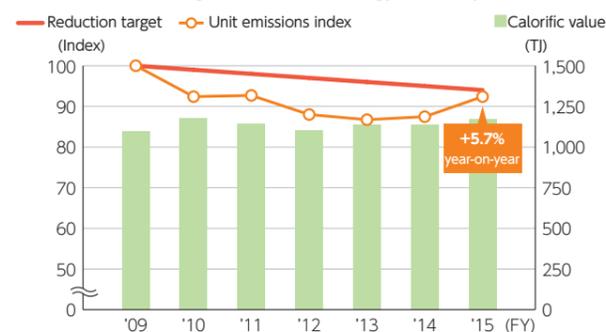
We involve the entire Group in our environmental conservation activities. They are all engaged in reducing environmental pollution.

Domestic Group companies

Energy saving

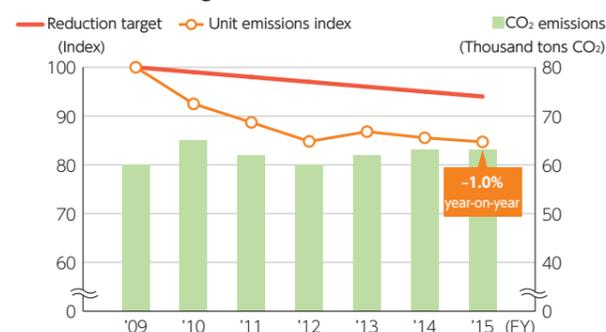
Our domestic Group companies are working with us to save energy, with a target of a 1% reduction annually in unit energy consumption to sales, with fiscal 2009 as the base year. In addition to promoting energy saving such as rationalization of production, we are striving to reduce CO₂ emissions by using furnace insulation. As a result of these reduction activities, we achieved our unit consumption targets for fiscal 2015 (energy, CO₂).

Movements in target and actual energy consumption to sales



*Unit consumption in fiscal 2009 as 100
*Electric heat value coefficient = 8.81 GJ/1000 kWh

Movements in target and actual CO₂ emissions



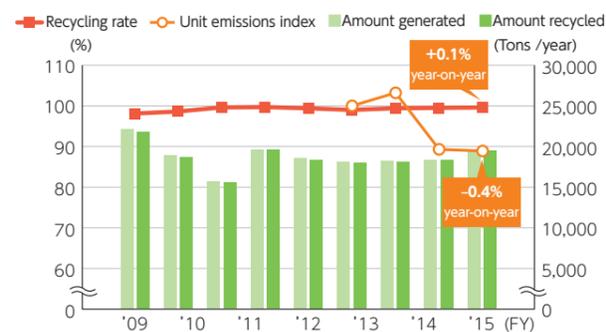
*Unit consumption in fiscal 2009 as 100
*Electric CO₂ coefficient = 0.368 tons/1000 kWh

Towards an environment-friendly society

The total amount of waste generated by NHK Spring Group companies in Japan in the 2015 was 19,575 tons. Of this, recycled was 19,496 tons was recycled, for a recycling rate of 99.6% an improvement of 0.1% from fiscal 2014.

As an example of recycling activities, Nippatsu Service at Group companies in Japan and Nippatsu Harmony separate and collect various waste at the Yokohama office to encourage recycling and waste reduction.

Movements in amounts of waste generated and recycled



*Unit consumption in fiscal 2012 as 100



Nippatsu Service and Nippatsu Harmony weighing and separating waste

Voice

Hideaki Matsudo
Production Technology Manager
Horikiri, Inc.



Promoting manufacturing leading to reducing environmental impact

Horikiri mainly develops and manufactures automotive suspension springs and various industrial springs as a member of the NHK Spring Group.

Horikiri has acquired ISO 14001 certification in 2001 and promotes environmental contribution activity based on the environmental policy of manufacturing that lead to resource-saving, energy-saving, and reducing environmental impact. As a result of various productivity improvement activities such as electricity-saving by introducing highly efficient equipment, reducing fuel consumption by heating furnace insulation, improving operation rate and reducing spoil rate, unit consumption index of fuel and electricity has increased and reached the CO₂ reduction target.

We will continue activities to bring positive impact on the environment through reducing environmental impact during the development stage of springs and reach the environmental target while contributing to the reduction of environmental impact.

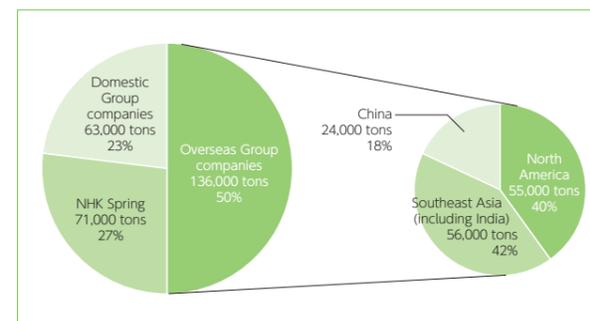
Overseas Group companies

CO₂ emissions

The volume of CO₂ emissions for overseas Group companies in fiscal 2015 accounted for 50% of the whole Group, an increase of 1% compared to the previous fiscal year.

