



CSR REPORT

2018

NOK CORPORATION



NOK



Europe

NOK Group's
Global Operations



Asia



North
America

Table of Contents

NOK Charter of Corporate Behavior	2
Message from the President	3
Concept of CSR and Our Organization ◊	5

Strategy & Management

Management Foundation ◊◊	6
NOK Group Business Overview	8
NOK Group's Products Support Daily Lives	9
NOK Group's Technology	10

Environmental Performance

Environmental Management ◊	11
Input & Output of Our Business Activities ◊	13
Results and Targets ◊	14
Global Warming Countermeasures ◊	15
Control and Reduction of Environmental Hazardous Substances ◊	17
Commitment to Recycling-Oriented Society ◊	18
Environmentally Conscious in All Business Activities ◊	19
Reports from NOK Group Sites ◊	21
Procurement Policy ◊	22

Social Performance

Customer First ◊	23
Social / Local Area Activities ◊	25
Communication with Shareholders, Investors and External Organizations ◊	27
Relations with Employees ◊◊	28

Third-Party Opinion	30
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The symbols next to chapter titles indicate the chapter's relevance to the seven core subjects of social responsibility as defined by ISO26000.

- ◊ Organizational Governance
- ◊ Human Rights
- ◊ Labor Practices
- ◊ The Environment
- ◊ Fair Operating Practices
- ◊ Consumer Issues
- ◊ Community Involvement and Development



●	Bases of NOK CORPORATION
●	Bases of NIPPON MEKTRON, LTD.
●	Bases of SYNZTEC CO., LTD.
●	Bases of NOK KLUEBER CO., LTD.
●	Bases of UNIMATEC CO., LTD.

Editorial Policy

This report has been edited in reference to ISO 26000:2010-Guidance on Social Responsibility.

● Period Covered

Most of the activities described in this report were carried out in FY2017 (April 1, 2017, to March 31, 2018), but some took place in FY2018.

● Organizations Covered

All divisions of NOK Corporation and other NOK group companies in Japan and abroad.

● Date of Issue for Japanese Version: July 2018

● Date of Issue for English Version: August 2018



NOK Charter of Corporate Behavior

We, NOK Corporation, are committed not only to contribute toward the economic development of society by creating added value through fair competition but also to being an entity that contributes to society at large, according to the Management Principles under the NOK spirit, by developing the Management Policies in such a way that all its stakeholders are proud of us and chase their dream with us. We will behave according to the Principles of Corporate Behavior of Ten Principles both domestic and overseas so as to respect human rights, comply with related laws, regulations, and international rules as well as the spirit behind those, discharge our social responsibility with a strong sense of ethical values.

Management Principles

1. The Management has to run the Company based on feelings of love and trust in its employees.
2. The Management has to run the Company while uniting to ensure full ventilation without forming any cliques.
3. The Management has to run the Company while making absolutely incredible efforts against all odds and risks.
4. The Management has to run the Company while pursuing dreams with management plan.

