

NHK SPRING REPORT

Society•Environment•Finance April 2013 — March 2014

2014

Building a better world by building innovative products



NHK Spring evolves with society by building innovative products

Since its establishment, the spirit of building innovative products is unswerving and unchanged. NHK Spring continues to evolve with society and contribute to sustainable development of the world.



Data communications

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

Security

Comfort

Sustainable development

Environmental contribution

Safety

Creating value for society

Industry and lifestyle

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

Automobiles

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



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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 2014 NHK Spring Report is our seventh. 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 name. We make every effort to ensure that the Report is accurate.

Reporting period

In principle, the Report covers our business activities from April 2013 to March 2014. As it is published in September, it will also include any major developments since April 2014.

Readership

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

Editorial guidelines

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

“Innovation within innovation” for further growth



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.

As a basic policy for mid- and long-term business strategy, the Group has formulated a three-year 2016 Medium Term Management Plan (2016 Midterm Plan) starting from fiscal 2014 and concluding with fiscal 2016. In this three-year period, we will establish a base for the 80th anniversary of our foundation (in 2019), and steadily implement measures that should be taken to achieve our goals.

We have adopted “Innovation within innovation” as the slogan for fiscal 2014 management policy. In Japan, the number of automobiles produced is expected to decrease as a result of the last minute surge in demand before the consumption tax increase in April this year. Overseas, there are concerns over the impact of economic slowdown in developing nations, and reduction in the number of hard disk drives produced due to the decreasing demand for PCs. Given such an environment, we must continue to move ahead with improvements and innovation in order for the Group to continue sustainable growth globally. In this uncertainty, we believe that it is important to check the basis of our business once again to ensure that we are not charging ahead without sufficient preparation, and at the same time, stride into the future solving any problems as we move forward.

The business environment surrounding the Group is constantly changing, but we will move ahead united in

order to achieve our goals. Whilst enhancing our efforts in accelerating global business, without changing our approach of making efforts to focus on the improvement of our group management, we hope to continuously grow by exerting the comprehensive strengths of the Group.

To sustain the growth of the company, we must increase sales and profitability while managing the business more efficiently. At the same time, we recognize the need to push ahead with CSR activities, and make the objective to “continue to press forward

with high-quality CSR” one of our management policies. With that in mind, we act with the awareness of our responsibilities to society as a global company. In order to continue to develop our shareholder’s confidence in us, we aim to improve management transparency and audit systems.

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

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.

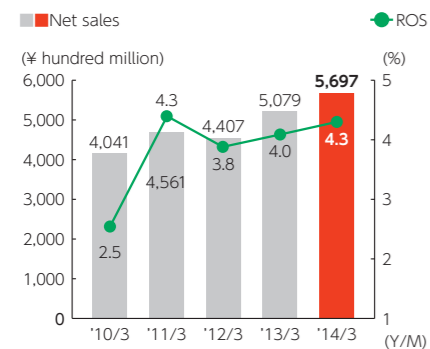
Five-year summary (consolidated)

(Millions of Yen)

	Year ended in March 2010	Year ended in March 2011	Year ended in March 2012	Year ended in March 2013	Year ended in March 2014
Net sales	404,143	456,198	440,752	507,985	569,711
Cost of sales	353,303	389,142	384,643	441,316	492,603
Gross profit	50,839	67,056	56,109	66,668	77,107
Selling, general and administrative expenses	32,053	34,298	33,616	36,648	39,627
Operating income	18,785	32,757	22,493	30,020	37,480
Other income (expenses)	(3,462)	(1,809)	1,306	2,680	2,850
Income before income taxes and minority interests	15,323	30,948	23,799	32,701	40,331
Net income	10,290	19,420	16,741	20,333	24,677
Owned capital	134,242	142,804	154,911	190,000	218,269
Total assets	357,141	356,048	393,695	425,050	464,972
Depreciation	24,074	22,584	21,371	21,393	21,042
Capital expenditure	15,695	20,538	20,370	25,506	20,713
Per share					(Yen)
Net income	43.45	82.44	71.47	83.70	101.60
Shareholders' equity	567.01	610.07	655.86	782.23	898.62
Cash dividends	10.5	15	15	16	20

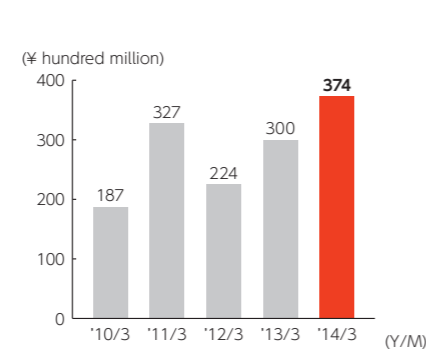
Net sales

12.2%UP



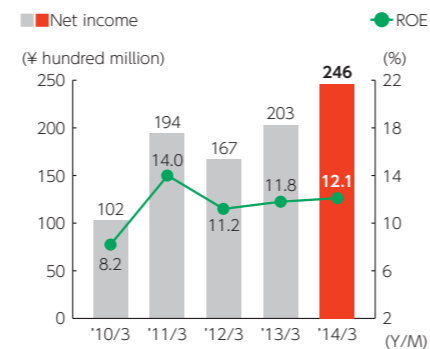
Operating income

24.8%UP



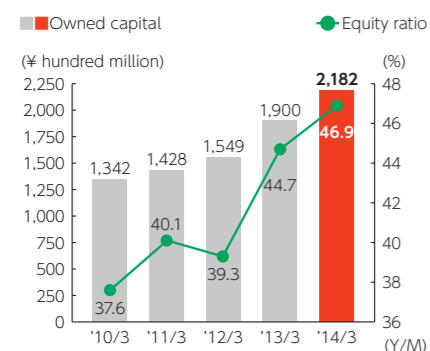
Net income

21.4%UP



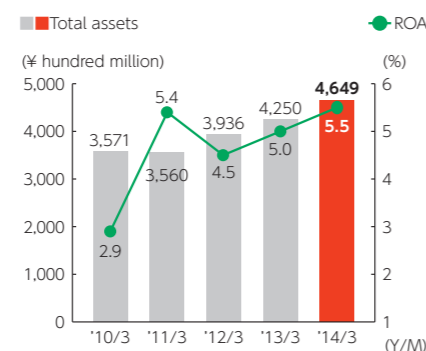
Owned capital

14.9%UP



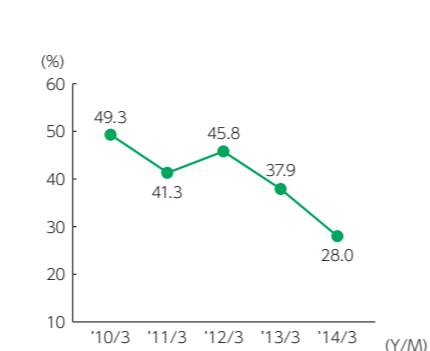
Total assets

9.4%UP



Debt equity ratio

9.9%DOWN



Business activity highlights

Overseas Business

New company for automotive suspension springs set up in Mexico

NHK SPRING MEXICO S.A. DE C.V. was set up in September, 2013 in Mexico as a company for the manufacture and sale of automotive suspension springs. To support the Mexican market where demand is expected to increase, production of coil springs and stabilizer bars is scheduled to begin in February, 2015.

In addition, Topura Co., Ltd., a consolidated subsidiary, established Topura Fastener de Mexico S.A. de C.V. within the same site as a company for the manufacture and sale of springs and bolts. It is scheduled to begin production in April 2015.



Column erection ceremony held at the time the construction project begins for NHK SPRING MEXICO S.A. DE C.V.

Overseas Business

Joint venture company for seats set up in Indonesia

In Indonesia, as a joint venture company with local company P.T. KARYA BAHANA UNIGAM and Faurecia France, P.T. NHK F. KBU Indonesia Automotive Seating has been set up as a company for the manufacture and sale of automotive seats. This supports robust demand for automobiles in rapidly growing Indonesia. Production has started this spring.



The new automotive seating company in Indonesia has started production

Overseas Business

Production starts at automotive seating company in Zhengzhou, China

NHK Seating (Zhengzhou) Co., Ltd. was set up in China in 2011, and started production in February, 2014. As a new production base in China where the market is expected to expand further in the future, it will supply automotive seats in keeping with market needs.



NHK Seating Zhengzhou started production in February, 2014

Overseas Business

Holding company set up in the Netherlands

The holding company NHK Spring Europe B.V. was set up in the Netherlands in March, 2014. It was opened as the parent for business development in Europe. In addition, a German branch office of the company will be opened in fiscal 2014 to improve customer service.

Domestic Business

New Bldg No. 1 in operation at the Atsugi Plant

New Bldg No. 1 was completed and began production in June, 2013 at the Atsugi Plant. In addition to transferring press equipment from other buildings, new press equipment was introduced. In addition to production of precision stamped products, it operates as the mother plant of the motor core business.



New Bldg No. 1 at the Atsugi Plant produces precision stamped products



Overseas Group Companies (32)

North and Central South America

NHK International Corporation

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

New Mather Metals, Inc.

Main Activities : Manufacture and sales of stabilizer bars

NHK of America Suspension Components Inc.

Main Activities : Manufacture and sales of coil springs, trunk lid torsion bars, drive motor cores for electric and hybrid vehicles, and sales of stabilizer links

NHK Seating of America Inc.

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

NHK Spring Precision of America Inc.

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

NHK Spring Mexico, S.A.DE C.V.

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

Rassini-NHK Autopeças Ltda.

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

Asia

NHK Spring (Thailand) Co., Ltd.

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

NHK Precision (Thailand) Co., Ltd.

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

Autrans (Thailand) Co., Ltd.

Main Activities : Automotive and motorcycle component logistics

NHK Manufacturing (Malaysia) SDN. BHD.

Main Activities : Manufacture and sales of printed wiring boards

NHK Spring Philippines, Inc.

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

P.T. NHK F. KBU Indonesia Automotive Seating

Main Activities : Manufacture and sales of automotive seats

NHK Spring (China) Co., Ltd.

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.

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

FNK China Co., Ltd.

Main Activities : Development and sales of automotive seats and components

NHK Seating (Hubei) Co., Ltd.

Main Activities : Manufacture and sales of automotive seats

Faurecia NHK (Xiangyang) Automotive Seating Co., Ltd.

Main Activities : Manufacture and sales of automotive seats

NHK Seating (Zhengzhou) Co., Ltd.

Main Activities : Manufacture and sales of automotive seats

NHK Spring Precision (Guangzhou) Co., Ltd.

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

Chongqing Qingling NHK Seat Co., Ltd.

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

NHK Spring (Shenzhen) Co., Ltd.

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

NHK Spring (Hong Kong) Co., Ltd.

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

NAT Peripheral (Hong Kong) Co., Ltd.

Main Activities : Manufacture and sales of HDD suspensions

NAT Peripheral (Dong Guan) Co., Ltd.

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

NHK Spring (Taiwan) Co., Ltd.

Main Activities : Sales of microcontactor products

Uni Auto Parts Manufacture Co., Ltd.

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

NHK Spring India Ltd.

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

NHK F Krishna India Automotive Seating Private Limited

Main Activities : Manufacture and sales of automotive seats

NHK Automotive Components India Private Limited

Main Activities : Manufacture and sales of precision springs and components

Europe

Ibérica de Suspensiones, S.L.

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

NHK Spring Europe B.V.

Main Activities : Business management, sales, and technical service in Europe

Domestic Group Companies (22)

NHK Sales Co., Ltd.

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.

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

Nippatsu Service Co., Ltd.

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.

Main Activities : Operation of golf driving ranges

NHK Spring Production Company

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

Sumihatsu Co., Ltd.

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

Horikiri, Inc.

Main Activities : Manufacture and sales of springs of all types

Tohoku Nippatsu Co., Ltd.

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

Ites Co., Ltd.

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

Faurecia-NHK Co., Ltd.

Main Activities : Development and sales of automotive seats

Faurecia-NHK Kyushu Co., Ltd.

Main Activities : Manufacture and sales of automotive seats

Sindai Co., Ltd.

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.

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

Ayase Seimitsu Co., Ltd.

Main Activities : Manufacture and sales of precision springs

Tokuhatsu Co., Ltd.

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

NHK Precision Co., Ltd.

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

NHK Parking Systems Co., Ltd.

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

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.

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

Topura Co., Ltd.

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

Yokohama Kiko Co., Ltd.

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

Nippatsu Harmony Co., Ltd.

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

CSR management system and governance

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

Approach to CSR

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

Promoting CSR

We have a Committee which functions for NHK Spring Head Office, and which sits below the Board of Managing Directors. It acts to facilitate discussion to enhance corporate values. We have a series of Committees which are at the center of the CSR activities of the NHK Spring Group. They are the Product Building Innovation Committee, which takes in suppliers; the Human Resources Policy Committee, which examines staff training and employment and other similar issues; the CSR Committee, which coordinates general CSR promotion activities including risk management; the Intellectual Property Strategy Committee, which looks after our patents and other intellectual property; and the Global Environmental Measures Committee, which encourages conservation of the environment.

Board of Managing Directors and Committees



Message from the Chairman of the CSR Committee

We are engaged in high quality, positive CSR activities with the aim of sustained growth



Hiroyuki Kado

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

The NHK Spring Group regards its mission to be "contributing to an affluent society" by using its Guiding Principles and Corporate Philosophy as the basis for management policy. We believe that the CSR activities of the NHK Spring Group are to provide essential key parts in the automotive and telecommunications fields, industry and daily life, to become a company understood and trusted by all its stakeholders including customers, shareholders and investors, suppliers, and local communities, and to contribute to the development of an affluent society.

Also, NHK Spring created the Global Environmental

Activities Guidelines to preserve the natural environment, extracted priorities such as resource saving, energy saving and reducing waste, and is engaged in global activities to reduce the environmental burden.

To build a relationship of understanding and trust with all its stakeholders and local communities where NHK Spring conducts its business activities, we will promote global CSR activities and strengthen governance. NHK Spring is actively engaged in planning for future fulfillment of even more activities with the aim of sustained growth.

Promoting CSR

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

The responsible departments take the lead in conjunction with the different offices and Group companies in carrying out activities on the basis of the policy discussed by the individual Committees. They carry out a great variety of activities in cooperation with regional governments, non-profit organizations, and suppliers.

Corporate Governance

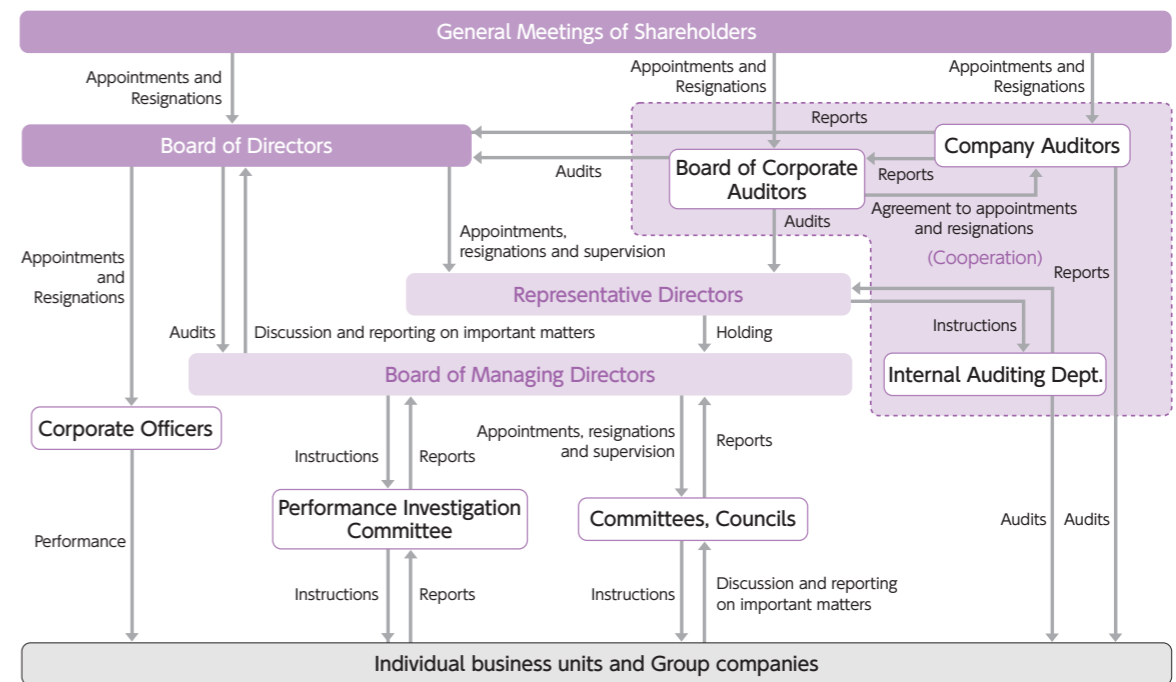
General Meetings of Shareholders and the Board of Directors are the decision-making bodies. However, to allow for more rapid decision-making, we established a system of executive corporate

officers in fiscal 2005. There are now seven board members as of June 27, 2014.

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 27, 2014, it consists of five auditors, three of whom are external auditors. The Internal Auditing Department provides internal controls and is intended to provide an internal audit function looking at the appropriateness and efficiency of Group activities. We have strengthened the Internal Auditing Department and are operating under the enhanced controls in response to the Financial Instruments and Exchange Act, which came into force in fiscal 2008.

With the establishment and expansion of our system of risk management, the Risk Management Department also obtains advice from our corporate lawyers as required, on a consultancy basis.

Governance system



Risk management

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

BCP (Business Continuity Plan)

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

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

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

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

Operational risk management

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

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

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

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

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 order to achieve compliance throughout our business, we have established a compliance system with the Chief Compliance Officer at the top, with responsibility for all divisions and Compliance Instruction Supervisors in each division, under the President who has ultimate authority 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 themselves in accordance with compliance. In addition, a compliance hot line has been established for internal reporting and a consultation counter, so that employees can conduct internal reporting anytime.

Thus, to instill understanding of the NHK Spring Employees Code of Conduct and the compliance system, periodic training is held for new employees and all levels of management, and training sessions are held at each Group company with the aim of raising consciousness of compliance for the entire NHK Spring Group.

Ensuring information security

NHK Spring and all Group companies, based on the NHK Spring Group Security Management Policy Guidelines as the standard for preventing the unauthorized disclosure of information relating to transactions with customers and suppliers, 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.



Endeavor for improvement through employee training centering on new employees

VOICE

Building an effective business continuity management system



Kazuki Tsutsui
CSR Division

Learning the lessons of the Great East Japan Earthquake, NHK Spring, while engaging in revision of a BCP that should minimize unforeseen situations, is also striving toward building a management system.