The breakdown shows an increase of approximately 1,000 tons each in North America, Southeast Asia, and China. In the future we will continue diagnosis of plant energy saving, and promote activities to reduce CO₂ emissions.

Fiscal 2015 CO₂ emissions by Group segment

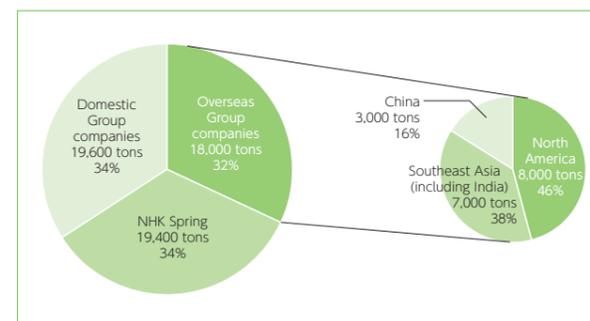


Waste emissions

Amount of waste in Japan is on a downward trend, and there is a similar downward trend in the amount waste for overseas Group companies.

The amount of waste overseas for fiscal 2015 accounted for 32% of the whole group, decrease of 3% from the previous fiscal year. To promote voluntary recycling activities in the future, we will promote the effective utilization of waste by improving recycling.

Fiscal 2015 volumes of waste generated by Group segment



Energy saving

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

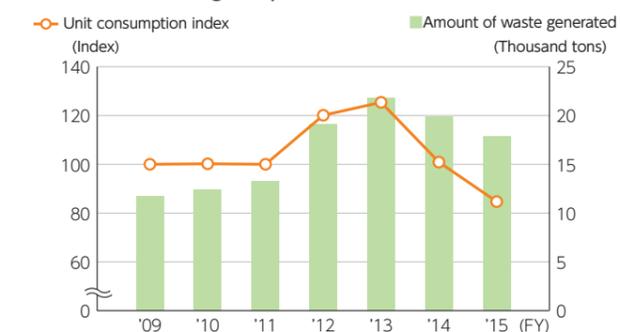
We also are expanding similar improvement activities as were carried out in Japan as in other regions, to progress energy saving actions throughout the Group overseas.

Movements in CO₂ emissions in overseas Group companies (10 manufacturing companies)



*Unit consumption in fiscal 2009 as 100

Movements in waste generated in overseas Group companies (10 manufacturing companies)



*Unit consumption in fiscal 2009 as 100

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 the release of pollutants.

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

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

Results of fiscal 2015 survey of pollutant releases and transfers (April 1, 2015 - March 31, 2016)

(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	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	
20	2-aminoethanol	Class I	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.2	1.0	
30	Linear alkylbenzenesulfonate	Class I	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	
53	Ethyl benzene	Class I	46.6	7.8	0.0	0.0	0.0	0.0	0.0	0.0	0.1	
71	Ferric chloride	Class I	10.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	
80	Xylene	Class I	148.5	28.4	0.0	0.0	0.0	0.0	0.0	0.0	0.1	
82	Silver and its water-soluble compounds	Class I	0.2	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	
296	1,2,4-trimethylbenzene	Class I	1.5	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
297	1,3,5-trimethylbenzene	Class I	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
298	Toluene diisocyanate (TDI)	Class I	1162.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	
300	Toluene	Class I	68.6	25.5	0.0	0.0	0.0	0.0	0.0	0.0	6.4	
304	Lead and its compounds	Class I	2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
309	Nickel compounds	Special Class I	0.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.3	
355	Bis (2-ethylhexyl) phthalate	Class I	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
384	1-Bromopropane	Class I	9.4	7.9	0.0	0.0	0.0	0.0	0.0	0.0	1.5	
410	Polyoxyethylene nonylphenyl ether	Class I	1.5	0.0	0.0	0.0	0.0	0.0	0.0	1.4	0.1	
412	Manganese and its compounds	Class I	3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
448	Methylene diphenyl diisocyanate (MDI)	Class I	509.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.9	
455	Morpholine	Class I	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	
460	Tricresyl phosphate	Class I	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total volume of PRTR substances			1969.7	70.2	0.0	0.0	0.0	0.0	0.0	1.9	18.0	
Domestic Group companies												
1	Zinc compounds (water-soluble)	Class I	11.5	0.0	0.0	0.0	0.0	0.0	0.0	0.2	8.4	
20	2-aminoethanol	Class I	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
53	Ethyl benzene	Class I	34.0	32.6	0.0	0.0	0.0	0.0	0.0	0.9	0.4	
66	1,2-Epoxybutane	Class I	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
69	2,3-Epoxypropyl phenyl ether	Class I	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
80	Xylene	Class I	90.9	67.2	0.0	0.0	0.0	0.0	0.0	2.1	0.9	
185	Dichloropentafluoropropane (HCFC225)	Class I	1.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.1	
186	Dichloromethane	Class I	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
232	N,N-dimethylformamide	Class I	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
240	Styrene	Class I	22.1	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
296	1,2,4-trimethylbenzene	Class I	1.7	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
297	1,3,5-trimethylbenzene	Class I	20.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
298	Toluene diisocyanate (TDI)	Class I	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
300	Toluene	Class I	99.4	98.3	0.0	0.0	0.0	0.0	0.0	0.4	0.6	
304	Lead and its compounds	Class I	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	
309	Nickel compounds	Special Class I	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
321	Vanadium compounds	Class I	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
354	Bis (n-butyl) phthalate	Class I	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
355	Bis (2-ethylhexyl) phthalate	Class I	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
374	Fluorine compounds and their water-soluble salts	Class I	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
384	1-bromopropane	Class I	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	
392	n-hexane	Class I	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
412	Manganese and its compounds	Class I	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
448	Methylene diphenyl diisocyanate (MDI)	Class I	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total volume of PRTR substances			290.4	212.5	0.0	0.0	0.0	0.0	0.0	3.6	12.1	