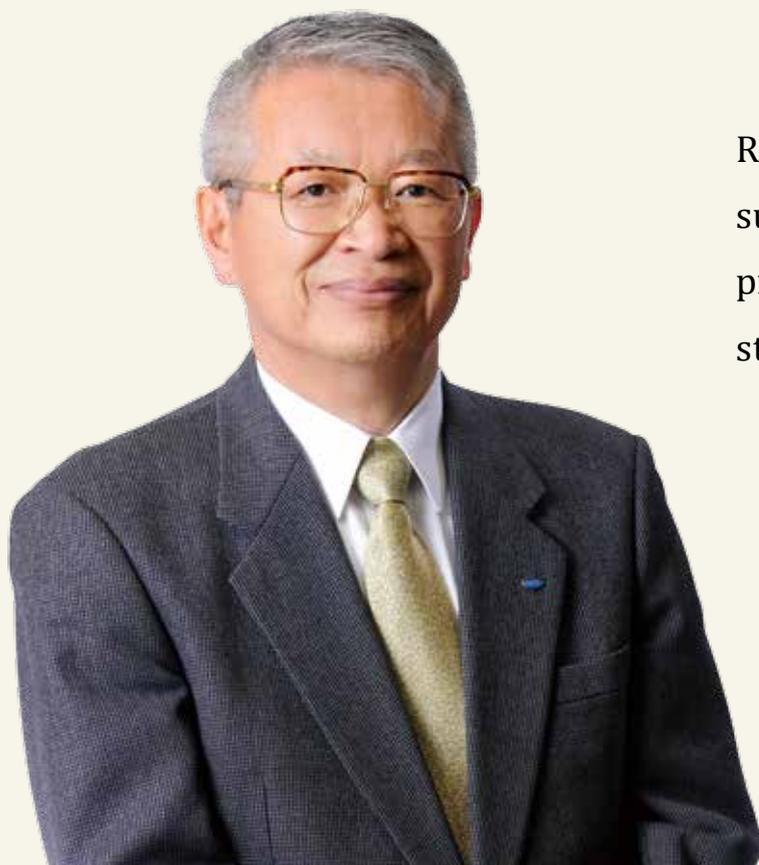
Management Policies

1. We are committed to be a strong and unique parts supplier while focusing its managerial resources on core business areas.
2. We are committed to be a profitable and robust company while fulfilling company-wide cost reduction programs ranging from front-line sales to manufacturing floor.
3. We are committed to continuously improving our quality while producing and selling our products that are proven to be technologically unique and socially on a global scale.

Principles of Corporate Behavior

- | | |
|--|---|
| 1. Provision of Socially Useful Products | We will develop and provide socially useful and safe products, thereby gaining satisfaction and deeper trust both from end users and customers. |
| 2. Fair and Appropriate Trade | We will engage in fair, transparent, and free competition and ensure that transactions are appropriate when selling products and purchasing materials.
Also, maintain a sound and proper relationship with political bodies and government agencies. |
| 3. Proper Disclosure and Management of Information | We will disclose accurate information about the Company timely and appropriately.
Also, protect and properly manage personal and customer data and other types of information as well as intellectual property rights. |
| 4. Severance of all relations with Antisocial Forces and Groups | We will resolutely confront any antisocial forces and groups that threaten the order and safety of civil society, and sever all relations with such groups. |
| 5. Commitment to Environmental Conservation | We will proactively initiate environmental conservation activities while taking into account the fact that commitment to solving environmental issues is a prerequisite for a company to engage in business activities as a going concern. |
| 6. Promotion of Social Contribution Activities | As a good corporate citizen, we will actively contribute to community activities and other similar activities. |
| 7. Cooperation with the International Community | As a global corporation, we will comply with laws and regulations of the countries and regions where our business operations are based, and respect human rights and other international norms of behavior (e.g. prohibition of child labor and forced labor). Also, conduct business by taking into consideration the local culture and customs as well as the interests of stakeholders, and contribute toward the development of the local economy and society. |
| 8. Respect for Human Rights and Provision of a Safe and Comfortable Working Environment | We will promote mutual respect diversity, character and personality among employees, draw a line between public and private matters, maintain order in the workplace, and provide a clean, safe and comfortable working environment. |
| 9. Responsibilities of Directors | The Directors recognize that it is their role to realize the spirit of this Charter of Corporate Behavior, and will take the lead in an exemplary manner to implement the Charter within entire the NOK Group, while encouraging our business counterparts to follow the same example. In addition, the Directors will constantly listen to opinions from both within and outside the company to effectively improve the corporate system and ensure compliance with business ethics. |
| 10. Response to Problems | In the event of noncompliance with this Charter, the Directors will commit themselves to solving the problem, while identifying the cause, thus taking measures to prevent the recurrence of similar problems. Moreover, they will publicly disclose relevant information promptly and appropriately, fulfill their accountability requirements, indicate those who are in authority and those who are responsible, and severely punish those involved, including them. |

Message from the President



Reinforcing business structure for sustainable growth and becoming a highly profitable corporate group in which all stakeholders can take pride

President of
NOK CORPORATION

Kiyoshi Doi

Our Three-year Plan for Reinforcing Business Structure for Sustainable Growth

As of recently, global politics and the global economy are becoming increasingly uncertain. The acquisition of knowledge and development of new technologies, as well as economic globalization, have benefited people but worsened some social problems, such as poverty, inequality of educational opportunities, religious conflicts and tensions related to immigration issues. Recognizing and preparing against such risks and uncertainties, the NOK group strives to produce low-cost original products—backed by technology—which are useful to society, and sell them at reasonable prices all over the world.