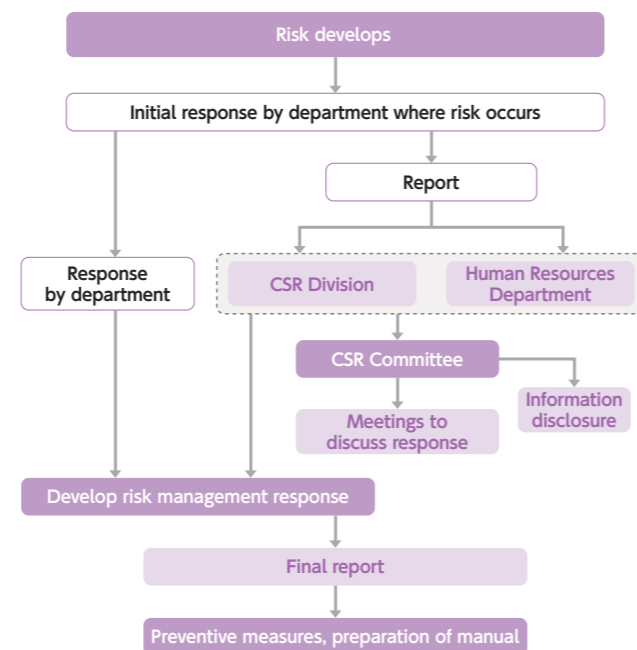
Specifically, everyone is giving insight on how to continue the business if equipment is affected, if suppliers are affected or if employees are affected. We all examine measures.

In addition the plan should not only be formulated, but also practiced, thus raising the consciousness of all, eliminating problem points in the BCP, and striving for improvement.

In particular, by conducting management reviews including top management, we will continue to study and improve BCP while going through the PDCA cycle.

In the future, regardless of whether domestic or overseas, we will develop this arrangement for each company in the NHK Spring Group and establish BCP management.

Crisis Management System



VOICE

The need to continually raise awareness of compliance



Yoichi Watanabe
CSR Division

To achieve compliance, it is essential that the consciousness of each individual employee be raised.

The foundation of compliance management can be considered as having an awareness in their day to day duties of what conduct would be a compliance infraction.

Continual effort is necessary to develop awareness of compliance. Through the sending of compliance messages with familiar themes and conducting periodic class specific training such as for new employees and managers and job type specific training such as for salespeople and technicians, the CSR Division strives to disseminate information on compliance, and to raise consciousness.

As globalization progresses, we are required to meet legal and social needs not just domestically but also overseas. We make continual efforts so that all employees of the NHK Spring Group regardless of whether domestic or foreign, have a greater awareness of compliance.

VOICE

Promote establishment of information security in all groups



Yosuke Ito
Manager, Information Systems Department

Information security is not only essential to gain 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 Guidelines, and we make efforts to strengthen assurance of information security by preparation of related rules, training of employees, inspection of the management situation and continual review.

In addition, the Information Systems Department Planning Group conducts IT risk assessments including regulating IT, system surveillance, and information security, and establishes responses, promoting the building and establishment of IT governance for the entire NHK Spring Group.

Customers

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

Quality assurance

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

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

Quality Guidelines

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

Important policies

- 1) Improve global quality by enhancing inspection and training
- 2) Eliminate quality problems by enforcement of recurrence prevention activities and promotion of preventive activities

Specific arrangements

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

1. **Improve global quality by enhancing inspection and training**
 - 1) Continuously perform global inspection and review of inspection items, and promote self inspection
 - 2) Support human resources development by domestic group education and personalized education
 - 3) Conduct quality education globally
2. **Eliminate quality problems by enforcement of recurrence prevention activities and promotion of preventive activities**
 - 1) Perform QA-N inspection on defect recurrence
 - 2) Create fool proofing case collections and provide support for new fool proofing ideas
 - 3) Support quality improvement meeting individual needs

Acquired certification from the International Organization for Standardization

NHK Spring first acquired the ISO 9001 international standardization certificate for the Atsugi Plant in 1996, and since then, all our plants have acquired ISO 9000 Series certifications. Our car related production plants, have acquired ISO/TS 16949 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.

Through our quality assurance system structured on the

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

What our customers say about us

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



Commended by many customers

VOICE

Expectations for rapid progress in technical advancement



Tadanobu Yamamoto
Mazda Motor Corporation
Manager, Vehicle Development Headquarters

NHK Spring supplies us with parts related to automotive suspension springs (e.g., coil springs, leaf springs, stabilizer bars, stabilizer links) for vehicles we produce in domestic and foreign production bases. In the design and development task, to improve all technologies such as performance, productivity, and light weight, NHK Spring provides us full cooperation from the initial stages of development, which is helpful in matching the optimal function requirements for automotive suspension springs with vehicle specification requirements, which often conflict with each other.

NHK Spring is in constant pursuit of how automotive suspension springs should be, and is seriously engaged in technical development to improve the functions of not just their single parts but also their suspensions and systems, which our company appreciates.

There is a need to evolve the function of suspension and system with the aim of advancing chassis dynamics in the future, above all with parts related to automotive suspension springs which are the foundation of vehicle motion, we expect rapid progress in technical advancement at NHK.

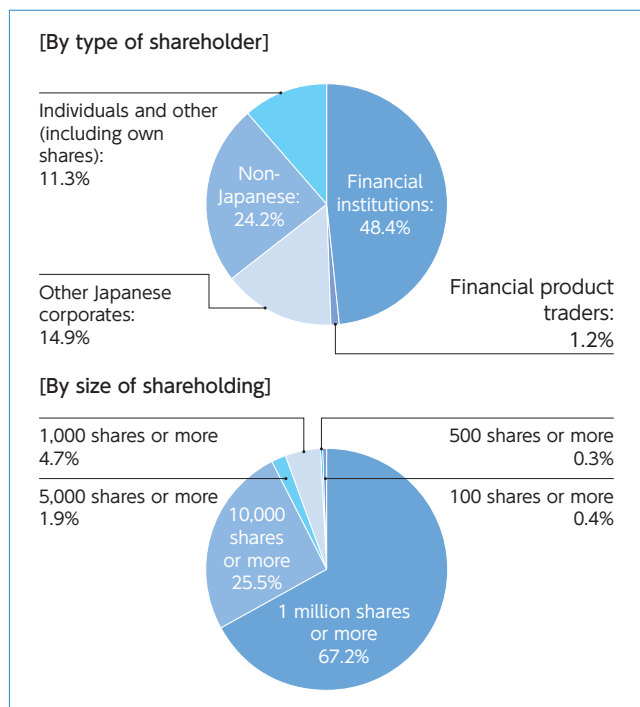
Shareholders and investors

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

Shareholder information and breakdown of shareholdings

Shareholders can contact us in the following way:
Public Relations Group: Business activities and general
General Affairs Dept.: All share-related procedures (Share Registry: Mitsubishi UFJ Trust and Banking Corp.)
 The graph below shows the breakdown of shareholders.

Breakdown of shareholdings (As of March 31, 2014)



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.



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

Provision of information to investors

We hold briefings for analysts and institutional investors after the release of our half-yearly and full year accounts. In fiscal 2013, 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

VOICE

High design and processing technology are the strengths of NHK Spring



Yohei Ohama
 Nomura Securities Co., Ltd.
 Analyst, Equity Research Department

I forecast the business performance of automotive parts companies, and investigate and estimate industry trends, and then provide investors in domestic and overseas organizations with investment decisions I made from them. In addition to disclosure documents published by NHK Spring such as the financial summary, fact book, and securities report, through interviews with those in charge of IR, financial settlement briefings, and plant tours in Japan and abroad, I have had an opportunity to deepen my understanding of the business strategy, strengths and challenges of NHK Spring.

The strengths of NHK Spring are regarded as holding the world top class share in automotive suspension springs and suspensions for HDDs, and having high design and processing technology which enables suggesting products to improve automobile fuel consumption and performance for which customer needs are high, and further promoting local procurement of spring materials.

In the future, sales promotion to support increased production overseas by finished car manufacturers, and effective business development as the Group are expected. By steadily proposing products that meet the deep trust and expectations of finished car manufacturers for NHK Spring, achieving innovative production technology, and promoting global procurement, NHK Spring will be able to make a further leap even in the rise of overseas parts manufacturers.

Employees

Based on our corporate culture of valuing people, NHK Spring considers employees an important asset, and makes efforts in hiring and training human resources. To be a company where each person with a diverse sense of values can play an active role making the most of what one has, we aim not just for the diversity of human resources, but also enrichment in taking care over workplace health and safety and employee welfare.

Employment and training of human assets

Basic approach to employment

NHK Spring advocates the business ideal of growing with innovative ideas and practices. We search widely for human resources who have the desire to challenge possibilities with teamwork but without falling into a mold, and surmounting difficulties.

Image of human resources we want

- Has an interest in new things, and resolutely meets challenges
- Views matters from various directions
- Recognizes the individuality of co-workers and sets goals together

From the aspect of diversity of human resources, in addition to further promoting hiring of the handicapped through special subsidiary companies, we have set a target value on hiring of women and foreign employees. Additionally, we strive to assure diverse human resources by outgoing actions such as mid-career recruitment.

Human resources development

Human resources development involves three functionally linked concepts: 1) Individuals, who are encouraged to develop themselves, 2) The workplace, where employees are trained, and 3) Personnel systems, that support the other two. This enables each individual to develop their abilities as a professional.

Human resources development includes training in foreign languages and other cultures, as well as intensive training at all levels and in all occupations and specializations. Our human resources development responds flexibly to changes in the environment, with employees also undergoing training outside NHK Spring and receiving training overseas and online.



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

Employment

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

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



Recruiting session describing NHK Spring



Recruitment page on our website



NHK Spring page on the Rikunabi (job information) site

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. In March 2009, we submitted two Group companies, NHK Sales Co., Ltd. and NHK Transport Co., Ltd. as Special Subsidiary Company under the Group.

Nippatsu Harmony has two sites each in Kanagawa and Nagano Prefectures, for a total of four sites, as of the end of March 2014, giving enjoyable work to 48 people with disabilities (mainly intellectual). In fiscal 2013, we gave training to 39 students from local schools for the disabled, and we arranged visits by over 270 interested parties from business, schools and government.



Nippatsu Harmony employees happy at work

Workplace health and safety

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

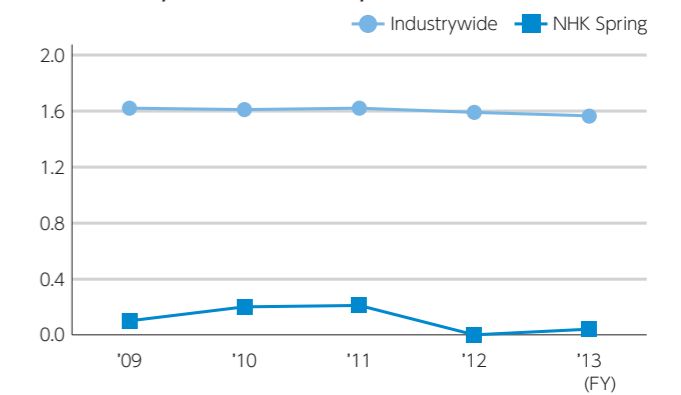
- Risk assessment:** Identify risk factors associated with the essential safety of facilities.
- Risk prediction:** Prevent disasters by increasing sensitivity toward risks.
- Performance of health and safety education:** Prevent disasters by acquiring knowledge of what is hazardous.

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

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

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

Trend in days lost due to workplace accidents



Benefits programs

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



Company trips using workplace communication funds (Precision Control Division)



Active participation in club activities with friends beyond the workplace (Yokohama badminton club)



The NHK Spring Japanese Drum Club held its 30th anniversary performance in 2013



In addition to company tournaments, a soccer tournament was held aimed at group networking

VOICE

Towards promoting diversity



Kazuko Tachibana
Manager, Human Resources Department

I am usually engaged in planning and implementing a variety of measures related to human resources training. With globalization increasingly advancing in the background, we are striving to strengthen human resources who can act on the world stage. Since fiscal 2013, we have started to make efforts aimed at local procurement of global human resources such as holding national staff executive training at overseas Group companies.

Human resources are a source of competitiveness. Assuring diverse human resources and using them has become even more important for the growth of business, so we make efforts to move forward step by step.

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 7th year since we acquired the naming rights to the NHK Spring Mitsuzawa Football Stadium in 2008. The naming rights entitle us to free use of the Stadium, which we make good use of.

• Fund raising for the Great East Japan Earthquake

At the home opening game of Yokohama FC, we set up the Tetsu Jinja (Iron Shrine) inside the stadium. We placed a monument of Tetsujin 28-go (Iron Man No. 28) which is our corporate image character, a shrine gate, and an offertory-box, praying for the victory of the team while utilizing the offertory collected as donation for the Great East Japan Earthquake. Although it was held for a short time in stormy weather, we could donate more than 10,000 yen.

• Sponsorship of the NHK Spring and Asahi Shimbun Junior Soccer School

The Junior Soccer School is held at the Stadium for Grades 2 to 4 elementary school students. 150 students have the opportunity for instruction from former professional players each time.

• NHK Spring and College of Science & Engineering Soccer League in Kanto Area

College of Science & Engineering Soccer League in Kanto Area was established to assist promising students. The season opening games are held at the Stadium, and the champion and runner-up teams are presented with their awards before big crowds at official matches of the J-League Yokohama FC. This also helps our recruitment work.



Official rugby matches are also held at the stadium



Fund-raising with the Tetsu Jinja shrine



NHK Spring and Asahi Shimbun Junior Soccer School. Children running on the pitch that professional players actually use



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. We conducted it twice in February, and donated 324 school meals. In the future, we are planning to introduce the system in other offices as well.

Donation of idle equipment and tools

As part of our assistance to the areas affected by the Great East Japan Earthquake, continuing on from last year, in 2013 we donated equipment and tools not being used from Toyota, Atsugi and DDS Komagane in collaboration with the Free Idle Equipment Matching Support Project run by the Yokohama Chamber of Commerce & Industry, on which Advisor Sasaki serves as a Chairman.



Donation of idle equipment and tools to the earthquake affected area

Internships and plant tours

We offer internships to provide work experience and plant tours. Every year we offer more internships, and the scope of the work experience is also expanding. We will respond positively to demand for places where high school and university students are offered the invaluable experience of an actual workplace.



We also provide work experience to school teachers

Sponsoring and collaborating with local events

We sponsor, collaborate with and support local events in the communities where we operate. Our main efforts in fiscal 2013 were:

- Yokohama International Costume Parade (The Yokohama Parade)
- Yokohama Sparkling Twilight
- Yokohama Otomatsuri
- Tenryu Riverbank aqueous environs picnic (Ina, Komagane)
- Kids Engineer 2013
- Student Formula SAE Competition of Japan
- Yokohama Mother's Chorus
- The Kanazawa Festival

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



Sponsoring the Kids Parade in the Yokohama Parade



Tenryu Riverbank aqueous environs picnic in which three plants from Ina and Komagane joined

Group company involvement

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

Cooperative agreement for internships in China [NHK Spring (China) Co., Ltd.]

The operational headquarters in China, NHK Spring (China) Co., Ltd., concluded a cooperative agreement for internships with Guangdong University of Foreign Studies. On October 28, 2013, the signing ceremony was held at the university, and Director Kado and others attended the ceremony from NHK Spring. It will bring a regional contribution to Guangzhou while providing beneficial work experience for students. It is expected to lead to recruitment of excellent human resources to the NHK Spring Group in the future.



Director Kado (left) exchanging the contract with Dean Chen of the Guangdong University of Foreign Studies

Joined Japan Festival [NSA]

On May 17, 2013, the 11th Japan Festival was held at the Frankfurt Library in the U.S., and NHK Seating of America (abbreviated as NSA) joined the festival. Together with two other Japanese companies in the same city, NSA introduced Japanese traditional culture such as Japanese calligraphy, flower arrangement, and dressing of kimono. NSA will continue these types of exchange as a community-based company.



Japanese calligraphy was popular at the Japan Festival

Suppliers

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

Basic procurement policies

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

Basic Policies for Purchasing Supplies

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

Green procurement

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

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



Green Procurement Guidelines

NHK Spring Group Partners Meeting

We invite representatives from our trading partners including suppliers to our Group companies to the NHK Spring Group Partners Meeting once a year. We use the meetings to explain the fiscal year policies and 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

Aiming for high technology high quality



Kimihiko Sato
Aichi Steel Corporation
Branch Manager, Tokyo Branch

We supply special flat bars called spring flat bars which is a material of NHK Spring's leaf springs used as suspension springs for automobiles, in Japan and overseas. Our Tokyo Branch serves as the sales contact for NHK Spring, and proposes steel development and supports delivery and other daily tasks.

For NHK Spring which is developing global business with spring technology as its core and keeps open and fair attitudes, we have played our role as a supplier. Through our relationship, we could establish mutual trust, which has led to continuous business over 50 years.

As a material manufacturer, customers who use our products are indispensable. With NHK Spring which uses our products, we aim for the world's highest level of technology and quality in spring products "made by NHK Spring."

We received the Best Partner Award in the fiscal 2014 NHK Spring Group Partners Meeting. To strive to uphold the honor, we will continue to contribute to the competitive enhancement of NHK Spring's spring products in the future.

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, and we draw up our Environmental Activities Policies each year on that basis.

Global Environmental Activities Guidelines

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

Global Environmental Activities Guidelines

- 1. Actively involve environmental conservation at all stages of the life of products, from design through production to disposal.**
 - 1) Look for ways to use resources efficiently, and make every effort to save resources and recycle.
 - 2) Set our energy 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
- Reducing and managing pollutants
- Contributing to local communities & environmental protection
- Promoting energy-saving products

Global Environmental Activities Plan

- 1. Framework to encourage activities**

Operating the Global Environmental Measures Committee and encouraging protection of the environment 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) 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 Activities Policies

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

Since we achieved the CO₂ reduction target of the previous fiscal year, in fiscal 2014, we are further developing energy saving and resource saving activities globally.

In addition, we will systematically conduct management of environmental load substances and environmental equipment, and respond to facilities subject to environmental laws and regulations.