*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
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 Nippon 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 3Rs (Let's Reduce, Reuse and Recycle!) by Yokohama City		Implementation of Amended Water Pollution Control Act (Facilities using Hazardous Substances) First commitment period under Kyoto Agreement ended
2013	Feb.: Yokohama Office won the Energy Saving Award of Kanagawa Global Environment Prize Nov.: 24th NHK Spring Forum held (merged with the 19th Global Environmental Forum) Nov.: Yokohama Office received Yokohama City recognition for excellence in the 3Rs (Let's Reduce, Reuse and Recycle!) (two years in a row)	Dec.: Tokuhatsu Sanda Plant completed	Start of the Kyoto Protocol second commitment period (2013 - 2020)
2014	Apr.: Starting Clean-up Activity of NHK Spring Mitsuzawa Football Stadium by Volunteers Oct.: Yokohama Office received energy efficiency field visit from the Ministry of Economy, Trade and Industry Nov.: 25th Global Environment Forum Nov.: Yokohama Office received Yokohama City recognition for excellence in the 3Rs (Let's Reduce, Reuse and Recycle!) (three years in a row)	Nov.: NHK Spring Production Company received climate change field survey based on the Kanagawa Prefecture ordinance Dec.: Tokuhatsu Sanda Plant received ISO 14001 certification (expanded authentication)	United Nations Climate Change Summit held Publication of the IPCC Fifth Assessment Report
2015	Oct.: 26th Global Environment Forum held Nov.: Komagane Plant (Industrial Machinery & Equipment) receiving on-site GHG countermeasure survey based on regulations of Nagano Prefecture Nov.: Yokohama Office received Yokohama City recognition for excellence in the 3Rs (Let's Reduce, Reuse and Recycle!) (four years in a row)		United Nations Framework Convention on Climate Change (COP21) Adoption of Paris Agreement

Head Office

Research & Development Division, Engineering Division



Location: Kanazawa-ku, Yokohama
Business areas and products: Planning, management, R&D
Commenced operations: February 1991
Employees: 435

Overview of our activities

Our Head Office is located in the same Yokohama office as our Suspension Spring and Seating Division. In cooperation with each production divisions, we operate with consideration for the surrounding environment, in particular, we take care to comply strictly in cooperation with local governments in terms of waste water, air, noise and waste.

Outlook and policies

As a Head Office function, we develop new products and equipment that are energy-saving or use renewable energy, and support the environmental activities of the Group by providing various environmental education and environmental audits. In addition, by taking the lead with projects such as installing solar power generation panels and introducing LED lighting, the Yokohama Office is the driving force in overall Group environmental activities.

Fiscal 2015 and 2016 initiatives

Reducing CO₂ emissions

- In fiscal 2015, gas engine for power generation managed by the Head Office was terminated and CO₂ and NO_x emissions was reduced. In addition, through continuing the visualization of the amount of energy used, we achieved the peak power target for the Yokohama Office.
- We will continue activities to eliminate waste and unevenness of energy use in fiscal 2016, aiming to achieve our targets.

Managing chemicals

- We added substances that impact the environment to our Green Procurement Guidelines in March 2016, and revised our management of substance that impact the environment. In fiscal 2016, we will promote risk assessment for the safe management of chemical substances used in the plants.