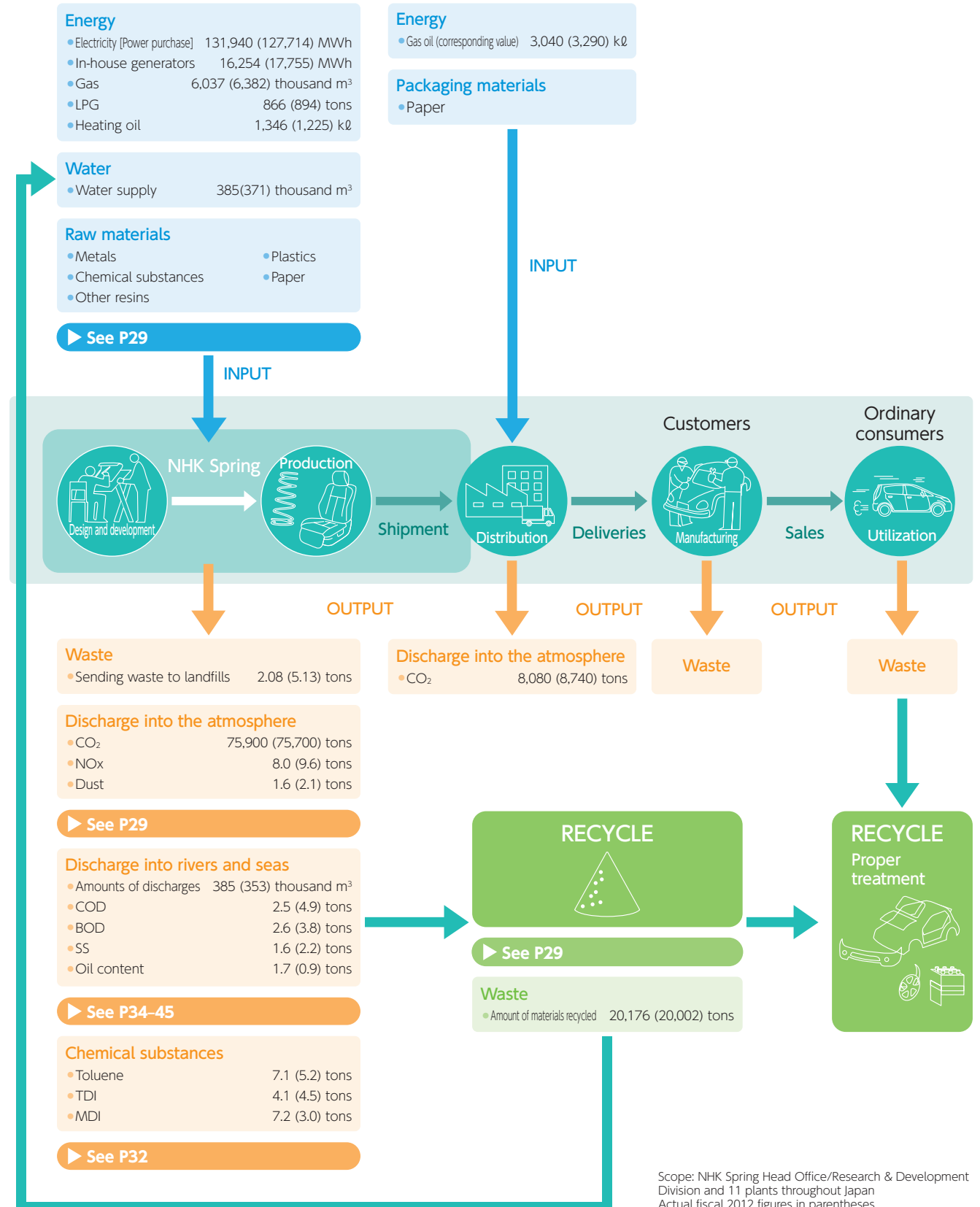
Environmental Activities Policies 2014

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

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

Business activities and the product lifecycle

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

Organization

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

Chemical substances, including substances of concern, are managed in conjunction with the management departments at each plant.

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

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

The Group companies in Japan began efforts towards zero emissions in 2005, and reached the target in 2009. Our overseas Group companies are currently involved in working towards the same target, while maintaining zero emissions.

System for encouraging environmental protection



Working closely in local communities to preserve the environment

Our Yokohama Office holds a Green Walk every April. The event is intended to contribute to an environment-friendly society by beautifying the environment around the Office, factories and the bayside area. Employees and their families from NHK Spring and other nearby Group companies take part. We raise awareness of preserving the environment through the daily 5S activities in the office and through beautifying the area around our office.

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



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



Employees who have only joined this year also enthusiastically join in

VOICE

Promoting CO₂ reduction activities with a new target



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

The NHK Spring Group is involved with global environmental issues and has had arrangements in place for the environment since 1992 when it began issuing the Global Environmental Activities Guidelines. We systematically respond to challenges such as reduction of CO₂ and waste and chemical management by setting appropriate targets, while enhancing performance by grasping progress through environmental audit and the like.

In fiscal 2013, we voluntarily set a new CO₂ reduction target as an effort after the Kyoto Protocol. We have achieved the target of the first fiscal year through continued energy saving activities, and we will proceed with the sharing of external information and educational activities in the future in order to achieve various targets.

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.

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
	Isehara Plant	April 2001
Industrial Machinery & Equipment Division	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 2013, 14 overseas Group companies had done so, and others are working towards it.

Dates Group companies acquired ISO 14001 certification

Region	Group companies	Dates acquired
Domestic	NHK Sales Co., Ltd.	October 2002
	NHK Spring Production Company	August 2001
	Sumihatsu Co., Ltd.	October 2003
	Horikiri, Inc.	May 2001
	Tohoku 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
Europe	Ibérica de Suspensiones, S.L.	December 2003

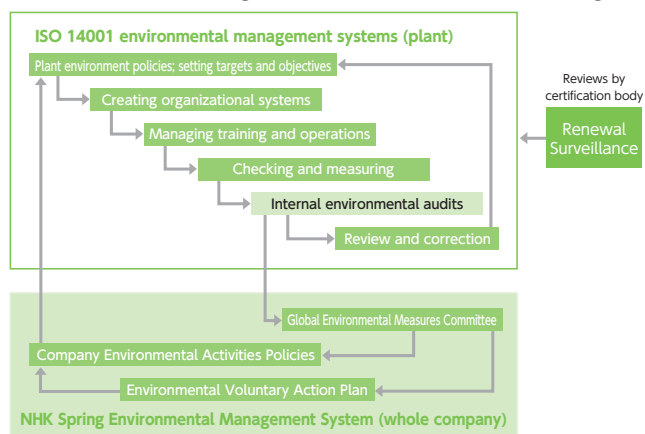
Environmental auditing

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



Environmental auditing

The members of our environmental audit team conducting audits have completed special training. In fiscal 2013, each of our plants conducted an internal environmental audit. In addition, the Head Office of NHK Spring also conducted environmental audits on four domestic Group companies. This ensured that our systems were functioning properly and we were improving our performance.

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



Environmental auditing

External audits

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

All 11 plants and one office received external audits in fiscal 2013; three plants had surveillance audits, and eight plants and one office had a renewal audit. The audits found that the plants and environmental management systems were being run correctly, that pollution was being prevented, and that we were making continuing efforts to improve.

VOICE

Aiming for environment-friendly plant with full participation



Tsutomu Yajima
Seating Division
Manager, Engineering Department,
Toyota Plant

The Toyota Plant mainly manufactures automotive seat frames, and is building innovative products making active efforts with automation technology. In the present year, with new orders for seat finished products, we are going through dramatic changes to be a complete seat plant. With the NHK Spring's traditional slogan "Eliminate, Reduce, and Change," we promote net energy production by thoroughly eliminating any waste. We aim for an environment-friendly plant with each individual doing what they can.

Environmental education and consciousness-raising

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

Environmental training

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

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

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



Specialist education (Seminars for Environmental Assistant Managers and Auditors)

Contents of environmental education

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	Training and education	Internal environmental auditor training and refresher courses
	Skills upgrading training	Environmental auditor workshops for lead auditors

Numbers of staff with environmental qualifications (as of June 2014)

Qualification	Classification	Numbers holding qualifications	
Pollution prevention management	Air	Type 1	7
		Other	24
	Water quality	Type 1	7
		Other	24
	Noise		38
Vibration		33	
Environmental management system auditors	Assistant auditor	2	
Working environment measurement experts	Type 1	Dust	6
		Special chemicals	4
		Metals	2
		Organic solvents	5
	Type 2		6
Certified environmental measurers	Level-related	2	
Specially controlled industrial waste managers		40	
Qualified persons for energy management		31	
Energy managers for Type 2 Designated Energy Management Factories		5	

Consciousness-raising activities

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

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

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



NHK Spring Group Forum seminar on the environment

VOICE

Each employee promotes production considering environmental conservation



Hiroshi Matsunaga

Seating Division
Manager, Manufacturing Section,
Yokohama Plant

The Seating Division Yokohama Plant is located in Kanazawa ward where there are many tourist spots such as Hakkei Jima and Marine Park. Aware that the mission given to us is to pass on these wonderful resources to the next generation, each employee promotes production considering environmental conservation. As major activities, we repeatedly conduct education related to environment, and systematically implement emergency drills. We make efforts on raising environment consciousness by holding Green Walk in which our employees and their families walk and clean around the company, and other regular activities to beautify areas around the office in which many employees actively engage.

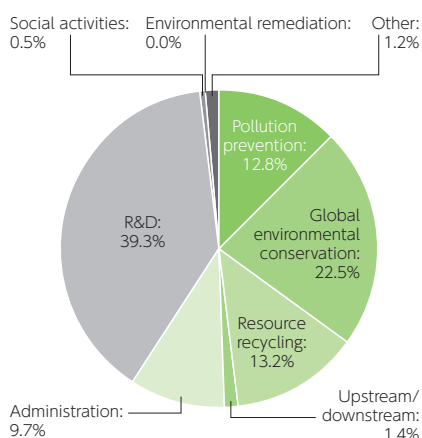
Environmental accounting

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

Fiscal 2013 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 2013 expenditure on supporting the environment at a total of ¥1,156 million. The table below shows the breakdown. By reviewing our R&D topics, we were able to increase our R&D costs from those for fiscal 2012.



Fiscal 2013 - Cost of environmental conservation

(Units: ¥ million/year)

Classification of costs	Main elements	Value* in FY 2012	Value* in FY 2013
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	122.9	148.4
2) Global environmental conservation	Preservation of green areas around plants, energy-saving measures, warming prevention, etc.	255.5	260.6
3) Resource recycling	Waste treatment, zero emissions measures, office recycling, etc.	154.8	152.8
4) Upstream/downstream	Limiting environmental burdens from our suppliers and customers associated with our own production activities (green purchasing, product recycling, reduced packaging, and so on)	12.2	16.6
5) Administration	Waste manifest management, ISO 14001 maintenance and renewal inspections and ISO 14001 office personnel costs, reporting to the government, etc.	122.1	104.2
6) R&D	Research to reduce environmental loads and development of products to contribute to reducing environmental loads	124.2	454.0
7) Social activities	Social service activities (cleaning waterways and surroundings of plants), etc.	10.3	5.6
8) Environmental remediation	Remediating environmental damage to surroundings	0.6	0.5
9) Other	Other environmental conservation work	14.7	13.6
Total		817.3	1,156.3

* Value: Totals of Environmental Investments and Environmental Conservation

Classification and performance of fiscal 2013 investments

The following table shows our performance in fiscal 2013. We reduced the volume of waste landfill drastically compared to fiscal 2012 as a result of further recovering resources. The unit consumption of energy use, CO₂ and waste processing costs

decreased, but the energy costs unit consumption tended to increase due to continuous securing of electricity and the rise in various unit costs. We will also continue sustained improvements in the future.

Performance of fiscal 2013 investment effects

	Material effects*1			Economic effects*2			Assessment
	FY 2012 performance	FY 2013 performance	Effects	FY 2012 performance	FY 2013 performance	Effects	
Energy use per unit output (J/¥ million)*3	5,980	5,844	(136)	-	-	-	○
CO ₂ per unit output (thousand kgC/¥ million)*3	0.136	0.132	(0.004)	-	-	-	△
Wastes to landfill (tons/year)	5.1	2.1	(3.0)	-	-	-	◎
Wastes recycled (tons/year)	20,002	20,176	174	-	-	-	○
Energy costs per unit output (¥/¥ thousand)*3	-	-	-	19.8	20.6	0.81	△*4
Waste treatment costs per unit output (¥/¥ thousand)*3	-	-	-	0.63	0.58	△ 0.05	○

*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 Seating Division Gunma Plant in 2012. We make extensive use of renewable solar energy to promote energy saving and reducing CO₂ emissions.



DDS Komagane Plant
(20 kW)
Commissioned 2008

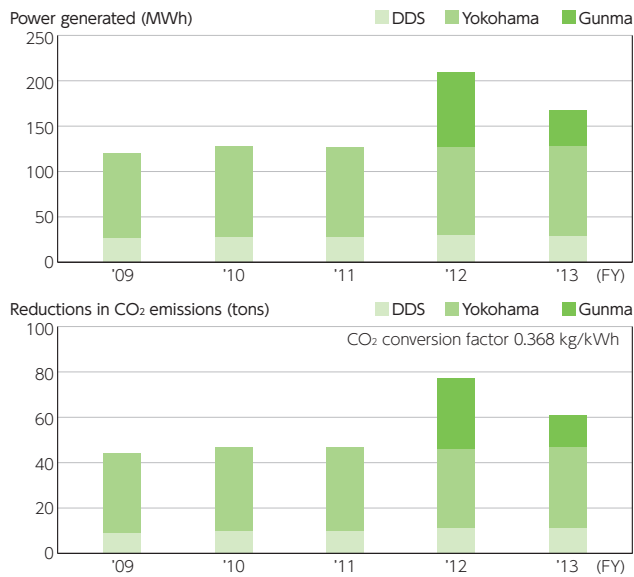


Yokohama Office
(100 kW)
Commissioned 2009



Seating Division Gunma
Plant (56 kW)
Commissioned 2012

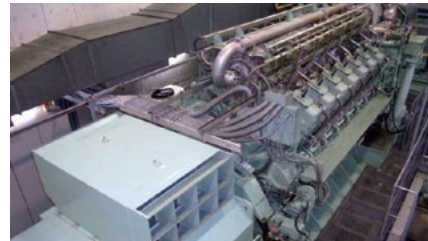
NHK Spring solar generation performance



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

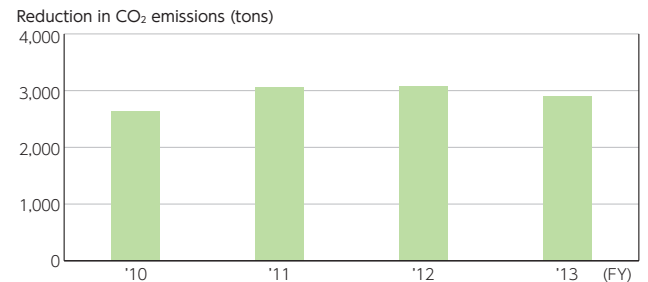
Use of private power generation

We operate private electricity generators at our Yokohama Office and Isehara Plant to save energy and combat power shortages. The Yokohama Office managed to cut down on energy usage during peak usage times by over 30% by running its cogeneration equipment during the summer months in 2011 when restrictions on electricity usage were in place. It continued to run efficiently in 2013, greatly reducing CO₂ emissions and making a significant contribution to our overall environment protection activities.



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

Yokohama Office cogeneration performance



Zero emissions

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

Recovering resources from waste plastic

We store and transport plastic films after making them compact with a compactor, and recover resources by a suitable waste processor.

On-site checks of waste processors

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



Checking processor on site

NHK Spring fiscal 2013 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.

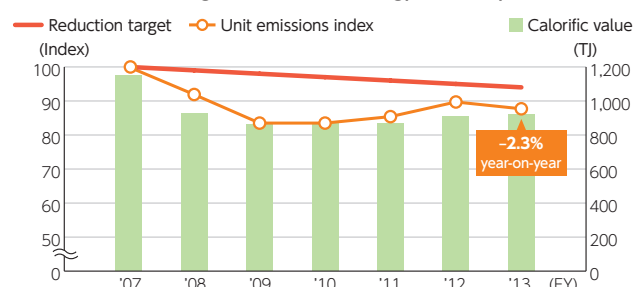
Energy saving

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 2013 was 2.3% 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)		
FY 2013 target	FY 2013 actual	Assessment
Target unit consumption* 94.0	Unit consumption 87.7	

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

Movements in target and actual energy consumption to sales



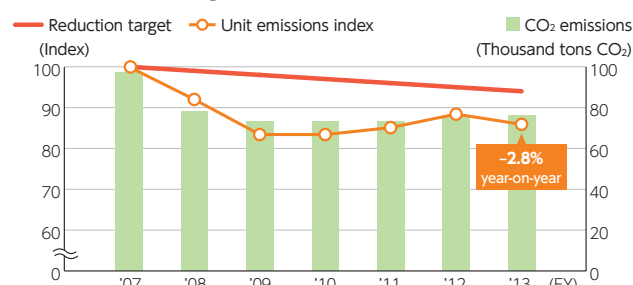
Reduction in CO₂ emissions

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. However, our unit CO₂ emissions for fiscal 2013 decreased by 2.8% over the previous year due to effects from increased new order receipts and the weaker yen, 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 Seventh Environmental Voluntary Action Plan)		
FY 2013 target	FY 2013 actual	Assessment
Target unit consumption* 94.0	Unit consumption 85.9	

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

Movements in target and actual CO₂ emissions



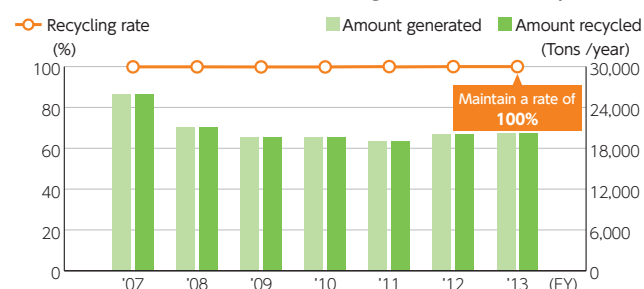
Recycling of waste

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.

Targets			
Maintain zero emissions across the entire company from fiscal 2005 (Recycling rate of at least 99.9% achieved since fiscal 2005)			
FY 2013 target	FY 2013 actual	Assessment	FY 2014 target
Recycling rate of Maintained at 100%	Recycling rate of 100% (at least 99.95%)		Continue recycling rate of 100%

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

Movements in amounts of waste generated and recycled



Group company involvement

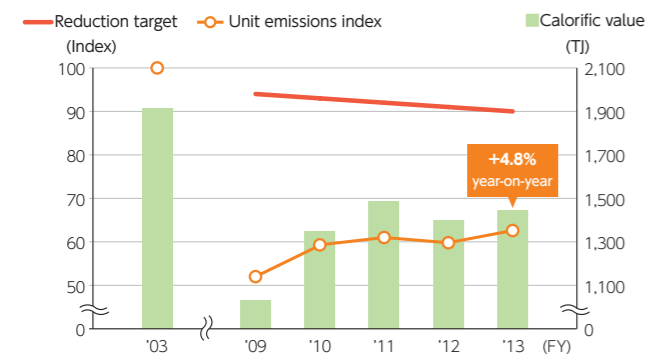
We involve the entire Group in our environmental conservation activities. They are all engaged in reducing environmental pollution.

Domestic Group companies

Energy saving

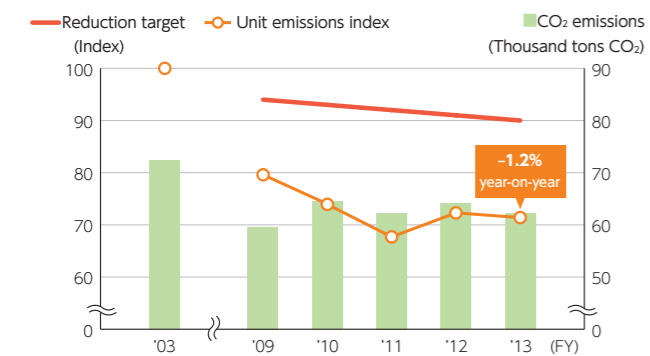
Our domestic Group companies are working with us to save energy, with a target of a 1% reduction annually in unit energy consumption to sales, with fiscal 2003 as the base year. In addition to promoting energy saving such as rationalization of production, we are striving to reduce CO₂ emissions by using LNG.

Movements in target and actual energy consumption to sales



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

Movements in target and actual CO₂ emissions



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

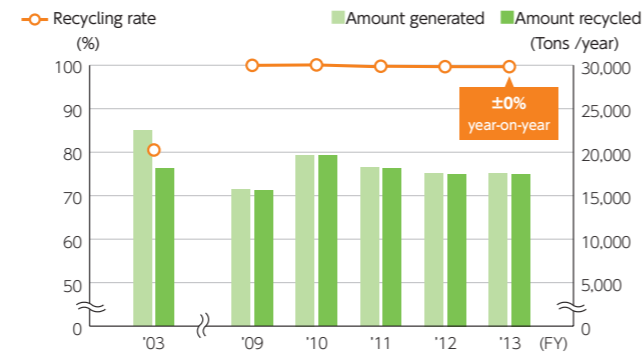
Towards an environment-friendly society

The total amount of waste generated by NHK Spring Group companies in Japan in the 2013 fiscal year was 16,989 tons. Of this, 16,874 tons was recycled, for a recycling rate of 99.3%, maintaining the levels from fiscal 2012.

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

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

Movements in amounts of waste generated and recycled



Recycling office equipment through NHK Spring Services

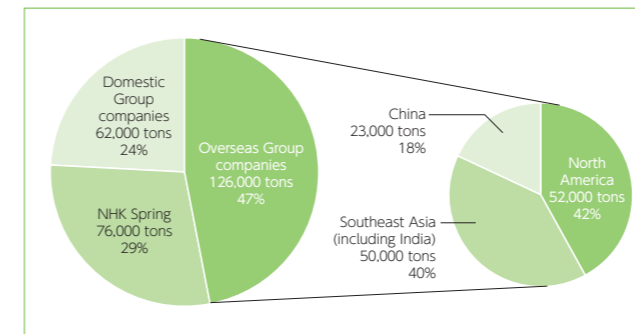
Overseas Group companies

CO₂ emissions

CO₂ emissions have increased in North America and China as a consequence of expanded global production. Production has also expanded in Southeast Asia, but CO₂ emissions have decreased by developing energy saving activities.

The volume of CO₂ emissions of overseas Group companies accounted for 47% in the whole Group, which is the same as last year. In the future we will continue diagnosis of plant energy saving, and promote activities to reduce CO₂ emissions.

Fiscal 2013 CO₂ emissions by Group segment

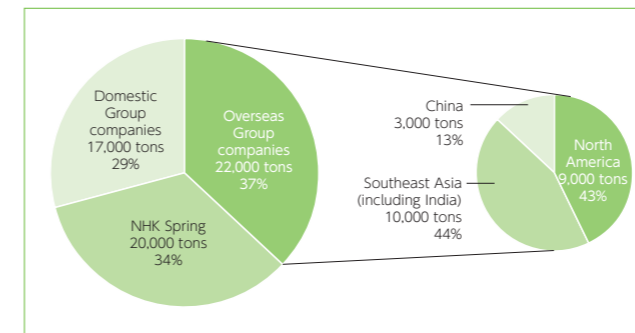


Waste emissions

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

In fiscal 2013, waste volumes overseas accounted for 37% of total Group volumes, which was 3% higher than the previous fiscal year. Recycling rates will be set autonomously moving forward, and we will make more efficient use of waste through recycling them.

Fiscal 2013 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 will do the same in India and China, to progress energy saving actions throughout the Group overseas.

Examples of energy saving activities of overseas Group companies (NUS)

Changing plant ceiling lights to LED

Objective Changing ceiling lights inside the plant from mercury lamps to LED to reduce power consumption

Implementation Changed all 433 lights in the plant to LED



- Action**
- (1) Lowered the lights above workers to assure the required brightness
 - (2) Reviewed the power arrangement to enable lights to be turned on and off where necessary
 - (3) Directed that lights be turned off in places that are bright during the day
- Established awareness that LEDs can be freely turned off because they light quickly

Effect Usage of electricity per hour is reduced about 70%*, annual power usage is reduced 348,000 kWh*

*Calculated with theoretical values

VOICE

Waste and CO₂ emission have been reduced by the efforts of the whole company, and we have contributed to a resource recycling-oriented society by zero emissions and resource recovery



Kenichiro Morino
Tohoku Nippatsu Co., Ltd.
Member of the Board, Production Director

As the northern base for the NHK Spring Group we produce a wide range of products such as coil springs for automotive suspensions, frames for seating, residential shutter springs and precision springs.

Having acquired ISO14001 certification in 2004, we make continual efforts to reduce waste and recovering resources, environmental improvement and energy reduction. The Great East Japan Earthquake in 2011 was an occasion to make company-wide efforts, and we have contributed to further reduction in CO₂ emissions and zero emissions by implementing the 3Rs, and to a resource circulating type society by promoting continual improvement for resource recovery. In addition, through quality improvement activities (YKI activities) and other improvement activities we have achieved much less waste, which is linked to substantial results.

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 2013 survey of pollutant releases and transfers (April 1, 2013 - March 31, 2014)

(Units: Tons/year)

PRTR Law Cabinet Order No.	Name	Types of designated chemical compounds	Amount used yearly	Amount emitted						Amount moved		
				Atmosphere	Water quality	Soil	Buried on-site			Sewage system	Waste (subcont.)	
							Stable	Managed	Isolated			
1	Zinc compounds (water-soluble)	Class I	5.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	
20	2-aminoethanol	Class I	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.6	
30	Linear alkylbenzenesulfonate	Class I	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	
53	Ethyl benzene	Class I	23.5	6.3	0.0	0.0	0.0	0.0	0.0	0.0	0.1	
71	Ferric chloride	Class I	10.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	
80	Xylene	Class I	79.9	18.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2	
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	
297	1,3,5-trimethylbenzene	Class I	2.5	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
298	Toluene diisocyanate (TDI)	Class I	1296.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.1	
300	Toluene	Class I	46.9	22.1	0.0	0.0	0.0	0.0	0.0	0.0	7.1	
309	Nickel compounds	Special Class I	0.8	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.1	
355	Bis (2-ethylhexyl) phthalate	Class I	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	
410	Polyoxyethylene nonylphenyl ether	Class I	1.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	
412	Manganese and its compounds	Class I	126.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	
448	Methylene diphenyl diisocyanate (MDI)	Class I	1693.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.2	
455	Morpholine	Class I	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	
Total volume of PRTR substances			3288.4	47.3	0.0	0.0	0.0	0.0	0.0	1.5	21.9	
Domestic Group companies												
1	Zinc compounds (water-soluble)	Class I	16.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.5	
20	2-aminoethanol	Class I	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
53	Ethyl benzene	Class I	32.4	31.3	0.0	0.0	0.0	0.0	0.0	0.8	0.2	
80	Xylene	Class I	81.8	78.4	0.0	0.0	0.0	0.0	0.0	1.9	0.7	
185	Dichloropentafluoropropane (HCFC225)	Class I	1.1	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.5	
186	Dichloromethane	Class I	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
232	N,N-dimethylformamide	Class I	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	
240	Styrene	Class I	69.3	25.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
296	1,2,4-trimethylbenzene	Class I	1.3	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
297	1,3,5-trimethylbenzene	Class I	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
300	Toluene	Class I	162.5	160.6	0.0	0.0	0.0	0.0	0.0	0.0	0.7	
309	Nickel compounds	Special Class I	1.8	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.1	
354	Bis (n-butyl) phthalate	Class I	2.8	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	0.1	
384	1-bromopropane	Class I	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.7	
392	n-hexane	Class I	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	
412	Manganese and its compounds	Class I	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	
448	Methylene diphenyl diisocyanate (MDI)	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			373.0	300.4	0.0	0.0	0.0	0.0	0.0	2.8	7.3	

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

*Volume moved when discharged into public sewage system

Progress in environmental activities

	Progress by NHK Spring	Progress by domestic Group companies	Trends in society
1967			Basic Law for Environmental Pollution Control enacted
1970			Pollution Session of the Diet held (anti-pollution measures established)
1971	Jul.: Environmental Management Section established (creating system for voluntary measurement and analysis)		Environment Agency established
1985			Vienna Convention (for the protection of the ozone layer) signed
1987			Montreal Protocol (on Substances that Deplete the Ozone Layer) adopted
1990	Jan.: NHK Spring Corporate Philosophy announced		
1991	Oct.: Recycling Liaison Committee announced		Law for Recycling (of End-of-Life Vehicles) enacted
1992	Sep.: Global Environmental Measures Committee announced (3 Subcommittees: General Wastes, Detergents, Foam)		Earth Summit (United Nations Conference on Environment and Development) held in Brazil
	Nov.: 1st Global Environment Forum held		Global Warming Treaty signed
1993	May: Environmental Voluntary Action Plan announced (3 new Subcommittees: Industrial Wastes, Energy Saving and Product Technology)		The Basic Environment Law enacted
1994	Dec.: 2nd Global Environment Forum held		
	Dec.: Elimination of all CFCs achieved (1 year ahead of schedule)		
1995	Jan.: Foam Subcommittee terminated, Environment Management Subcommittee launched		Containers and Packaging Recycling Law enacted
	Dec.: 3rd Global Environment Forum held		Japan Auto Parts Industries Association Environment Subcommittee launched
			1st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP1)
1996	Dec.: 4th Global Environment Forum held		ISO 14001 established
	Dec.: 1st Revised Environmental Voluntary Action Plan		JIS Q14001 issued
1997	Jan.: Yokohama Plant (Suspension Springs) gained ISO 14001 certification (1st plant certified)		Japan Auto Parts Industries Association Environment Committee launched
	Sep.: 2nd Revised Environmental Voluntary Action Plan		3rd Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP3)
			Kyoto Protocol signed
1998	Jan.: Global Environmental Issues Seminar held		Law Concerning the Promotion of Measures to Cope with Global Warming enacted
	Jul.: Global Environmental Measures Committee reorganized		
1999	Jan.: 3rd Revised Environmental Voluntary Action Plan	Apr.: NHK Spring Mutsumi-kai started to collect data on wastes	Amended Law Concerning the Rational Use of Energy enacted
	Feb.: 5th Global Environment Forum held	Jun.: Environment Policy Workshop started (held quarterly)	
2000	Jun.: 6th Global Environment Forum held	Sep.: Follow-up Environment Policy Workshops held (half-yearly)	Law Concerning Special Measures against Dioxins enacted
	Jul.: 4th Revised Environmental Voluntary Action Plan		PRTR Law enacted
	Nov.: Y530 (Yokohama Facility Zero Waste) Project launched		Basic Law for Establishing the Recycling-based Society enacted
			6th Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP6)
2001	Feb.: 5th Revised Environmental Voluntary Action Plan	May: Horikiri gained ISO 14001 certification	Ministry of the Environment established
	Apr.: Isehara Plant gained ISO 14001 certification (all plants now certified)	Aug.: Yokohama Kiko gained ISO 14001 certification	Electric Appliance Recycling Law enacted
	Jun.: 7th Global Environment Forum held	Nov.: Topura gained ISO 14001 certification	
2002	Jan.: Recycling Center completed at Yokohama facility	Mar.: NHK Teleflex Corporation gained ISO 14001 certification	Soil Contamination Countermeasures Law announced
	Feb.: 6th Revised Environmental Voluntary Action Plan	Apr.: Tokuhatsu gained ISO 14001 certification	Automobile Recycling Law announced
	May: 8th Global Environment Forum held	Oct.: NHK Sales gained ISO 14001 certification	Japan ratified the Kyoto Protocol
	Jun.: Received 10th Yokohama Environmental Conservation Work Award	Oct.: NHK Spring/Mutsumi-kai Technical Committee Global Environmental Issues Subcommittee launched	
	Dec.: Yokohama facility received Fiscal 2002 Kanagawa Global Environment Award		
2003	Feb.: 7th Revised Environmental Voluntary Action Plan	May: NHK Spring Mutsumi-kai Technical Committee Global Environmental Issues Subcommittee meeting	Automobile Recycling Law enacted
	Mar.: Zero emissions achieved at Yokohama facility	Jul.: NHK Transport gained ISO 14001 certification	Soil Contamination Countermeasures Law enacted
	Jun.: 9th Global Environment Forum held	Oct.: Sumihatsu gained ISO 14001 certification	Amended Law Concerning the Rational Use of Energy enacted
		Oct.: Uniflex gained ISO 14001 certification	
		Nov.: Nippon Shaft gained ISO 14001 certification	
2004	Feb.: 8th Revised Environmental Voluntary Action Plan	Jul.: NHK Spring Mutsumi-kai Technical Committee Global Environmental Issues Subcommittee meeting	Amended Air Pollution Control Law announced
	Jun.: 10th Global Environment Forum held	Sep.: Tohoku Nipatsu gained ISO 14001 certification	
	Dec.: Atsugi Plant received Fiscal 2004 Kanagawa Global Environment Award		
2005	Jan.: Yokohama facility received Commendation at PRTR Awards	Mar.: Faurecia-NHK Kyushu gained ISO 14001 certification	Amended Automobile Recycling Law enacted
	Feb.: 9th Revised Environmental Voluntary Action Plan	Mar.: SNIC gained ISO 14001 certification	Kyoto Protocol came into force
	May: 11th Global Environment Forum held		
2006	Feb.: 10th Revised Environmental Voluntary Action Plan	Feb.: NHK Precision gained ISO 14001 certification	Amended Law Concerning the Rational Use of Energy enacted
	Jun.: 12th Global Environment Forum held	Mar.: Ayase Seimitsu gained ISO 14001 certification	Amended Law Concerning the Promotion of Measures to Cope with Global Warming enacted
	Dec.: Isehara Plant received Fiscal 2006 Kanagawa Global Environment Award		
2007	Jun.: 13th Global Environment Forum held	Apr.: Ites gained ISO 14001 certification	Amended Law Concerning the Recovery and Destruction of Fluorocarbons enacted
		May: Sindai gained ISO 14001 certification	
2008	Jun.: 11th Revised Environmental Voluntary Action Plan	Jun.: Affiliates Environmental Liaison Committee announced	G8 Toyako Summit (Hokkaido)
	Jun.: 14th Global Environment Forum held		
2009	Feb.: Installed a solar electric generator panel at Yokohama facility		G8 L'Aquila Summit (Italy)
	Jun.: 15th Global Environment Forum held		
2010	Jun.: 16th Global Environment Forum held	Feb.: NHK Transport gained Green Management certification	Tenth Conference of the Parties to the Convention on Biological Diversity (COP10)
		Mar.: Domestic Group companies achieved zero emissions	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		Implementation of Amended Water Pollution Control Act (Hazardous Substances)
	Nov.: Yokohama Office recognized as an Excellent office in 3Rs (Let's Reduce, Reuse and Recycle!) by Yokohama City		First commitment period under Kyoto Agreement ended
2013	Feb.: Energy Saving Award of Kanagawa Global Environment Prize received		
	Nov.: 24th NHK Spring Forum held (Merged with former Global Environment Forum)		
	Nov.: Yokohama Office received Yokohama City recognition for excellence in the 3Rs (Let's Reduce, Reuse and Recycle!) (two years in a row)		

Head Office (Research & Development Division, Engineering Division)



Location: Kanazawa-ku, Yokohama

Business areas and products: Planning, management, R&D

Commenced operations: February 1991

Employees: 410

Overview of our activities

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

Outlook and policies

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

Fiscal 2013 and 2014 initiatives

Reducing CO₂ emissions

■ In fiscal 2013, we released main building power data acquired with individual power monitors within the company and continued rental of power monitors within the company to make energy consumption visible, and we strove so that there is no irregularity or waste of energy. By accumulation of such activities the Yokohama Office overall achieved the peak power reduction target in fiscal 2013 also.

■ We will continue activities in the same way in fiscal 2014 to achieve the target.

Managing chemicals

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

Reducing industrial waste

■ During fiscal 2013, the Head Office (including the Research & Development Division and the Security Technologies & Solutions Division) conducted recycling to reduce waste volumes and processing costs. We reached our recycling target, but failed to reach our target for waste volumes, as levels of the waste plastics and office equipment wastes increased.

■ During fiscal 2014, we plan to continue working to systematically cut down on waste and costs by recycling wastes into useful resources while maintaining a high recycling rate.

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

Substance	Equipment		Regulated value	Actual
NOx	Hot water boiler	A	0.042	0.020
		B	0.106	0.009
		C	0.106	0.008
	Cooling water generator	A	0.070	0.038
		B	0.047	0.041
		C	0.025	0.005
Dust	Hot water boiler	A	0.050	0.017
		B	0.050	0.007
		C	0.050	0.009
	Cooling water generator	A	0.050	0.015
		B	0.050	0.013
		C	0.050	0.018

NOx 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	6.2	6.7
Oil	5	3.1	0.2	1.4
Fe	3	<0.3	<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	0.9	0.05	<0.8
Phenols	0.5	<0.05	<0.05	<0.05
NH ₄	380	<0.3	<0.3	<0.3

Units: mg/l

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

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5-9	7.7	6.6	7.0
Oil	5	2.9	0.2	1.2
Fe	3	0.8	0.02	0.3
Zn	1	0.4	0.02	0.1
Ni	1	<0.1	<0.1	<0.1
T-Cr	2	<0.2	<0.2	<0.2
NH ₄	380	2.0	0.7	1.7

Units: mg/l



Location: Kanazawa-ku, Yokohama
Products: Leaf springs, coil springs, and metal bellows
Commenced operations: November 1987
Employees: 470

Remarks by plant manager

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



Katsuyuki Nishioka Plant Manager

Outlook and policies

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

Fiscal 2013 and 2014 initiatives

Energy saving

- In fiscal 2013, energy saving activities were implemented such as improving gas unit consumption by insulating heating furnaces and reducing pump power consumption with inverters.
- In fiscal 2014, in addition to aiming for reduction of gas and power consumption by reviewing furnace operating procedures, we are striving to improve unit energy consumption by improving productivity.