Reducing industrial waste

- During fiscal 2015, we implemented separation recycling of waste at the Head Office (including the Research & Development Division) and activities to reduce emissions and costs. As a result, we were able to achieve our emissions target and recycling targets.
- In fiscal 2016, while maintaining the recycling (recycling rate), we will advance operational efficiency and reduce the amount of waste in a planned manner.

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

Substance	Equipment	Regulated value	Actual
NO _x	Hot water boiler	A	0.042
		B	0.106
		C	0.106
	Cooling water generator	A	0.070
		B	0.047
		C	0.025
Dust	Hot water boiler	A	0.050
		B	0.050
		C	0.050
	Cooling water generator	A	0.050
		B	0.050
		C	0.050

NO_x units: m³ N/h Dust units: g/m³ N

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

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5-9	7.4	6.6	7.0
Oil	5	2.5	0.1	1.6
Fe	3	0.7	<0.3	<0.3
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	<0.8	<0.8	<0.8
Phenols	0.5	<0.05	<0.05	<0.05
NH ₄	380	1.2	<0.3	<0.3

Units: mg/l

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

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5-9	7.3	6.5	7.0
Oil	5	3.3	0.3	1.3
Fe	3	0.5	<0.3	<0.3
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
NH ₄	380	1.2	0.4	0.8

Units: mg/l

Suspension Spring Division

Yokohama Plant



Location: Kanazawa-ku, Yokohama
Products: coil springs, Leaf springs, and metal bellows
Commenced operations: November 1987
Employees: 517



Takeshi Uchida
Plant Manager

Outlook and policies

In order to achieve the environmental policy of "global environment-friendly spring manufacturing," our plants will make efforts to reduce CO₂ emissions through energy-saving activities, recycle, reuse valuable resources, and reduce industrial waste by making the production lines more efficient. We will contribute to environmental conservation and preventing global warming through continuous improvement of environmental management system and raising awareness of environmental issues of all employees.

Fiscal 2015 and 2016 initiatives

Energy saving

- In fiscal 2015, we strived to improve unit consumption of gas through insulating the wall of tempering furnace for leaf springs, reducing energy used for idling equipment, changing mercury lamps to LED lights, and improving unit consumption of energy through increasing productivity.
- In fiscal 2016, we will promote horizontal development of insulating exterior wall of deodorizing furnace for leaf springs, changing remaining 150 mercury lamps in the plant to LED lights, automatically turning off LED lights in areas in automatic operation and no one is around.

Reducing industrial waste

- In fiscal 2015, we promoted everyone participating in the reduction activities, turning waste into useful resources, and achieved the goal of a 3% reduction in both industrial waste emission index and industrial waste cost index compared to fiscal 2012.
- In fiscal 2016, we will continue to promote waste reduction and recycling of waste into useful resources, aiming for a 4% reduction over fiscal 2012.

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

Substance	Equipment	Regulated value	Actual
NO _x	Metal reheating furnace	A	0.128
		B	0.110
		C	0.212
		D	0.169
		E	0.119
	Metal tempering furnace	A	0.202
		B	0.123
		C	0.104
		D	0.085
		E	0.059
Dust	Metal reheating furnace	A	0.1
		B	0.1
		C	0.1
		D	0.1
		E	0.1
	Metal tempering furnace	A	0.1
		B	0.1
		C	0.1
		D	0.1
		E	0.1

NO_x units: m³ N/h Dust units: g/m³ N

■ Water quality (Regulated value: Yokohama sewage regulations)

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5-9	7.0	6.6	6.8
Oil	30	9.7	3.4	6.1
Animal and vegetable	5	3.1	0.1	0.4
Mineral	3	<0.3	<0.3	<0.3
Fe	1	0.2	<0.1	<0.1
Zn	1	0.9	0.2	0.5
Ni	1	<0.1	<0.1	<0.1
Mn	1	1.5	<0.8	1.0
Fluorine	8	<1.0	<1.0	<1.0
Boron	10	95	24	63
Total nitrogen	16	3.0	<1.0	1.1
Total phosphorus	380	84	18	52
NH ₄				

Units: mg/l

Suspension Spring Division

Shiga Plant



Location: Koka, Shiga
 Products: Coil springs, stabilizer bars, and torsion bars
 Commenced operations: November 1973
 Employees: 270



Haruhiko Okumura
 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 2015 and 2016 initiatives

Energy saving

- In fiscal 2015, we have continued implementing inspection of air leaks and closing control panel power circuit breakers, reducing use of electricity through further changing fluorescent lamps to LED lights and changing ceiling lights in No.2 plant to LED lights (144 lights), and reducing gas usage through insulating exterior surface of gas treatment furnace.
- In fiscal 2016, we will continue various energy-saving activities while engaging in horizontal development of changing ceiling light to LED lights, considering more effective use of compressors to reduce CO₂ emissions.