Reducing industrial waste

- In fiscal 2013, regrettably, we barely missed reaching the target for the industrial waste discharge index, and the industrial waste cost index.
- In fiscal 2014, in addition to our regular waste reduction, we will promote recycling of waste into useful resources aiming for a 2% reduction over fiscal 2012.

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

Substance	Equipment		Regulated value	Actual
NOx	Metal reheating furnace	A	0.128	0.061
		B	0.110	0.067
		C	0.212	0.022
		D	0.169	0.041
		E	0.119	0.020
	Metal tempering furnace	A	0.202	0.008
		B	0.123	0.006
		C	0.104	0.040
		D	0.085	0.011
		E	0.059	0.009
Dust	Metal reheating furnace	A	0.1	0.014
		B	0.1	0.017
		C	0.1	0.002
		D	0.1	0.003
		E	0.1	0.011
	Metal tempering furnace	A	0.1	0.024
		B	0.1	0.017
		C	0.1	0.013
		D	0.1	0.009
		E	0.1	0.001

NOx 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	7.5	6.7	7.1	
Oil	Animal and vegetable	30	9.9	2.0	5.1
	Mineral	5	2.2	0.1	0.3
Fe	3	<0.3	<0.3	<0.3	
Zn	1	0.3	<0.1	0.1	
Ni	1	0.6	0.1	0.3	
Mn	1	<0.1	<0.1	<0.1	
Fluorine	8	1.6	0.1	0.6	
Boron	10	0.7	0.2	0.4	
Total nitrogen	120	110	33	54	
Total phosphorus	16	0.2	0.1	0.1	
NH ₄	380	100	24	48	

Units: mg/ℓ

Suspension Spring Division / Shiga Plant



Location: Koka, Shiga

Products: Coil springs, stabilizer bars, and torsion bars

Commenced operations: November 1973

Employees: 239

Remarks by plant manager

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



Yukihiro Seki Plant Manager

Outlook and policies

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

Fiscal 2013 and 2014 initiatives

Energy saving

- In fiscal 2013, we implemented activities for further energy saving by proactively promoting standby power reduction in addition to improving insulation of gas furnace walls, installing inverters in all motors, and performing maintenance activities to stop compressed air leakage under the leadership of the Environmental Subcommittee.
- In fiscal 2014, we will completely halt SC1 (coil spring line No. 1) with remarkably large energy consumption due to obsolescence, continue change of lighting inside the plant to LED lighting and remodel the lamp system, and we will invest in large equipment such as energy saving type air conditioning and renewal of compressors. In addition, to completely eliminate waste in day to day production, we will conduct education, awareness and improvement campaigns for energy saving for employees.

Reducing industrial waste

- In fiscal 2013, through improvement of natural drying methods for effluent treatment sludge, we succeeded in reducing the water content of sludge, enabling great reduction in weight and costs. In addition, we were able to reduce emission volume of specially controlled industrial waste by installing the thinner regeneration equipment.
- In fiscal 2014, we will make a further advance in the drying method for effluent treatment sludge, aiming at even further reduction in sludge weight and treatment costs. In addition, by using Shiga Plant's unique procedure called the derby, we will reduce the usage of gloves and rags.

Atmosphere (Regulated values: Air Pollution Control Law)

Substance	Equipment		Regulated value	Actual
NOx	Metal reheating furnace	A	180	64
		B	180	32
		C	180	28
		D	180	43
		E	180	51
Dust	Metal reheating furnace	A	0.25	0.01
		B	0.20	0.00
		C	0.20	0.01
		D	0.20	0.01
		E	0.20	0.01

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	7.5	6.5	7.1
BOD	20	<1	<1	<1
COD	20	8.0	<1	1.3
SS	10	8.0	1.0	3.7
Oil	5	3.8	0.3	1.5
Total nitrogen	12*	8.9	0.2	3.7
Total phosphorus	1.2*	1.0	0.01	0.1
Fluorine	8*	0.4	0.03	0.2
Boron	2*	0.4	0.03	0.2

*Shiga prefectural regulations

Units: mg/l

Seating Division / Gunma Plant



(Ojima area)

Location: Ota, Gunma

Products: Automotive seats

Commenced operations: December 1986

Employees: 565

(Ota area)

Location: Ota, Gunma

Products: Automotive interior products

Commenced operations: July 1969

Employees: Included in Ojima area

Remarks by plant manager

The Gunma Plant is located in the basin of the Tone River and the Watarase River with the green hills of Kanayama and Hachioji, and it aims to be a people and environment-friendly plant where people are happy to work, and all staff participate in the task of day to day environmental conservation.



Masato Miura Plant Manager

Outlook and policies

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 that is safe and people-friendly. Together with pursuing possibilities of resource saving, recycling and reducing environmental load through thorough Eliminate, Reduce and Change, we are aiming to arrange production with a small energy load, and making efforts to prevent global warming by reducing CO₂.

Fiscal 2013 and 2014 initiatives

Energy saving

- In fiscal 2013, while increasing production 1.21 times over fiscal 2012, as a result of accumulated efforts such as updating transformers and reorganizing chillers, CO₂ emissions were suppressed to a 3% increase over fiscal 2012, and we reached 12% reduction in unit CO₂ emissions achieving the company-wide target of 1% reduction (compared to fiscal 2012).
- There is even more increase in production in fiscal 2014, and together with continuing steady efforts such as installing inverters in cooling pumps, we will develop energy saving activities accompanied by investments such as changing lighting to LED in the medium and long term.

Recycling and reducing waste

- With regard to reducing waste, we promote recycling of waste into useful resources by means of improved yield rate and detailed classification of waste.
- Results for fiscal 2013
 - Recycled PP and polyethylene sheets into useful resources
 - 10% reduction in volume from drying waste water treatment sludge
- Efforts for fiscal 2014
 - Promote recycling of 18 liter drums and oil drums into useful resources
 - With regard to recovering resources, we will maintain the 100% recycling rate achieved in the previous year, and promoting the activities should contribute to a resources circulating type society.

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

Substance	Equipment	Regulated value	Actual	
NOx	Boiler	A	300	120
		B	300	90
		C	300	36
		D	300	138
	Generator	950	231	
Dust	Boiler	A	0.2	0.02
		B	0.2	0.01
		C	0.2	0.02
		D	0.2	0.03
	Generator	0.1	0.03	

NOx units: ppm Dust units: g/m³N

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

Item	Regulated value	Actual			
		Maximum	Minimum	Average	
pH	6-8	8	6.5	7.2	
BOD	10	9	1	4.2	
SS	10	8	1	2.5	
Oil	Animal and vegetable	30	2.4	0.2	1.3
	Mineral	5	1.4	0.1	0.3

Units: mg/l

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

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5.8-8.6	7.9	7.1	7.4
BOD	40	6	2	3.6
COD	40	11	2	6.6
SS	50	7	1	2.8
Oil	5	1.8	0.4	1.0

Units: mg/l

Seating Division / Yokohama Plant



Location: Kanazawa-ku, Yokohama
Products: Automotive seats and interior products
Commenced operations: April 1990
Employees: 544

Remarks by plant manager

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



Akihiko Sadahisa Plant Manager

Outlook and policies

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

Fiscal 2013 and 2014 initiatives

Energy saving

- In fiscal 2013, aiming to reduce overtime in the plant, we carried out various improvement activities in order to improve the yield of production lines, and in addition to energy costs we reduced other costs. In addition, we made efforts such as reducing standby power and shutting down large chillers, and got results.
- In fiscal 2014, we will continue the activities to remove energy loss and standby power for short periods of time such as break times in addition to consecutive holidays and night time. We will also make efforts to replace or discontinue equipment having more capability than required.

Environmental education

- We will enhance environmental education, aiming to respond carefully when environmental regulations change and to further improve the environmental awareness of all employees.

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

Substance	Equipment	Regulated value	Actual
NOx	Boiler	0.100	0.069
Dust	Boiler	0.05	0.005

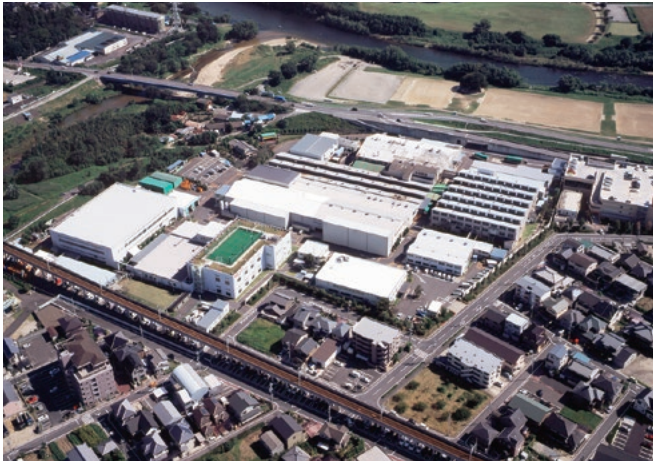
NOx units: m³ N/h Dust units: g/m³ N

Water quality (Regulated values: Yokohama sewage regulations)

Item	Regulated value	Actual			
		Maximum	Minimum	Average	
pH	5-9	7.8	6.8	7.2	
Oil	Animal and vegetable	30	2.4	0.3	1.1
	Mineral	5	0.6	0.1	0.2
Fe	3	<0.3	<0.3	<0.3	
Zn	1	<0.1	<0.1	<0.1	
Ni	1	<0.1	<0.1	<0.1	
Boron	10	<1.0	<1.0	<1.0	
NH ₄	380	3.3	0.8	2.1	

Units: mg/l

Seating Division / Toyota Plant



Location: Toyota, Aichi

Products: Automotive seats and interior products

Commenced operations: June 1961

Employees: 356

Remarks by plant manager

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



Yoji Ito Plant Manager

Outlook and policies

The main business of the plant is the manufacture of automotive seat frames systematically from design, manufacture up to shipment. In the present year, with new orders for finished seat products, we are going through changes to be a complete seat plant. In that process, with facilities that are energy saving, we are promoting production with net energy while concerned about the global environment. 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 through conservation of nature.

Fiscal 2013 and 2014 initiatives

Energy saving

- In fiscal 2013, regarding the change to LED lighting for the plant proceeded in the midterm plan since fiscal 2011, we replaced the lights in the 1st floor of the No. 4 Plant with LED lights. In addition, we worked on energy saving activities such as reviewing the limit on the number of compressors, and reducing the number of infrared heaters used in the winter by winterizing the plant.
- Fiscal 2014 will become a significant year because the Toyota Plant will be converted to a complete seating plant. As a consequence, continuation of the energy saving activities will parallel rebuilding of the plant. As renovation of plant lighting, we will replace the 2nd floor lighting in No.4 Plant with LED lights, while proceeding with the energy saving activities through installation of water sprinklers and sunscreen on the air conditioning outdoor unit, and high efficiency exhaust duct fan motors. In addition, with the most important challenge being reduction of standby power on days off, we are promoting improvements so that the plant can be operated on net energy without energy loss.

Recycling and reducing waste

- In fiscal 2013, we made efforts at reuse after thermal recycling of polyurethane boxes, and recovering resources from waste batteries used in AGV.
- In fiscal 2014, in addition to aiming to improve awareness of the environment in employees by continuing the efforts of the previous year and instilling in them the need to take home the waste they brought in, we are promoting activities aimed at an industry waste recycling rate of 100% while searching for treatment methods for wastes whose resources cannot be recovered.

Environmental education and greening activities

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

Water quality (Regulated value: Sewage Law)

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5-9	8.0	6.6	7.4
BOD	600	30	2	11
COD	600	33	6	17
SS	600	8	1	3
Oil	5	2.3	0.7	1.4
Zn	2	0.3	0.02	0.1
Cu	3	0.03	0.01	0.02

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: 371

Remarks by plant manager

The Atsugi Plant is an environmentally friendly plant, and promotes local contribution activities for energy saving and zero emissions. In addition, the plant is actively making efforts on environmental issues. A new plant began operation, and we intend to be the leading edge in environmental friendliness through building innovative products with all employees united.

Hajime Iwase Plant Manager



Outlook and policies

In fiscal 2014, the new plant, on which construction started in fiscal 2012, will go into full-scale mass production of high efficiency drive components for earth-friendly electric cars. On the other hand, we will proactively participate in the clean campaign held in the Atsugi region, aiming at improving awareness of reducing wastes. In addition we are making active efforts for reduction of CO₂ emissions.

Fiscal 2013 and 2014 initiatives

Recycling and reducing waste

- In fiscal 2013, we reduced the volume of waste by recycling 570kg 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 wastes with both government and private industry united.
- Since fiscal 2005, we have reached a recycling rate of at least 99.9%, which we intend to maintain in future.

Saving energy and reducing CO₂ emissions

- In fiscal 2013, CO₂ emissions increased due to construction of the new plant. In fiscal 2014, we are making efforts to reduce more than the CO₂ has increased.
- We are making further efforts at reducing CO₂ by promoting LED lighting systematically.
- We are actively promoting automation of lighting in shared areas. In addition to eliminating forgetting to turn the lights off, we are striving to raise consciousness of energy saving among employees.
- 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.

Water quality (Regulated value: Sewage Law)

Item	Regulated value	Actual			
		Maximum	Minimum	Average	
pH	5-9	7.5	6.9	7.2	
BOD	600	74	9	37	
COD	—	118	19	40	
SS	600	44	3	14	
Oil	Animal and vegetable	30	20.8	2.2	7.5
	Mineral	5	2.2	0.1	0.4
Fe	10	<1	<1	<1	
Total nitrogen	125	39	12	21	
Fluorine	8	0.3	0.02	0.1	
Boron	10	0.60	0.10	0.30	

Units: mg/l

Precision Spring & Components Division / Ina Plant



Location: Miyada-mura, Kami Ina-gun, Nagano
Products: Wire springs and precision machined components
Commenced operations: December 1943
Employees: 536

Remarks by plant manager

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



Noritoshi Takamura
Plant Manager



Yoshio Yamada
MC Director

Outlook and policies

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

Fiscal 2013 and 2014 initiatives

Saving energy and reducing CO₂ emissions

- We carried out various energy saving activities in fiscal 2013, however, due to increase in demands for high energy consumption products and other reasons, we could not achieve the CO₂ emission target.
- In fiscal 2014, we will continue improving energy efficiency of facilities such as batch operation of the nitriding furnace, improving air supply and discharge for dust collectors, improving heater unit efficiency, replacing a variety of lighting with LED lights, and efficient work shift.
- We will continue our efforts to pass on a beautiful natural environment to later generations by encouraging greater transparency in performance, making the results of our efforts clear, increasing the sense of satisfaction from what people do, encouraging each individual to put these things into practice and involving everyone in energy saving.

Recycling and reducing waste

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

Greening

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

■ Atmosphere (Regulated values: Air Pollution Control Law)

Substance	Equipment		Regulated value	Actual
NOx	Heating boiler	A	250	63.4
		B	250	62.7
		C	250	62.0
Dust	Heating boiler	A	0.3	0.003
		B	0.3	0.008
		C	0.3	0.002

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	7.8	7.0	7.4
BOD	600	12	2	5
COD	—	21	1	6
SS	600	11	2	6
Oil	5	3.2	0.3	1.3
Fe	10	<1	<1	<1
Cu	3	<0.3	<0.3	<0.3
Total nitrogen	380	4.9	1.6	3.2

Units: mg/l

Disk Drive Suspension Division / Komagane Plant



Location: Komagane, Nagano
Products: HDD suspensions
Commenced operations: November 1983
Employees: 482

Remarks by plant manager

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



Tetsuya Fujiwara Plant Manager

Outlook and policies

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

Fiscal 2013 and 2014 initiatives

Energy saving (reducing CO₂ emissions)

- In fiscal 2013, we reduced CO₂ emissions by 2.6%, 230 tons from fiscal 2012, by properly corresponding to fluctuations in orders in addition to reducing equipment standby power use and improving insulation of boilers.
- In fiscal 2014, we are aiming at further reduction of CO₂ emissions by promoting LED lighting at the plant, improving furnace insulation, and promoting efficiency of clean room air conditioning through concentration of production.

Recycling and reducing waste

- In fiscal 2013, we made efforts in reducing emissions and processing costs by further reducing the amount of face towels, recycling waste plastic in useful resources by further separation and reviewing processing unit cost.
- In fiscal 2014, we will keep the recycling rate 100% through thorough separation, and make efforts to find a new waste processor, reduce the volume of waste and recycle waste into useful resources in order to further reduce emissions and processing costs.

Water quality (Regulated value: Nagano prefectural regulations)

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5.8-8.6	7.5	7.0	7.2
BOD	20	20	3	13
COD	20	13	4	9
SS	30	25	1	13
Oil	5	1.5	0.5	1.0

Units: mg/l



Location: Isehara, Kanagawa

Products: Brazed products, pipe support systems, specialized springs, security products

Commenced operations: March 1993

Employees: 254

Remarks by director

The Isehara Plant is richly endowed with nature located in the middle of Kanagawa Prefecture, Tanzawa on its north and Sagami Bay on its south. While improving productivity and reducing CO₂ emissions and industrial waste, we will continue contributing to society as an environment-friendly plant.



Toshihiro Tachikawa Director, Bonding and Ceramic Department
Hironobu Sugiura Director, Special Products Department
Munenori Sakauchi STS Director

Outlook and policies

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

Fiscal 2013 and 2014 initiatives

Energy saving

- We are continuously improving the productivity of the electric furnaces we use to make the semiconductor production equipment parts, which account for 40% of the volume of CO₂ emissions at the Isehara Plant. In fiscal 2013, as orders increased, we improved the feed efficiency of the batch furnaces and increased productivity, reducing about 11 tons of CO₂.
- We also increased productivity in the pipe support systems production line by improving the setup and work practices and altering the layout. We reduced the volume of CO₂ emissions by 1.4 tons by reducing the amount of power used for production.
- In fiscal 2013, we continue working on the campaign to call each other to turn off PCs and lights during lunch break at work. We also coated the whole of the plant roof with insulating paint to save energy. We have not confirmed its effect, but we will continue energy saving activities by devising various means in the future.
- In fiscal 2014, we expect an annual reduction of 13.3 tons in CO₂ emissions.

Recycling and reducing waste

- In fiscal 2013, we maintained the 100% recycling rate we achieved from 2004. In addition, we increased the rate to recycle waste into useful resources to 57% of the emissions from the plant.
- We will maintain the 100% recycling rate in fiscal 2014. We will reduce processing costs and further promote recycling waste into useful resources in order to promote efficient use of resources and reduction of processing costs.

Environmental education

- Every May, we conduct environmental education in which all employees at the plant participate. In January, we conducted a written examination on environment, called Environment Dojo.
- At the fiscal 2013 environmental education, under the theme "resources and the environment in the recycling society," we studied prevention of global warming and reduce, reuse and recycle that each of us can do.
- In fiscal 2014, under the theme, consideration of energy usage and waste situation in the world and Japan "What we can do -Not only for the present but for the future-," we will give familiar examples of environmental problems at home and implement activities each of us can do.

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

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5.8-8.6	7.8	7.2	7.5
BOD	130	17	2	6
COD	130	20	4	13
SS	160	6	1	3
Oil	5	2.3	0.5	1.1
Fe	3	<0.3	<0.3	<0.3
Zn	1	0.12	0.04	0.07

Units: mg/l



Location: Komagane, Nagano

Products: Specialized polyurethane foam products, metal base printed wiring boards

Commenced operations: December 1981

Employees: 156

Remarks by director

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



Tokio Miyashita
Director, Chemical Products Departments

Shinji Saito
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 2013 and 2014 initiatives

Recycling and reducing waste

- In fiscal 2013, we maintained the 100% recycling rate from last year. Due to increased production, generated waste increased 8% and processing costs increased 14% compared to fiscal 2012, we were not able to meet our industrial waste index target.
- In fiscal 2014, we will aim to meet our company-wide index targets and work to reduce waste and costs. In particular, the main subject of this fiscal year is reducing processing costs for waste plastic, and we are aiming for a 20% reduction compared to fiscal 2013.

Reducing CO₂ emissions and achieving target unit consumption

- In fiscal 2013, to carry on from the previous year the measure to retire kerosene-fired office heaters, we retired the kerosene-fired office heaters by installing multisystem air conditioning in the office meeting rooms. We also took measures such as using inverter pumps and coating the roofs with heat resistant paint, and achieved the CO₂ unit consumption target.
- In fiscal 2014, we will save energy by stopping the use of kerosene-fired heaters on sites (installing air conditioners), using LED lighting in production buildings, and reviewing the operating method of compressors. Furthermore, we will extend energy saving by adding automatic controls to our production and auxiliary equipment and repairing compressed air leaks.

Enhanced environmental management

- In fiscal 2013, we carried out the following activities.
 - Reviewed the reference value for VOC emission equipment and changed the notification
 - Completed the first phase of construction of waste water treatment facility No. 2, and reduced costs for water quality maintenance
 - Reviewed and clarified the inspection, repair and replacement periods for facilities related to environment

- In fiscal 2014, based on the revised Water Pollution Control Law, we will change the drainage route of the subject facilities. Furthermore, as efforts to preserve environment, we will remove the underground storage for kerosene used for the office heaters retired in fiscal 2013 and start the second phase of construction for waste water treatment facility No. 2.

Atmosphere (Regulated values: Air Pollution Control Law)

Substance	Equipment	Regulated value	Actual
NOx	Hot water boiler	A	180
		B	30
	Heating boiler	A	180
		B	76
Dust	Hot water boiler	A	0.3
		B	0.03
	Heating boiler	A	Suspended
		B	0.02

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	7.9	7.3	7.7
	Production Building 2		9.9	6.4	7.2
BOD	Production Building 1	20	3	2	2
	Production Building 2		18	5	13
COD	Production Building 1	20	2	1	1
	Production Building 2		18	4	9
SS	Production Building 1	30	3	1	1
	Production Building 2		6	1	2
Oil	Production Building 1	5	4.5	0.3	1.6
	Production Building 2		2.8	0.1	1.3
Fe	Production Building 2	10	1.0	<0.1	0.2
Cu	Production Building 2	3	0.3	<0.1	0.1

Units: mg/l

Industrial Machinery & Equipment Division / Yasu Plant (Parking Systems Department)



Location: Yasu, Shiga

Products: Mechanical multilevel parking systems

Commenced operations: October 1996

Employees: 63

Remarks by director

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



Makoto Sakurai Director, Parking Systems Department

Outlook and policies

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

Fiscal 2013 and 2014 initiatives

Energy saving (reducing CO₂ emissions)

- In fiscal 2013, after reviewing the production system, we systematically stopped equipment by alternate production throughout the year and reduced energy consumption. In addition, we replaced the outdoor lamps with LED lights as a countermeasure for peak power demand during winter evenings.
- In fiscal 2014, to implement leveled production in addition to alternate production, we will reduce energy consumption by short stop and quality improvement with productivity improvement at the core. Furthermore, we will further promote repairing compressed air leaks implemented in fiscal 2013.

Recycling and reducing waste

- Continuing from fiscal 2013, we will carry out improved and thorough separation to maintain the 100% recycling rate. We will also look for a new waste treatment contractor to promote recycling of waste into useful resources and to reduce processing costs.

Managing environmentally hazardous materials

- In addition to continued compliance with environmental laws, we will implement measures for pretreatment equipment according to the revised Water Pollution Control Law.

■ Atmosphere (Regulated values: Air Pollution Control Law)

Substance	Equipment	Regulated value	Actual
NOx	Boiler	150	33
	Drying oven	230	23
Dust	Boiler	0.1	0.01
	Drying oven	0.2	0.01

NOx units: ppm Dust units: g/m³ N

■ Water quality (Regulated value: Sewage Law)

Item	Regulated value	Actual		
		Maximum	Minimum	Average
pH	5-9	8.0	7.3	7.7
BOD	600	5	1	2
COD	—	5	1	2
SS	600	21	4	11
Oil	5	1.4	0.1	0.9
Ni	1	0.9	<0.1	0.4
Total nitrogen	60	28	11	19
Total phosphorus	10	0.4	0.01	0.2

Units: mg/l

Analysis of results

Operating results for fiscal 2013

The Japanese economy in fiscal 2013 showed a steady recovery due to changes in monetary and financial policies, increase in corporate earnings due to a weaker yen, and increased demand before the consumption tax rate hike.

As for the global economy, Europe showed signs of recovery while the United States' economy continued on its path of gradual improvement. China continued to experience an economic downturn while some parts of Asia saw a slowdown in economic growth.

In the automobile industry, one of main business areas for our group, sales volume increased to 5,692,000 units in Japan, an increase of 9.3% from the year earlier due to the last-minute demand before the consumption tax rate hike. Exports of completed automobiles were 4,632,000 units, a decrease of 0.6% from the year earlier. As a result, Japan's automobile production volume was 9,912,000, an increase of 3.8% from the year earlier.

In the IT equipment industry, another main business area for our group, orders were reduced from the year earlier due to cuts in HDD (hard disk drive) production as a result of the decrease in PC demand worldwide.

As described above, the business environment was uncertain. However, due to an environment with a weaker yen and increased domestic and international sales, our group generated net sales increased by 12.2% from year earlier to ¥569,711 million. Operating income increased by 24.8% from year earlier to ¥37,480 million, ordinary income increased by 18.7% from year earlier to ¥41,436 million, and net income rose 21.4% from year earlier to ¥24,677 million.

Cash flow

Net cash from operating activities increased by ¥14,575 million from the year earlier to ¥43,798 million. This is mainly attributed to the increase in net income before taxes and other adjustments, and the decrease in working capital.

Net cash used in investment activities was ¥27,914 million, which is ¥1,214 million less than year earlier. This was mainly due to a decrease in spending for the purchase of property, plants, and equipment.

Cash flows from financing activities resulted in net excess expenditures of ¥16,200 million, up ¥5,888 million from the year earlier. This is mainly due to repayment of debt.

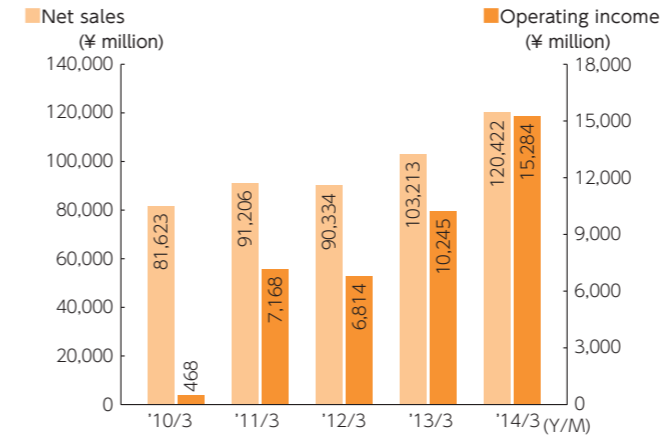
Free cash flow, defined as net cash from operating activities less net cash used for investment activities, totaled ¥15,883 million.

As a result of the foregoing, cash and cash equivalents at end of the period increased by ¥61,993 million at the end of the previous period to ¥4,984 million. Corporate bonds, commercial paper, and long- and short-term borrowings totaled ¥61,013 million, a decrease of ¥10,944 million at the end of the previous period.

Segment information

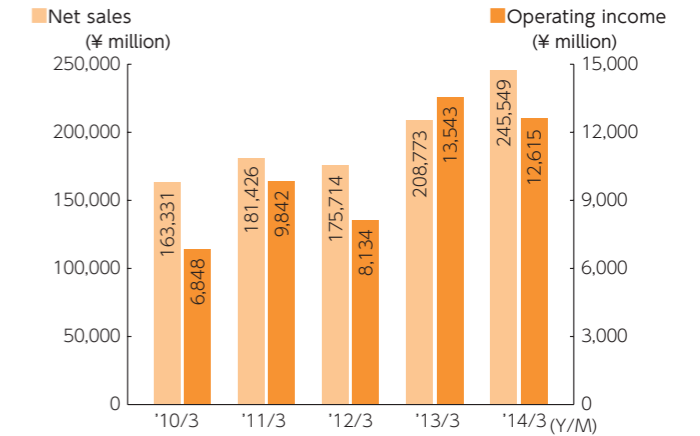
[Suspension springs]

The suspension springs segment posted sales of ¥120,422 million, an increase of 16.7% from the year earlier with operating income rising by 49.2% to ¥15,284 million from the year earlier due to an increase in the production of automobiles in Japan and overseas, such as in North America and China.



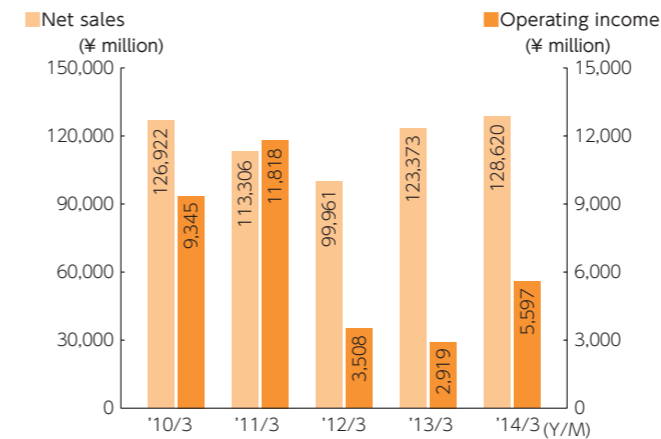
[Seating]

The seating segment posted sales of ¥245,549 million, an increase of 17.6% from the year earlier due to an increase in Japanese and overseas automobile production of major customers. However, operating income decreased to ¥12,615 million, a decrease of 6.9% from the year earlier due to factors such as the start-up costs of new companies in China.



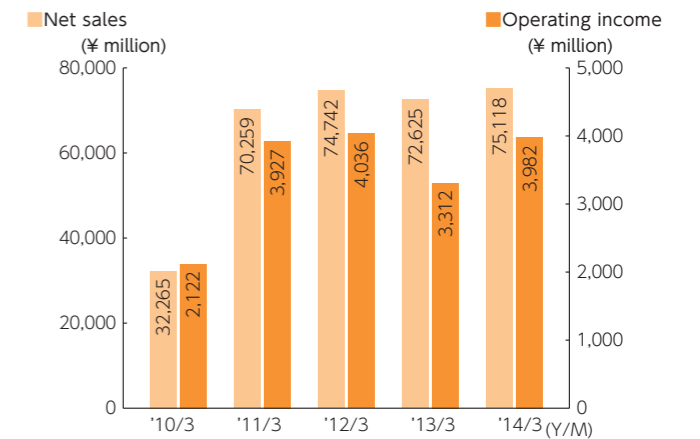
[Precision springs and components]

The precision springs and components segment posted sales of ¥128,620 million, an increase of 4.3% from the year earlier, with an operating income of ¥5,597 million, an increase of 91.7% from the year earlier due to an increase in automobile production in Japan and overseas and the effect of exchange rate changes in spite of the decrease in HDD production.



[Industrial machinery and equipment, and other operations]

Net sales of the industrial machinery and equipment, and other operations segment went up 3.4% from the year earlier to ¥75,118 million with operating income going up 20.2% from the year earlier to ¥3,982 million due to a trend of recovery in the domestic market.



Consolidated balance sheets

(Millions of Yen)

	FY2012 April 1, 2012 – March 31, 2013	FY2013 April 1, 2013 – March 31, 2014
Assets		
Current assets		
Cash and bank deposits	57,137	62,256
Notes and accounts receivable, trade	109,535	126,652
Merchandise and finished products	13,463	14,228
Work in process	8,492	8,355
Raw materials and supplies	10,075	11,105
Parts	3,204	3,549
Deferred tax assets	4,296	4,251
Other current assets	15,773	19,880
Allowance for doubtful notes and accounts	(63)	(105)
Total current assets	221,914	250,175
Fixed assets		
Property, plant and equipment		
Buildings and structures	118,768	125,626
Accumulated depreciation	(75,878)	(78,992)
Buildings and structures, net	42,890	46,633
Machinery and transport equipment	193,476	201,818
Accumulated depreciation	(155,254)	(160,385)
Machinery and transport equipment, net	38,222	41,432
Land	31,713	32,166
Leased assets	3,942	3,384
Accumulated depreciation	(2,024)	(1,890)
Leased assets, net	1,917	1,493
Construction in progress	7,469	8,911
Others	51,982	55,658
Accumulated depreciation	(45,354)	(48,713)
Other, net	6,627	6,945
Net property, plant and equipment	128,841	137,583 ³
Intangible assets	3,689	4,669
Investments, long-term receivables and other assets		
Investment securities	53,470	55,859 ¹
Long-term loans	3,988	3,719
Deferred tax assets	3,316	4,095
Others	9,984	9,034 ¹
Allowance for doubtful notes and accounts	(154)	(164)
Total investments, long-term receivables and other assets	70,604	72,544
Total fixed assets	203,135	214,797
Total assets	425,050	464,972

(Millions of Yen)

	FY2012 April 1, 2012 – March 31, 2013	FY2013 April 1, 2013 – March 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable, trade	69,601	77,972
Electronically recorded obligations	25,417	28,637
Short-term borrowings	20,242	10,759 ³
Accrued income taxes	6,381	8,120
Deferred tax liabilities	834	878
Allowance for directors bonus	260	249
Equipment notes payable	2,584	1,464
Other current liabilities	34,705	38,606
Total current liabilities	160,028	166,688
Long-term liabilities		
Corporate bonds	20,000	20,000
Long-term debt	21,715	20,254 ³
Lease obligations	1,767	1,308
Deferred tax liabilities	8,277	8,464
Accrued retirement benefits for employees	11,267	—
Liabilities from retirement benefits	—	15,444
Accrued retirement benefits for directors and corporate auditors	588	545
Accrued retirement benefits for corporate officers	663	598
Others	958	1,627
Total long-term liabilities	65,238	68,243
Total liabilities	225,266	234,932
Net assets		
Shareholders' equity		
Common stocks	17,009	17,009
Capital surplus	19,308	19,308
Retained earnings	144,436	163,920
Treasury stocks	(794)	(796)
Total shareholders' equity	179,959	199,441
Accumulated other comprehensive income (loss)		
Unrealized gain or loss on available-for-sale securities	16,533	16,740
Foreign currency translation adjustment	(6,492)	4,782
Accumulated adjustment due to retirement benefits	—	(2,695)
Total accumulated other comprehensive income (loss)	10,040	18,828
Minority interests	9,782	11,770
Total net assets	199,783	230,040
Total assets	425,050	464,972

Consolidated statements of income

	(Millions of Yen)	
	FY2012 April 1, 2012 – March 31, 2013	FY2013 April 1, 2013 – March 31, 2014
Net sales	507,985	569,711
Cost of sales	441,316	492,603 ^{1, 3}
Gross profit	66,668	77,107
Selling, general and administrative expenses		
Selling expenses	12,277	12,281
General and administrative expenses	24,370	27,346
Total selling, general and administrative expenses	36,648	39,627 ^{2, 3}
Operating income	30,020	37,480
Non-operating income		
Interest income	614	841
Dividend income	809	899
Equity in earnings of affiliates	336	355
Real estate rental income	705	639
Exchange (loss) gain, net	3,421	2,305
Others	1,243	1,096
Total non-operating income	7,130	6,138
Non-operating expenses		
Interest expenses	777	538
Loss on disposals of fixed assets	272	629
Others	1,193	1,014
Total non-operating expenses	2,243	2,182
Ordinary income	34,907	41,436
Extraordinary gain		
Gain on sales of tangible fixed assets	199	—
Gain on negative goodwill	670	79
Others	7	—
Total extraordinary gain	877	79
Extraordinary losses		
Loss on retirement of fixed assets	—	452 ⁴
Impairment loss of fixed assets	2,309	55 ⁵
Loss on sales of investment securities	—	130
Loss from liquidation of affiliates	—	545
Loss on write-down of investment securities	423	—
Loss (gain) on step acquisitions	279	—
Others	70	—
Total extraordinary losses	3,083	1,184
Income before income taxes and minority interests	32,701	40,331
Current	10,769	15,249
Deferred	211	(1,270)
Total income taxes	10,981	13,979
Income before minority interests	21,719	26,352
Minority interests in income of consolidated subsidiaries	1,385	1,674
Net income	20,333	24,677

Consolidated statements of changes in net assets

(Millions of Yen)		
	FY2012 April 1, 2012 – March 31, 2013	FY2013 April 1, 2013 – March 31, 2014
Shareholders' equity		
Common stock		
Balance at the start of the period	17,009	17,009
Changes during the period		
Total changes during the period	—	—
Balance at the end of current period	17,009	17,009
Capital surplus		
Balance at the start of the period	17,900	19,308
Changes during the period		
Disposal of treasury stock	0	—
Changes due to share exchange	1,407	—
Total changes during the period	1,407	—
Balance at the end of current period	19,308	19,308
Retained earnings		
Balance at the start of the period	127,904	144,436
Changes during the period		
Dividends paid	(3,832)	(4,372)
Net income	20,333	24,677
Change in scope of consolidation	30	(412)
Changes in the regular scope of the equity method	—	(408)
Total changes during the period	16,531	19,483
Balance at the end of current period	144,436	163,920
Treasury stock		
Balance at the start of the period	(5,345)	(794)
Changes during the period		
Purchase of treasury stock	(1)	(2)
Disposal of treasury stock	0	—
Changes due to share exchange	4,551	—
Total changes during the period	4,550	(2)
Balance at the end of current period	(794)	(796)
Total shareholders' equity		
Balance at the start of the period	157,469	179,959
Changes during the period		
Dividends paid	(3,832)	(4,372)
Net income	20,333	24,677
Change in scope of consolidation	30	(412)
Changes in the regular scope of the equity method	—	(408)
Purchase of treasury stock	(1)	(2)
Disposal of treasury stock	0	—
Changes due to share exchange	5,959	—
Total changes during the period	22,489	19,481
Balance at the end of current period	179,959	199,441
Accumulated other comprehensive income (loss)		
Unrealized gain or loss on available-for-sale securities		
Balance at the start of the period	13,413	16,533
Changes during the period		
Net changes of items other than shareholders' equity	3,119	207
Total changes during the period	3,119	207
Balance at the end of current period	16,533	16,740