Recycling and reducing waste

- With Lake Biwa located next to our plant, management of waste water quality is important factor. In fiscal 2015, we have engaged in environmental conservation activities such as updating the aeration tower of waste water treatment facility.
- In fiscal 2016, we will promote environmental conservation activity through also engaging in reduction of industrial waste.

Atmosphere (Regulated values: Air Pollution Control Law)

Substance	Equipment		Regulated value	Actual
NOx	Metal reheating furnace	A	180	88
		B	180	31
		C	180	29
		D	180	45
		E	180	42
Dust	Metal reheating furnace	A	0.25	<0.005
		B	0.20	<0.003
		C	0.20	<0.007
		D	0.20	0.002
		E	0.20	<0.018

NOx units: ppm Dust units: g/m³ N

Water quality (Regulated value: Agreement with Koka)

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	6-8.5	7.2	6.4	6.9
BOD	30	1.0	<1.0	<1.0
COD	30	<1.0	<1.0	<1.0
SS	70	4.0	<1.0	1.2
Oil	5	3.0	0.8	1.8
Total nitrogen	12*	7.5	<1.0	2.9
Total phosphorus	1.2*	0.8	<0.1	<0.1
Fluorine	8*	0.9	<0.8	<0.8
Boron	10*	<1	<1	<1
Zn	1*	0.4	<0.1	0.1

Units: mg/l

*Shiga prefectural regulations

Seating Division

Gunma Plant



(Ojima area) Location: Ota, Gunma
 Products: Automotive seats
 Commenced operations: December 1986
 Employees: 580

(Ota area) Location: Ota, Gunma
 Automotive interior products
 Included in Ojima area



Masato Miura
 Plant Manager

Outlook and policies

At our plant, we undertake systematic production activities from development and design to manufacturing and shipment of automobile seats and interior parts for automobiles that are safe and kind to people and the environment, contributing to the development of automobile society. Aware that the mission given to us is that the earth, green and beautiful continue to the next generation, our plant promotes production considering environmental conservation based on the environmental policy.

Fiscal 2015 and 2016 initiatives

Energy saving (reducing CO₂ emissions) activity

- In fiscal 2015, we have achieved CO₂ emission of 4,839t-CO₂, reaching the CO₂ emission target (4,919t-CO₂ or less) through reviewing control method of pumps for manufacturing and stopping their operation when unnecessary and introducing highly efficient motors when renewing equipment.
- In 2016, we expect continued high production load but have set a higher voluntary target (4,790t-CO₂ or less) and continue energy-saving activity through environmental activities through operations.

Reducing amount of waste

- We will continue thorough separation of waste in fiscal 2016 and turn waste into useful resources to continue 100% recycling.

Atmosphere: Ojima area (Voluntary values for unregulated equipment)

Substance	Equipment	Regulated value	Actual
NOx	Boiler	A	300
		B	300
		C	300
		D	300
	Generator	950	
Dust	Boiler	A	0.2
		B	0.2
		C	0.2
		D	0.2
	Generator	0.1	

NOx units: ppm Dust units: g/m³ N

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

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	6-8	7.7	6.2	7.0
BOD	10	10	<1.0	3.5
SS	10	3.0	<1.0	1.6
Oil	Animal and vegetable	3	2.7	0.1
		Mineral	3	0.8

Units: mg/l

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

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5.8-8.6	7.8	7.2	7.5
BOD	40	7.0	1.0	3.1
COD	40	7.0	2.0	4.7
SS	50	3.0	<1.0	1.6
Oil	5	3.9	0.4	1.5

Units: mg/l

Seating Division

Yokohama Plant



Location: Kanazawa-ku, Yokohama
 Products: Automotive seats and interior products
 Commenced operations: April 1990
 Employees: 561



Akihiko Sadahisa
 Plant Manager

Outlook and policies

Aware that the mission given to us is that the earth, green and beautiful continue to the next generation, each of our employees thinks in terms of protecting the environment when engaging in manufacturing activities. We pursue possibilities for resource use reduction, recycling and reduction of environmental impact across our all development, design, and production processes with the keywords "Eliminate, Reduce, Change," and promote CO₂ emission reductions to help prevent climate change.

Fiscal 2015 and 2016 initiatives

Saving energy and reducing CO₂ emissions

- In fiscal 2015, with the theme of matching equipment capacity to production volume in recent years, we reduced our compressor pressure and made efforts in energy reduction activities. We also changed to small electric boilers in response to increase of LNG usage for steam boilers due to ending cogeneration.
- In fiscal 2016, guide lights and other lightings that reach its replacement period will be replaced to LED lights. In addition, boilers will continued to be replaced to small electric boilers as part of activities to reduce LNG usage.