(Millions of Yen)		
	FY2012 April 1, 2012 – March 31, 2013	FY2013 April 1, 2013 – March 31, 2014
Foreign currency translation adjustment		
Balance at the start of the period	(15,971)	(6,492)
Changes during the period		
Net changes of items other than shareholders' equity	9,478	11,275
Total changes during the period	9,478	11,275
Balance at the end of previous period	(6,492)	4,782
Accumulated adjustment due to retirement benefits		
Balance at the start of the period	—	—
Changes during the period		
Net changes of items other than shareholders' equity	—	(2,695)
Total changes during the period	—	(2,695)
Balance at the end of previous period	—	(2,695)
Total valuation and translation adjustment		
Balance at the start of the period	(2,557)	10,040
Changes during the period		
Net changes of items other than shareholders' equity	12,598	8,787
Total changes during the period	12,598	8,787
Balance at the end of current period	10,040	18,828
Minority interests		
Balance at the start of the period	11,827	9,782
Changes during the period		
Net changes of items other than shareholders' equity	(2,044)	1,987
Total changes during the period	(2,044)	1,987
Balance at the end of current period	9,782	11,770
Total net assets		
Balance at the start of the period	166,739	199,783
Changes during the period		
Dividends paid	(3,832)	(4,372)
Net income	20,333	24,677
Change in scope of consolidation	30	(412)
Changes in the regular scope of the equity method	—	(408)
Purchase of treasury stock	(1)	(2)
Disposal of treasury stock	0	—
Changes due to share exchange	5,959	—
Net changes of items other than shareholders' equity	10,553	10,775
Total changes during the period	33,043	30,256
Balance at the end of current period	199,783	230,040

Consolidated statements of comprehensive income

	(Millions of Yen)	
	FY2012 April 1, 2012 – March 31, 2013	FY2013 April 1, 2013 – March 31, 2014
Income before minority interests	21,719	26,352
Other comprehensive income		
Unrealized gain or loss on available-for-sale securities	3,139	227
Foreign currency translation adjustment	10,067	11,827
Equity equivalent to affiliated companies	200	497
Total other comprehensive income	13,407	12,551*
Comprehensive income	35,127	38,903
Comprehensive income attributable to:		
owners of the parent company	32,932	35,983
minority interests	2,194	2,920

Consolidated statements of cash flows

	(Millions of Yen)	
	FY2012 April 1, 2012 – March 31, 2013	FY2013 April 1, 2013 – March 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	32,701	40,331
Depreciation and amortization	21,393	21,042
Loss on impairment of fixed assets	2,309	55
Increase (decrease) in provision for retirement benefits	175	—
Increase and decrease liabilities from retirement benefits	—	(557)
Interest and dividends income	(1,424)	(1,741)
Interest expenses	777	538
Foreign exchange gains	(872)	(720)
Equity in earnings of affiliates	(336)	(355)
Loss on property, plant and equipment	44	1,050
Loss (gain) on sales of investment securities	—	130
Loss on write-down of investment securities	423	457
Decrease (increase) in notes and accounts receivable, trade	824	(12,318)
Decrease (increase) in inventories	1,995	278
Increase (decrease) in notes and accounts payable, trade	(22,843)	6,777
Other, net	992	578
Sub-total	36,162	55,546
Interest and dividends income received	2,119	2,705
Interest expenses paid	(795)	(572)
Income taxes paid	(8,263)	(13,881)
Net cash provided by operating activities	29,222	43,798

	(Millions of Yen)	
	FY2012 April 1, 2012 – March 31, 2013	FY2013 April 1, 2013 – March 31, 2014
Cash flows from investing activities		
Payments into time deposits	336	(120)
Purchase of property, plant and equipment	(23,461)	(19,294)
Proceeds from sales of property, plant and equipment	579	1,118
Purchase of intangible assets	(1,082)	(546)
Purchase of investment securities	(2,568)	(5,815)
Proceeds from sales of investment securities	7	1,892
Disbursements for loans	(4,286)	(6,126)
Collection of loans	1,302	1,122
Other	45	(145)
Net cash used in investing activities	(29,129)	(27,914)
Cash flows from financing activities		
Proceeds from issuance of short-term debt	2,349	425
Repayment of short-term debt	(6,888)	(5,396)
Proceeds from issuance of long-term debt	10,046	10,000
Repayment of long-term debt	(13,854)	(15,425)
Proceeds from issuance of commercial papers	28,000	40,000
Redemption of commercial papers	(24,000)	(40,000)
Payments for purchase of treasury stock	(1)	(2)
Income from sales of treasury stock	151	—
Repayments of lease obligations	(1,581)	(777)
Dividends paid	(3,832)	(4,372)
Cash dividends paid to minority shareholders	(701)	(651)
Net cash used in financing activities	(10,311)	(16,200)
Effect of exchange rate changes on cash and cash equivalents	4,153	3,560
Net increase in cash and cash equivalents	(6,064)	3,243
Cash and cash equivalents at beginning of year	58,773	57,009
Increase in cash and cash equivalents resulting from subsidiaries newly included in consolidation	4,300	1,740
Cash and cash equivalents at end of year	57,009	61,993*

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

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 32

Names of consolidated subsidiaries:

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

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

(2) Non-consolidated subsidiaries

Names of non-consolidated subsidiaries:

Ayase Seimitsu Co., Ltd., G.L.G. Corporation, FNK China Co., Ltd. and NHK Automotive Components India Private Limited

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

2. Scope of application of equity method

(1) Number of non-consolidated subsidiaries accounted for by the equity method: 4

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

Ayase Seimitsu Co., Ltd., G.L.G. Corporation, FNK China Co., Ltd. and NHK Automotive Components India Private Limited
FNK China Co., Ltd. and NHK Automotive Components India Private Limited are included in the scope of the equity method due to their increased importance.

Number of affiliates accounted for by the equity method: 5

Names of affiliates accounted for by the equity method:
Sindai Co., Ltd., Faurecia-NHK Co., Ltd., Ibérica de Suspensiones, S. L., Rassini-NHK Autopeças Ltda. Faurecia NHK (Xiangyang) Automotive Seating Co., Ltd.
Faurecia NHK (Xiangyang) Automotive Seating Co., Ltd. is included in the scope of the equity method due to its increased importance. SNIC Co., Ltd. has been excluded from the scope of the equity method following the sale of its shares.

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

Names of companies:
Nippatsu Harmony Co., Ltd.
Reason not accounted for:

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

3. Accounting standards

(1) Asset valuation method

1) Inventories

Inventories are mainly stated according to the weighted

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

2) Securities

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

Other securities

Marketable securities

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

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

Non-marketable securities

Moving-average method

3) Derivative

Derivatives are carried at fair value.

(2) Depreciation and amortization of assets

1) Tangible fixed assets (excluding lease assets)

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

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

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

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

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

3) Intangible assets (excluding lease assets)

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

4) Lease assets

Finance lease transactions other than those deemed to transfer ownership

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

(3) Significant accruals

1) Allowance for doubtful receivables

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

2) Accrued bonuses for directors

To provide for bonuses to directors, the Company recognizes the amounts accrued at the end of the fiscal year under review based on the estimated payment at the end of the fiscal year under review.

3) Accrued retirement benefits for directors and corporate auditors

In order to provide for the retirement benefits of corporate officers, domestic consolidated subsidiaries recognize the

required benefit amounts accrued at the end of the fiscal year in accordance with the regulations for retirement benefits of corporate officers or in accordance with internal rules.

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

(4) Method of accounting related to retirement benefits

- 1) Method of attribution of retirement benefits in the period
Calculations of consolidated retirement liabilities use the straight-line method for the estimated retirement benefit amount as the attribution method to the end of the current fiscal year.
- 2) Net actuarial loss, past service cost
Past service cost is proportionately expensed according to the straight-line method over a certain number of years (15 to 16 years) within employees' average remaining number of years of service at the time of accrual.
Actuarial differences are proportionately expensed, beginning with the next fiscal year after the year of accrual, according to the straight-line method over a certain number of years (10 to 16 years) within employees' average remaining number of years of service at the time of accrual.
- 3) Use of simplified method at small businesses
Some consolidated subsidiaries apply the simplified method that uses the voluntary required benefit amount accrued at the end of the fiscal year related to retirement benefits as consolidated subsidiaries in their calculations of liabilities and employees' pension and severance cost related to retirement benefits.

(5) Significant hedge accounting methods

- 1) Hedge accounting methods
The Company uses deferred hedge accounting. Notably, currency forward contracts (including a number of currency options) are accounted for by periodic allocation where the requirements for this accounting method are satisfied. Interest rate swaps are accounted for according to special exception rules where requirements for this accounting method are satisfied.
- 2) Hedging instruments and hedged items

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

- 3) Hedging policies
As Group internal regulations, "Cash Management Regulations" provide as basic principles that hedging is to be used for currency risks and interest risks management.
With regard to foreign denominated trade receivables, which pose the main risk, in order to avoid the associated currency risk, the Company enters into comprehensive currency forward contracts. Currency forward contracts are used within the scope of actual export transactions in connection with regular foreign-denominated business transactions.
- 4) Method of determination of hedge effectiveness
The hedge effectiveness of currency forward transactions is determined through checks performed when currency forwards are contracted. Checks are performed in accordance with the "Cash Management Regulations" integral to the internal regulations of the Company. Hedge effectiveness of interest rate swaps, to the extent that such swaps meet the

requirements for special exception rules, is determined in accordance with the Accounting Standards for Financial Instruments.

(6) Goodwill amortization and amortization period

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

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

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

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

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

(Changes in accounting policies)

"Accounting Standards Concerning Retirement Benefits" (published May 17, 2012 in Accounting Standards No. 26, hereinafter referred to as "Retirement Benefits Accounting Standards") as well as "Guidelines for Accounting Standards concerning Retirement Benefits" (published May 17, 2012 in Corporate Accounting Standards Guidelines No. 25, hereinafter referred to as "Retirement Benefits Guidelines") applies from the end of the current fiscal year (except for the provisions described in paragraph (35) of the Retirement Benefits Accounting Standards and paragraph (67) of the Retirement Benefits Guidelines). The amount in which pension assets were deducted from the consolidated retirement liabilities was recorded as a liability from retirement benefits. Unrecognized net actuarial loss and unrecognized prior service cost were recorded in the liabilities from retirement benefits.
With regard to the adoption of the Retirement Benefits Accounting Standards, we are following a transition practice established in paragraph (37) of the Retirement Benefits Accounting Standards. At the end of the current fiscal year, the impact associated with the appropriate changes is being adjusted to accumulated adjustments from retirement benefits of accumulated other comprehensive income.
As a result, NHK posted a liability from retirement benefits of ¥15,444 million at the end of the current fiscal year. Accumulated other comprehensive income has also decreased to ¥2,695 million.
Net assets per share decreased by ¥11.10.

Notes Consolidated fiscal year (March 31, 2014)

Consolidated balance sheets

*1 Note regarding unconsolidated subsidiaries and affiliated companies

Each item in unconsolidated subsidiaries and affiliated companies are as follows:

Investment securities	¥14,095 million
Investment, other assets and others	¥6,605 million

*2 Liabilities for assurance

Guarantees given for debts of non-consolidated companies and others from financial institutions are as follows:

Non-consolidated companies	¥2,319 million
Employee	¥92 million
Total	¥2,412 million

*3 Pledged asset

Buildings and structures	¥290 million (Carrying amount)
Land	¥1,091 million (Carrying amount)
Total	¥1,382 million (Carrying amount)

The above is serving as floating mortgage for collateral of ¥610 million long-term debt (including ¥338 million long-term borrowing due within one year).

Consolidated statements of income

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

¥350 million

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

(1) Selling expenses

Packing and delivery expenses	¥3,009 million
Salaries, allowances, and bonuses	¥4,588 million
Employee's retirement benefits	¥294 million
Depreciation	¥87 million

(2) General and administrative expenses

Salaries, allowances, and bonuses	¥13,264 million
Employee's retirement benefits	¥848 million
Provision of accrued retirement benefits for directors and corporate auditors	¥314 million
Provision of accrued retirement benefits for corporate officers	¥125 million
Depreciation	¥2,479 million
Research and development expenses	¥2,015 million

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

¥13,803 million

*4 The breakdown of loss on disposals of fixed assets recognized as extraordinary losses is as follows:

Buildings and structures	¥452 million
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*5 Loss on impairment of fixed assets

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

Location	Purpose	Type
Nagaoka City, Niigata Prefecture	Warehouse	Land

(Background of the recognition of impairment losses)

Domestic consolidated subsidiary, NHK Sales Co., Ltd., posted the difference between book value and market value at the end of the period in the extraordinary loss as loss on impairment of fixed assets because it was determined that the company cannot expect potential future returns on investments on fixed assets under an environment where market value has declined.

(Amount of impairment losses)

Type	Amount
Land	¥55 million

(Method for grouping assets)

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

(Method for calculating recoverable values)

Recoverable value is measured using the net selling price and calculated using reasonable estimates based on posted prices.

Consolidated statements of comprehensive income

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

Valuation difference on available-for-sale securities	
Amount at the start of the period	¥352 million
Reclassification adjustment amount	(¥34 million)
Before tax effect adjustments	¥318 million
Tax effect amount	(¥91 million)
Valuation difference on available-for-sale securities	¥227 million
Currency-adjusted conversion	
Amount at the start of the period	¥11,827 million
Interest in equity-method affiliates	
Amount at the start of the period	¥497 million
Interest in equity-method affiliates	¥497 million
Other comprehensive income total	¥12,551 million

Consolidated statements of changes in net assets

1. Type and number of outstanding shares

Type	Beginning of the period under review	Increase in the number of shares during the year under review	Decrease in the number of shares during the year under review	Number of shares as of March 31, 2014
Common stock	244,066,144	—	—	244,066,144

2. Type and number of treasury stocks

Type	Beginning of the period under review	Increase in the number of shares during the year under review	Decrease in the number of shares during the year under review	Number of shares as of March 31, 2014
Common stock	1,169,160	2,036	—	1,171,196

(Reasons for the increase or decrease)

Details of the increase are as follows:

Increase due to purchases of less-than-one-unit shares	2,036 shares
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3. Dividends

(1) Amount of dividends paid

Resolution	Type of share	Total amount of dividend (million yen)	Dividend per share (yen)	Record date	Effective date
Annual general meeting of shareholders held on June 27, 2013	Common share	1,943	8.0	March 31, 2013	June 28, 2013
Board of Directors meeting held on Nov. 8, 2013	Common share	2,428	10.0	September 30, 2013	December 5, 2013

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

Resolution	Type of share	Dividend resource	Total amount of dividend (million yen)	Dividend per share (yen)	Record date	Effective date
Annual general meeting of shareholders held on June 27, 2014	Common share	Retained earnings	2,428	10.0	March 31, 2014	June 30, 2014

Consolidated statements of cash flows

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

	(As of March 31, 2014)
Cash and bank deposits	¥62,256 million
Time deposits with maturity in excess of three months	(¥262 million)
Cash and cash equivalents	¥61,993 million

Leases

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

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

(Millions of Yen)

	Machinery, equipment and vehicles	Property, plant and equipment	Intangible assets	Total
Acquisition cost equivalents	252	6	—	259
Accumulated depreciation equivalents	227	5	—	232
Net book value equivalents	24	1	—	26

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

(2) Future lease payments at March 31, 2014

Due within one year	¥21 million
Due over one year	¥4 million
Total	¥26 million

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

(3) Current lease payments and depreciation equivalents

Lease payments	¥53 million
Depreciation equivalents	¥53 million

(4) Calculation methods of depreciation equivalents

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

2. Finance lease transactions

(1) Type of lease assets

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

(2) Depreciation method of leased assets

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

3. Operating lease transaction

Future minimum lease payments for non-cancellable operating lease transactions

Due within one year	¥60 million
Due over one year	—
Total	¥60 million

(Impairment losses)

Finance lease transactions have no impairment loss.

Financial instruments

1. Outline of financial instruments

(1) Policy for financial instruments

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

(2) Type of financial instruments and related risk

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

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

(3) Risk management for financial instruments

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

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

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

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

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

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

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

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

Not applicable

2. Outline of marketable financial instruments

Carrying amount, fair value and unrealized gain/loss of the financial instruments as of March 31, 2014 (closing date of this fiscal year) are as follows.

(Millions of Yen)

	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash and bank deposits	62,256	62,256	—
(2) Notes and accounts receivable, trade	126,652	126,652	—
(3) Investment securities			
1) Bonds to be held to maturity	500	506	6
2) Other securities	40,211	40,211	—
(4) Long-term loans	3,719	3,935	216
Total assets	233,339	233,561	222
(1) Notes and accounts payable, trade	77,972	77,972	—
(2) Electronically recorded obligations	28,637	28,637	—
(3) Short-term borrowings	10,759	10,759	—
(4) Accrued income taxes	8,120	8,120	—
(5) Equipment notes payable	1,464	1,464	—
(6) Corporate bonds	20,000	20,153	153
(7) Long-term debt	20,254	20,191	(63)
(8) Lease obligations	1,308	1,285	(23)
Total liabilities	168,516	168,583	66
Derivative financial instruments *	[6]	[6]	—

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

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

Assets:

(1) Cash and bank deposits, and (2) Notes and accounts receivable, trade

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

(3) Investment securities

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

(4) Long-term loans

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

Liabilities

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

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

(6) Corporate bonds

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

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

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

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

Derivative transactions

Please see the note for derivative transactions.