Environmental education

- In preparation for the revision of ISO 14001 in fiscal 2015, manuals, standards and guides will be created to enhance education and operate improved environmental management system.

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

Substance	Equipment	Regulated value	Actual
NOx	Boiler	0.064	0.029
Dust	Boiler	0.05	<0.002

NOx units: m³ N/h Dust units: g/m³ N

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	3.0	0.5	1.4
	Mineral	5	0.8	0.3

Units: mg/ℓ

Toyota Plant



Location: Toyota, Aichi
 Products: Automotive seats and interior products
 Commenced operations: June 1961
 Employees: 346



Masayoshi Yamaguchi
 Plant Manager

Outlook and policies

The plant engages is the manufacture of automotive seat frames systematically from design, manufacture up to shipment of completed seats. In addition to promoting efficient manufacturing activities to reduce CO₂ emissions using equipment that consider energy saving, we also rank environmental conservation of a clear stream Yahagi River as an important item and are contributing to the development of an affluent society aiming to live together with local communities.

Fiscal 2015 and 2016 initiatives

Energy saving

- In fiscal 2015, we engaged energy-saving through introducing intermittent operation control of air conditioners and CO₂ reduction through making exhaust duct fan motor more efficient. In addition, regarding the change to LED lighting for the plant since fiscal 2011, we have replaced approximately 70% the lights in the plant with LED lights.
- In fiscal 2016, we will continue energy-saving activities while engage in activities focusing on net energy in manufacturing. We will review control of compressors based on the amount of production and analyze the amount of energy usage in the entire plant to reduce energy loss and operate the plant more efficiently.

Recycling and reducing waste

- We will include waste reduction in the environmental plant and engage in resource-saving and reducing environmental impact.

Water quality (Regulated value: Sewage Law)

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5-9	7.7	7.0	7.4
BOD	600	13.0	4.0	6.6
COD	600	11.0	4.0	7.5
SS	600	7.0	1.0	3.8
Oil	5	3.6	0.8	1.8
Zn	2	0.3	<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: 369



Hajime Iwase
Plant Manager

Ina Plant



Location: Miyada-mura, Kami Ina-gun, Nagano
 Products: Wire springs and precision machined components
 Commenced operations: December 1943
 Employees: 504



Satoshi Tendo
Plant Manager

Outlook and policies

Full-scale mass production of high-efficiency drive components for environmentally friendly electric vehicles was started from fiscal 2014. In addition, as part of our social contribution, we actively participate in activities such as the clean campaign, held in Atsugi district, and as well as raising awareness about waste reduction, we comply with legal reforms, working actively to reduce CO₂ emissions.

Fiscal 2015 and 2016 initiatives

Saving energy and reducing CO₂ emissions

- Continued from the reduction of CO₂ emissions by 3.8% over the previous fiscal year in fiscal 2014, CO₂ emissions was reduced by 5.7% compared to fiscal 2014 in fiscal 2015. In fiscal 2016 we will continue to our efforts to reduce CO₂ emissions.
- We will further proceed with the reduction of CO₂ emissions by installing the air-conditioning operation system and eliminating inefficiency of air conditioners.
- By immediate understanding of the power usage situation, we increase the capability to detect power waste and manage the power peak.
- Based on the revised Law Concerning the Rational Use of Energy, we are striving to smoothe power usage. We are promoting full staff participation in energy saving.

Recycling and reducing waste

- In fiscal 2015, we reduced the volume of waste by recycling 724kg of used cooking oil discharged from the cafeteria into biodiesel fuel.
- As deputy chairman of the Council for waste countermeasures in the Atsugi region, we are strengthening efforts for reducing waste with both government and private industry united.
- Since fiscal 2005, we have reached a recycling rate of at least 99%, which we intend to maintain in future.

Greening

- We actively participate in clean-up activities such as in the Atsugi metropolitan area and riverbeds (Six City Prefectural Sagami-hara Summit Campaign, etc.)

Water quality (Regulated value: Sewage Law)

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5-9	7.5	7.0	7.2
BOD	600	44	6	26
COD	—	49	15	30
SS	600	153	<1	15
Oil	Animal and vegetable	30	11.0	2.2
	Mineral	5	0.9	0.1
Fe	10	<1	<1	<1
Total nitrogen	125	30	9	20
Fluorine	8	<0.8	<0.8	<0.8
Boron	10	<1.0	<1.0	<1.0

Units: mg/ℓ

Outlook and policies

Starting with automobile transmissions and various wire springs for engines, our plant develop and manufacture functional products that utilize springs, as well as semiconductor testing devices that are high-quality, high-performance and take full consideration of environmental impact. We will also further global environmental conservation to the next level in the future while working to persevere the environment with everyone's participation to pass down the rich natural environment of Inadani to generations to come.