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

(Millions of Yen)

Category	Carrying amount
Equity investments of unlisted subsidiaries and affiliates	14,095
Other unlisted stocks	1,052

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

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

(Millions of Yen)

	Within one year	One to five years	Five to ten years	Over ten years
Cash and bank deposits	62,256	—	—	—
Notes and accounts receivable, trade	126,652	—	—	—
Investment securities				
Bonds to be held to maturity (corporate bonds)	—	—	500	—
Long-term loans	—	3,620	77	21
Total	188,909	3,620	577	21

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

(Millions of Yen)

	Within one year	One to two years	Two to three years	Three to four years	Four to five years	Over five years
Short-term borrowings	247	—	—	—	—	—
Bonds	—	10,000	10,000	—	—	—
Long-term debt	10,511	5,833	5,125	7,546	1,750	—
Lease obligations	—	264	312	110	554	66
Total	10,759	16,098	15,437	7,656	2,304	66

Marketable securities

1. Equity securities for the purpose of selling and buying (As of March 31, 2014)

Not applicable

2. Equity securities to be held to maturity (As of March 31, 2014)

(Millions of Yen)

Type	Carrying amount	Fair value	Unrealized gain (loss)
Securities which fair value exceeds their carrying amount			
1) National bonds and local government bonds	—	—	—
2) Corporate bonds	—	—	—
3) Other	—	—	—
Subtotal	—	—	—
Securities which carrying value exceeds their fair value			
1) National bonds and local government bonds	—	—	—
2) Corporate bonds	500	506	6
3) Other	—	—	—
Subtotal	500	506	6
Total	500	506	6

3. Other securities with fair value (As of March 31, 2014)

(Millions of Yen)

Type	Carrying amount	Acquisition cost	Unrealized gain (loss)
Securities which carrying value exceeds their acquisition cost			
1) Equity securities	39,078	12,349	26,729
2) Bonds	—	—	—
3) Other	—	—	—
Subtotal	39,078	12,349	26,729
Securities which acquisition cost exceeds their carrying amount			
1) Equity securities	1,132	1,591	(458)
2) Bonds	—	—	—
3) Other	—	—	—
Subtotal	1,132	1,591	(458)
Total	40,211	13,941	26,270

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

4. Other marketable securities sold during the fiscal year (April 1, 2013 to March 31, 2014)

Omitted as they have little significance

Derivative transactions

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

(Millions of Yen)

Hedge accounting method	Type of derivative transaction	Contractual value (thousand USD)	Contractual value over one year (thousand USD)	Fair value	Valuation gain (loss)
Transactions other than market transactions	Currency option transactions				
	Sell:USD	15,000	—	(6)	(6)
Total		15,000	—	(6)	(6)

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

2. Derivative financial instruments that apply for hedge accounting

(1) Currency

Not applicable

(2) Interest rate

(Millions of Yen)

Hedge accounting method	Types of derivative transaction	Main hedged items	Contractual value	Contractual value over one year	Fair value
Exceptional disposition of interest rate swap contracts	Interest rate swap contract	Borrowings	13,325	8,131	(Note)
	Fixed rate payment				
	Floating receiving				
Total			13,325	8,131	(Note)

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

(3) Interest rate currency

(Millions of Yen)

Hedge accounting method	Types of derivative transaction	Main hedged items	Contractual value	Contractual value over one year	Fair value
Interest rate currency swap accounting (exceptional disposition, periodic allocation)	Interest rate currency swap contract	Borrowings	4,546	4,546	(Note)
	Fixed rate payment, floating receiving				
	Payment U.S. Dollar Receiving Yen				
Total			4,546	4,546	(Note)

(Note) The fair value of the interest rate currency swap qualifying for (exceptional disposition, periodic allocation) is accounted for together and included in the above fair value of related long-term borrowings.

Retirement benefit**1. Summary of retirement benefit schemes currently being adopted**

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

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

Contributory funded pension plan...The Company

Defined contribution pension plan...15 domestic consolidated subsidiaries

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

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

The termination allowance plan of some consolidated subsidiaries calculates liabilities and retirement benefit expenses related to retirement benefits with the simplified method.

Some consolidated subsidiaries have joined employees pension fund systems of a multiple employer system. Among these systems, systems, in which pension assets supporting in-house contributions cannot be reasonably calculated, are accounted for in the same way as a defined contribution system.

2. Contributory funded system**(1) Adjustment sheet of balances at start and end of period of consolidated retirement liabilities (excluding systems applying a simplified method)**

Balance at start of period of consolidated retirement liabilities	¥46,677 million
Service cost	¥2,530 million
Interest cost	¥875 million
Accrued net actuarial loss	¥559 million
Retirement benefits payment amount	(¥2,585 million)
Balance at end of period of consolidated retirement liabilities	¥48,058 million

(2) Adjustment sheet of balances at start and end of period of pension assets (excluding systems applying a simplified method)

Balance at start of period of pension assets	¥31,119 million
Expected return on plan assets	¥685 million
Accrued net actuarial loss	¥2,758 million
Contributions from the employer	¥2,965 million
Retirement benefits payment amount	(¥1,309 million)
Balance at end of period of pension assets	¥36,219 million

(3) Adjustment sheet of balances at start and end of period of liabilities from retirement benefits and systems applying a simplified method

Balance at start of period of liabilities from retirement benefits	¥3,493 million
Retirement benefit expenses	¥440 million
Retirement benefits payment amount	(¥329 million)
Balance at end of period of liabilities from retirement benefits	¥3,604 million

(4) Adjustment sheet of assets related to retirement benefits and liabilities from retirement benefits that was recorded in the consolidated balance sheets and balance at end of period of consolidated retirement liabilities and pension assets

Consolidated retirement liabilities of installment-type systems	¥41,948 million
Plan assets	(¥36,219 million)
	¥5,729 million
Consolidated retirement liabilities of non-installment-type systems	¥9,714 million
Net liabilities and assets recorded in the consolidated balance sheets	¥15,444 million
Liabilities from retirement benefits	¥15,444 million
Net liabilities and assets recorded in the consolidated balance sheets	¥15,444 million

(Note) Including systems that apply a simplified method

(5) Amount of retirement benefit expenses and other breakdown items

Service cost	¥2,523 million
Interest cost	¥872 million
Expected return on plan assets	(¥685 million)
Amortization of net actuarial loss	¥985 million
Amortization of prior service cost	(¥18 million)
Retirement benefit expenses calculated using a simplified method	¥553 million
Retirement benefit expenses related to a contributory funded system	¥4,231 million

(6) Accumulated adjustment due to retirement benefits

The breakdown of items recorded in the accumulated adjustment related to retirement benefits (before tax effect deductions) is as follows:

Unrecognized prior service cost	(¥89 million)
Unrecognized net actuarial loss	¥4,247 million
Total	¥4,158 million

(7) Items related to pension assets

1) Main components of pension assets

The percentage of each major classification of pension asset total are as follows:

Shares	59%
Bonds	24%
General account	13%
Other	4%
Total	100%

(Note) 41% of the retirement benefit trust set for the corporate pension plan is included in the pension asset total.

2) Method of setting the long-term expected return on plan assets

To determine the long-term expected return on plan assets of pension assets, allocation of current and expected pension assets and the current and expected long-term return rate from the variety of assets that make up the pension assets are taken into account.

(8) Items related to the actuarial calculation basis

Major actuarial bases at the end of the current fiscal year

Discount rates

(Domestic) 1.0% - 1.5%

(International) 4.5% - 9.3%

Long-term expected rates of return on plan assets

(Domestic) 1.5% - 3.0%

(International) -

3. Defined contribution system

The required contribution to the defined contribution system (accounted for in the same way as a defined contribution system and includes an employees' pension fund system of a multiple employer system) is ¥974 million.

Deferred tax accounting

1. Principal deferred tax assets and liabilities

(Deferred tax assets)

1) Current assets	
Accrued bonuses	¥3,235 million
Accrued enterprise taxes	¥470 million
Inventory write-downs	¥318 million
Accounts payable	¥362 million
Other	¥23 million
Deferred tax assets (current) subtotal	¥4,410 million
Valuation allowance	(¥132 million)
Total deferred tax assets (current)	¥4,277 million
Offset of deferred tax liabilities (current)	(¥25 million)
Net deferred tax assets (current)	¥4,251 million

2) Fixed asset

Liabilities from retirement benefits	¥6,011 million
Depreciation	¥2,479 million
Loss from securities revaluation	¥817 million
Allowance for doubtful receivables	¥261 million
Accrued retirement benefits for directors and corporate auditors	¥411 million
Total loss on impairment of fixed assets	¥234 million
Tax losses carried forward	¥3,408 million
Unrealized inter-company profit	¥261 million
Other	¥418 million
Deferred tax assets (fixed) subtotal	¥14,304 million
Valuation allowance	(¥2,545 million)
Deferred tax assets (fixed) total	¥11,758 million
Offset of deferred tax liabilities (fixed)	(¥7,662 million)
Net deferred tax assets (fixed)	¥4,095 million

(Deferred tax liabilities)

1) Current liabilities

Retained subsidiaries profits	(¥888 million)
Other	(¥15 million)
Deferred tax liabilities (current) total	(¥904 million)
Offset of deferred tax assets (current)	¥25 million
Net deferred tax liabilities (current)	(¥878 million)

2) Fixed liabilities

Special tax purpose reserve	(¥3,428 million)
Unrealized losses on other securities	(¥10,037 million)
Other	(¥2,661 million)
Deferred tax liabilities (fixed) total	(¥16,127 million)
Offset of deferred tax assets (fixed)	¥7,662 million
Net deferred tax liabilities (fixed)	(¥8,464 million)

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

Statutory tax rate of the Company which submitted the consolidated balance sheets

Effect of:	37.6%
Tax rate difference of subsidiaries	(6.0%)
Expense account and others not deductible permanently	2.1%
Dividend income and others not taxable permanently	(8.3%)
Foreign tax credit	(0.2%)
Investment tax credit	(0.4%)
Reduction adjustment on deferred tax assets as of the end of the period due to change in the tax rate	0.8%
Unrealized gains (losses) on valuation allowance	(1.1%)
Dividend income from the consolidated subsidiaries	8.1%
Research expense, etc., special deduction	(0.7%)
Consolidated adjustment in gain of affiliates' shares	1.7%
Other	1.1%
Effective tax rate	34.7%

Asset retirement obligations

Asset retirement obligations recognized on the consolidated balance sheets

(1) Summary of relevant asset retirement obligations

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

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

The calculation of relevant asset retirement obligations uses the end of the remaining useful life as the estimated period until expenditure and applies a discount rate of 2.1%.

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

Balance at start of period	¥305 million
Adjustment for passage of time	¥0 million
Balance at end of period	¥306 million

Segment information

1. Outline of segment

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

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

Main products of each segment are as follows:

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

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

The method of accounting applied for reporting segments corresponds to the descriptions in the "Important Matters

Concerning the Basis of Preparation of Consolidated Financial Statements." Earnings of reported segments reflect values based on operating income.

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

(Millions of Yen)

	Segment					Adjustments	Total
	Suspension springs	Seating	Precision springs and components	Industrial machinery and equipment, and other	Total		
Sales							
Sales to external customers	120,422	245,549	128,620	75,118	569,711	—	569,711
Inter-segment sales	1,865	38	1,615	7,460	10,979	(10,979)	—
Net sales	122,287	245,588	130,235	82,579	580,691	(10,979)	569,711
Operating income	15,284	12,615	5,597	3,982	37,480	—	37,480
Assets	81,696	107,031	114,844	68,762	372,335	92,637	464,972
Other							
Depreciation	4,134	4,243	8,960	2,010	19,349	1,692	21,042
Amount invested in equity-method affiliates	3,535	932	3,595	221	8,284	—	8,284
Property, plant and equipment and intangible fixed assets increase	4,657	3,638	9,313	1,694	19,304	1,409	20,713

(Note 1) The segment asset adjustment amount of ¥92,637 million includes corporate-level assets not allocated to the individual reportable segments. Corporate-level assets consist mainly of cash and deposits that do not belong to reportable segments.

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

(Note 3) Adjustment amounts for increased property, plant, and equipment and intangible fixed assets of ¥1,409 million relate to increased corporate-level assets that do not belong to reportable segments.

4. Segment by location

(1) Sales

(Millions of Yen)

Japan	North America	Asia	Other	Total
307,936	80,004	179,266	2,503	569,711

(2) Property, plant and equipment

(Millions of Yen)

Japan	North America	Asia	Total
83,442	19,313	34,826	137,583

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

(Millions of Yen)

	Segment					Elimination of corporate assets	Consolidated total
	Suspension springs	Seating	Precision springs and components	Industrial machinery and equipment, and other	Total		
Impairment	—	—	—	55	55	—	55

6. Segment information of goodwill amortization

(Millions of Yen)

	Segment					Elimination of corporate assets	Consolidated total
	Suspension springs	Seating	Precision springs and components	Industrial machinery and equipment, and other	Total		
Amortization during the year	70	0	0	54	126	—	126
Balance at end of year	283	2	0	174	461	—	461

7. Information on gains accrued from negative goodwill by information segment

The “spring” and “industrial machinery and equipment, and other operations” segments posted a negative goodwill gain of ¥79 million (¥32 million for “springs” and ¥46 million for “industrial machinery and equipment, and other operations”), along with the acquisition of treasury stocks by three consolidated

subsidiaries and their undertaking of the allocation of new shares to a third party. Since the gain was listed under extraordinary income, it was excluded from the segment income of each reporting segment (operating income).

Related party information

1. Related party transactions

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

Type	Name	Address	Capital (million yen)	Business area	Proportion of voting rights owned (%)	Related party transactions	Details of transactions	Amount of transactions (million yen)	Accounts recorded	Balance at end of year (million yen)
Affiliate	Faurecia-NHK Co., Ltd.	Naka-ku, Yokohama	400	Seating	50.0	Customer of our company one concurrent director	Purchased most products from our company	7,340	Trade accounts receivable	5,103

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

(Note 2) Conditions of transactions and its policy.

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

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

Type	Name	Address	Capital (million yen)	Business area	Proportion of voting rights owned (%)	Related party transactions	Details of transactions	Amount of transactions (million yen)	Accounts recorded	Balance at end of year (million yen)
Subsidiary	Nippan Business Support Co., Ltd.	Koto-ku, Tokyo	10	Supply of services to all business areas (factoring)	100 (indirect)	Transfer of the account payable	Transfer of accounts payable by consolidated subsidiaries	19,318	Trade accounts payable	6,891

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

(Note 2) Conditions of transaction and its policy.

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

2. Note on the Company or related companies

Not applicable

Per share information

1. Net assets per share ¥898.62
2. Net income per share ¥101.60

(Note) Basic calculation

1. Net assets per share

Item	
Total net assets (million yen)	230,040
Amount deducted from total net assets (million yen) (Minority interests)	11,770 (11,770)
Net income available for dividends on common stock at end of year (million yen)	218,269
Number of outstanding shares of common stock (thousand shares)	244,066
Number of common stock for treasury (thousand shares)	1,171
Descriptions of potential shares included in the computation of diluted net income per share (thousand shares)	242,894

* As described in the "Changes in accounting policies", Retirement Benefits Accounting Standards are applied, and we are following the transition practice established in paragraph (37) of the Retirement Benefits Accounting Standards.
As a result, the net asset per share for the current fiscal year decreased by ¥11.10.

2. Net income per share

Item	
Income in the consolidated balance sheets (million yen)	24,677
Amount not available for common shareholders (million yen)	—
Net income available for dividends on common shares (million yen)	24,677
Weighted-average number of common shares outstanding during the year (thousand shares)	242,896

Consolidated supplemental schedules

1. Schedule of bonds payable

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

(Note 1) The amounts in brackets presented under "Balance at end of current year" represent the amounts scheduled to be redeemed within one year.
(Note 2) The following table shows the redemption schedule of bonds for five years is summarized.

(Millions of Yen)

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

2. Schedule of borrowings

Category	Balance at the start of the period (million yen)	Balance at end of current year (million yen)	Average interest rate (%)	Maturity
Short-term debt	5,767	247	0.376	—
Current portion of long-term borrowings	14,475	10,511	0.976	—
Current portion of lease obligations	512	460	—	—
Long-term borrowings (excluding current portion)	21,715	20,254	0.659	2015 to 2019
Lease obligation (excluding current portion)	1,767	1,308	—	2015 to 2030
Other interest-bearing liabilities Commercial paper (due within one year)	10,000	10,000	0.088	—
Total	54,238	42,783	—	—

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

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

(Millions of Yen)

Category	One to two years	Two to three years	Three to four years	Four to five years
Long-term borrowings	5,833	5,125	7,546	1,750
Lease obligations	264	312	110	554

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

Corporate overview

■ Corporate overview (as of March 31, 2014)

Trade name:	NHK SPRING CO., LTD.
Founding:	September 1939
Capital:	¥17,009.56 million
Employees:	4,798 (Non-consolidated), 20,590 (Consolidated) <small>*Including average number of temporary employees during the year</small>
Sales:	¥569.7 billion (Fiscal 2013 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 & Sales offices:	Yokohama Minatomirai, Kita-Kanto, Hamamatsu, Nagoya, Osaka, Hiroshima, Fukuoka
Stock market listing:	First Section, Tokyo Stock Exchange (Code 5991)
Group companies:	22 Domestic, 32 Overseas

■ Shares (as of March 31, 2014)

Total authorized shares	600,000,000
Total issued shares	244,066,144
Total number of shareholders	15,381

Movements in share price	High	Low
Apr.-Jun. 2013	1,373	912
Jul.-Sep. 2013	1,245	985
Oct.-Dec. 2013	1,218	939
Jan.-Mar. 2014	1,267	909

(Yen)

■ Members of the board of directors and auditors (As of June 27, 2014)

Board of Directors	Corporate Officers
President & Chief Executive Officer Kazumi Tamamura	President & Chief Executive Officer (Additional Post) Kazumi Tamamura
Executive Vice President Takao Itoi Kaoru Hatayama	Executive Vice President (Additional Post) Takao Itoi Kaoru Hatayama
Board of Directors Hiroyuki Kado Akira Umabayashi Tsunehiko Hirama Akihiro Honda	Executive Corporate Officer (Additional Post) Hiroyuki Kado Akira Umabayashi Tsunehiko Hirama Akihiro Honda
Auditor	Executive Corporate Officer Taro Umemura
Fulltime Auditor Seiji Uryu Kenji Shimizu	Senior Corporate Officer Yosei Morioka Fumiaki Kimura Takashi Kayamoto Ryuichi Shibata Toshio Kazama Toru Sugiyama Hidekazu Hoshino Susumu Senkawa
Auditor Takeshi Ishiguro Susumu Komori Keiichiro Sue	Corporate Officer Kiyohiko Kanmei Isao Otani Hideto Enomoto Kou Masuda Naoto Sakai Kazuhiko Otake Tatsuro Nakajima Hironobu Sugiura Hiroki Sakamoto Hidefumi Yoshimura Jiro Oyama Kazuhisa Uemura Kenji Nagai Tetsuya Fujiwara Toshinori Saeki Noritoshi Takamura

A note from the editors

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

We value your opinions and invite you, our readers, to tell us what information you would like us to include in future issues of this report. We would be also grateful for your candid opinion and feedback.

September 2014



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