Fiscal 2015 and 2016 initiatives

Saving energy and reducing CO₂ emissions

- In fiscal 2015, we have increased the amount of special processing to respond to customer requirements for higher functionality and higher performance, but have not reached our CO₂ emission reduction targets. However, the result of various energy-saving activities were the best in the last four years in unit consumption.
- In fiscal 2016, we are continuing improvements made in fiscal 2015. We will implement initiatives such as the update of lighting to LEDs and energy-saving air condition at our plants while working to reduce CO₂ by updating production equipment with high loss.

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 will 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 connects to raising the environmental consciousness of our employees.

Atmosphere (Regulated values: Air Pollution Control Law)

Substance	Equipment	Regulated value		
		A	B	C
NOx	Heating boiler	A	250	62
		B	250	54
		C	250	54
Dust	Heating boiler	A	0.3	0.002
		B	0.3	<0.002
		C	0.3	<0.003
SOx	Heating boiler	A	—	<1
		B	—	<1
		C	—	<1

NOx units: ppm Dust units: g/m³ N

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

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5.7-8.7	7.7	6.8	7.3
BOD	600	13	4	9
COD	—	10	3	7
SS	600	12	2	7
Oil	5	2.2	0.3	1.4
Fe	10	<1	<1	<1
Cu	3	<0.3	<0.3	<0.3
Total nitrogen	380	9	1	4

Units: mg/ℓ

Disk Drive Suspension Division

Komagane Plant



Location: Komagane, Nagano
 Products: HDD suspensions
 Commenced operations: November 1983
 Employees: 596



Satoshi Yamashita
 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 2015 and 2016 initiatives

Energy saving (reducing CO₂ emissions)

- We furthered the ongoing production capacity from the previous fiscal year to sustain the appropriate production capabilities and completed this effort at the end of fiscal 2015. As a result, CO₂ emissions were reduced 6% from the previous fiscal year.
- In fiscal 2016, we aim for further improvements through initiatives such as effectiveness of production capacity in addition to operational review of steam boilers for air conditioning.

Recycling and reducing waste

- In fiscal 2015, we sustained a 100% recycling rate, but emissions and processing costs increased with additional waste caused by factors such as new processes and production capacity.
- In fiscal 2016, we will sustain a 100% recycling rate while reducing waste through separation innovations and working to improve transition of waste into useful resources.

Water quality (Regulated value: Nagano prefectural regulations)

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5.8-8.6	7.8	7.1	7.4
BOD	20	9.0	1.0	4.4
COD	20	8.0	1.0	4.8
SS	30	30	<1	5.5
Oil	5	2.9	0.6	1.3
Total phosphorus	16	<1.0	<1.0	<1.0

Units: mg/ℓ

Industrial Machinery & Equipment Division

Isehara Plant (Bonding and Ceramic Department, Special Products Department, STS Department)



Location: Isehara, Kanagawa
 Products: Brazed products, pipe support systems, specialized springs, security products
 Commenced operations: March 1993
 Employees: 256



Hiroshi Kaneko
 Director, Bonding and Ceramic Department



Takuo Higuchi
 Director, Special Products Department



Tokio Sakauchi
 Director, STS Department

Outlook and policies

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

Fiscal 2015 and 2016 initiatives

Energy saving

- In fiscal 2015, we cleared all of our targets to reduce CO₂. This is thanks to participation of everyone in environmental conservation activities. In particular, initiatives every year to improve production efficiency for our electric furnace makes up 40% of the electric energy of our plants has reduced almost our consumption 33% in fiscal 2015.
- We succeeded in reducing the CO₂ unit consumption 26% against our target of 3% compared to fiscal 2012, which allowed us to greatly increase our results.
- We are introducing clear energy saving activities in each workplace to heighten the motivation of everyone.

Recycling and reducing waste

- In fiscal 2015, we cleared all of our targets to reduce waste. We have maintained 100% for our recycling ratio and initiatives to separate waste with everyone participating for 11 consecutive years.

Environmental education

- The theme in 2015 for the environmental education held in May every year for all of our employees to take was "the meaning of thinking about environmental issues". We reaffirmed that everyone is an assailant before they become a victim of environmental pollution while learning the importance of environmental conservation that followed up on the "What we can do -Not only for the present but for the future- and "for the children responsible for the next generation!" themes.

Water quality (Regulated values: Isehara sewage regulations)

Item	Regulated value	Actual			
		Maximum	Minimum	Average	
pH	5.0-9.0	8.4	6.9	7.8	
BOD	600	390	57	192	
Oil	Animal and vegetable	30	25	1.0	6.8
	Mineral	5	1.0	1.0	1.0
Fe	3	0.10	0.02	0.04	
Zn	1	0.11	0.02	0.05	
Mn	1	0.02	0.02	0.02	
Pb	0.1	0.01	0.01	0.01	

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: 166



Akira Enoki
 Director, Chemical Products Departments



Ryuichi Kawatake
 Director, Electronic Components Department

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 metal 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 2015 and 2016 initiatives

Recycling and reducing waste

- In fiscal 2015, we maintained our 100% recycling rate. Waste declined year-on-year by 10% due to yield improvements and processing of waste into usable resources, and waste disposal cost was significantly reduced by 25% year-on-year.
- In fiscal 2016, we will continue to work to promote the processing of waste into valuable resources and reduce that amount of waste and costs.

Reducing CO₂ emissions and unit consumption

- In fiscal 2015, CO₂ emission increased with the start of mass production at our new factory, and we did not achieve our unit consumption targets.
- In fiscal 2016, we will expand our energy-saving activities with initiatives such as transitioning lighting to LEDs and introducing inverter compressors.

Enhanced environmental management

- In fiscal 2015, we added the act concerning the recovery and destruction of chlorofluorocarbon after revision to law.
- In fiscal 2016, we will add our third production building and regulating reservoir to our ISO application scope. We will also work to sustain and improve environmental conservation by updating environmental equipment and executing renovation plans.

Atmosphere (Regulated values: Air Pollution Control Law)

Substance	Equipment	Regulated value	Actual
NOx	Hot water boiler	A	180
		B	180
Dust	Hot water boiler	A	0.3
		B	0.3

NOx units: ppm Dust units: g/m³ N

Water quality (Regulated value: Nagano prefectural regulations)

Item	Facilities	Regulated value	Actual		
			Maximum	Minimum	Average
pH	Production Building 1	5.8-8.6	8.1	7.4	7.8
	Production Building 2		*9.2	6.8	7.4
BOD	Production Building 1	20	2.0	1.0	1.6
	Production Building 2		*24	8	16
COD	Production Building 1	20	<1.0	<1.0	<1.0
	Production Building 2		11	7	9
SS	Production Building 1	30	1.0	<1.0	<1.0
	Production Building 2		2	<1	<1
Oil	Production Building 1	5	1.6	0.5	1.1
	Production Building 2		2.7	0.1	1.5
Fe	Production Building 2	10	<1	<1	<1
Cu	Production Building 2	3	0.4	<0.3	<0.3

Units: mg/l

*Due to a temporary decrease in drainage processing capacity. Rectified

Yasu Plant (Parking Systems Department)



Location: Yasu, Shiga
 Products: Mechanical multilevel parking systems
 Commenced operations: October 1996
 Employees: 61



Toshio Shiigi
 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 2015 and 2016 initiatives

Energy saving (reducing CO₂ emissions)

- In fiscal 2015, we reviewed our production plan to reduce energy when launching powder coating equipment with large energy consumption and gain effectiveness in CO₂ reductions.
- In fiscal 2016, we will conduct improvements with reducing standby power as a theme. We plan to put effort into monitoring electric power to plan even greater energy-saving items in fiscal 2017. We will add electric power monitors as necessary through this effort.

Recycling and reducing waste

- We will carry out improved and thorough separation to maintain our 100% recycling rate.
- This fiscal year, we will also look for a new waste treatment contractor to promote recycling of waste into useful resources and to increase our in-house waste liquid treatment rate and reduce processing costs.

Atmosphere (Regulated values: Air Pollution Control Law)

Substance	Equipment	Regulated value	Actual
NOx	Boiler	150	46
	Drying oven	230	22
Dust	Boiler	0.1	0.01
	Drying oven	0.2	<0.003

NOx units: ppm Dust units: g/m³ N

Water quality (Regulated value: Sewage Law)

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5-9	8.3	7.2	7.6
BOD	600	6	1	2
COD	—	4	<1.0	2
SS	600	11	2	6
Oil	5	2.4	0.5	1.0
Ni	1	0.3	<0.1	0.2
Total nitrogen	60	29	12	22
Total phosphorus	10	<1.0	<1.0	<1.0

Units: mg/l

Editorial policy

The NHK Spring Group has published the NHK Spring Report since the 2008 fiscal year, summarizing the overview of social, environmental and financial aspects of what we have done over the last year. The 2016 NHK Spring Report is our ninth. We have reviewed our page layout to make it easier to follow for our readers.

In addition, because the latest CSR information publishes more detailed shareholder and investor information on the home page, feel free to use it at the same time.

CSR information <http://www.nhkspg.co.jp/eng/csr/>

Shareholder and investor information <http://www.nhkspg.co.jp/eng/ir/>

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 their company name. We make every effort to ensure that the Report is accurate.

Reporting period

In principle, the Report covers our business activities from April 2015 to March 2016.

As it is published in November, it will also include any major developments since April 2016.

Readership

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



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