The NOK group launched a Three-year Plan (mid-term business plan) in FY2017. Its underlying policy is *Reinforcing Business Structure for Sustainable Growth*. In pursuit of becoming a highly profitable corporate group in which all stakeholders can take pride, NOK places top priority on steadily continuing business. As the automotive industry moves toward electrification and advanced driver assistance systems (ADAS), and as new technology trends emerge, including advances in artificial intelligence (AI), we seek to optimize our customer base by expanding sales of existing products and by boosting development and sales of new products.

Under the new plan, we will also emphasize better, more reliable quality by making comprehensive efforts to prevent the occurrence and outflow of defective products. We will rebuild our business continuity management (BCM) system based on the lessons learned

from the 2011 Great East Japan Earthquake and the 2016 Kumamoto Earthquake.

Another priority for us is *implementing management spirit that respects human dignity*. Respect for human dignity is one of the Management Principles of the NOK group. We aim to build a workplace where all employees can feel that they are growing through their work, and that what they are doing is worthwhile and helping to enhance their organization or company's performance directly or indirectly. Our policies for organizational operation, personnel systems and employee education will be reviewed and improved from these perspectives.

Continuing Environmental Management

The NOK group is committed to environmental conservation activities because we consume energy as a developer, manufacturer and seller of components used in automobiles, machinery, electronic devices. Safety, environment and quality are key factors that we must focus on in order to remain a preferred parts supplier to customers. This has become particularly true in the past several years and is now a precondition for sustainable business activities. Taking action on environmental issues is one of our top priorities, and we implement environmental management with this resolve in mind because we are under scrutiny by the government and consumers regarding environmental issues and must respond to external requirements, including those from the customers. We intend to make sustained contributions to building

a recycling-oriented society by cutting back on the use of environmentally hazardous substances, reducing waste and developing environmentally friendly products at the global level.

The Paris Agreement was adopted by COP21, which is officially known as the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change, and entered into force later in 2016. In this climate accord, Japan pledged to reduce its greenhouse gas emissions by 26% from the 2013 levels by 2030. In response to this move, the Japan Auto Parts Industries Association (JAPIA), of which NOK is a member, established a voluntary environmental action plan to pursue its targets to be achieved by FY2020 and FY2030. The NOK group has developed a medium- to long-term environmental plan in view of these goals.

Our Environmental Policy for the three years starting FY2017 is to *Take on Challenges for the Next-Generation Environment*. Its three pillars are prevention of environmental problems, which is for practical and effective BCM actions; reduction of our environmental impact for future generations, which seeks to help Japan fulfill its pledge under the Paris Agreement; and enhancement of the environmental hazardous substance management system to meet external requirements, which relates to environmental quality. We will also address the recently discussed topics of environmental impact on water and biodiversity conservation in the course of these activities.

In FY2017, we have started deliberations to draw up a medium- to long-term environmental vision for NOK to strengthen our environmental management. We are striving to share more of the NOK group's environmental activities with stakeholders.

A Corporate Group in Which All Stakeholders Can Take Pride

We believe that communicating with local communities as a good corporate citizen is essential for the continuation of business activities. Among various social contributions we have made to date are implementing community support programs in districts where our sites are located and sponsoring events relating to the education of younger generations. We also seek to build an organization that encourages open communication and a workplace where employees can work with a sense of fulfillment. This is a part of our efforts to implement the management spirit that respects human dignity. The NOK group aims to be an enterprise that not only brings economic benefits to stakeholders, but also makes them proud.

CSR Report

NOK published its first *Environmental Report* in 2004 and has continued since then, with the title being changed to *Environmental & Social Report* in 2006. It was renamed again as the CSR Report from last year to better describe our business and social activities in addition to environmental efforts. This report is an important tool to improve the way we communicate with stakeholders and the public. We would look forward to receiving frank opinions and comments on the report.

NOK Group Three-year Plan (FY2017 to FY2019)

— Slogan —

“Reinforcing Business Structure for Sustainable Growth”

Chairman's Initiatives

- (1) **Building well-balanced customer mix**
— Targeting sales expansion and new business creation
- (2) **Achieving sustainable unrivalled quality**
- (3) **Establishing practical and effective BCM**
- (4) **Implementing management spirit that respects human dignity**
— Fostering vibrant people and workplace

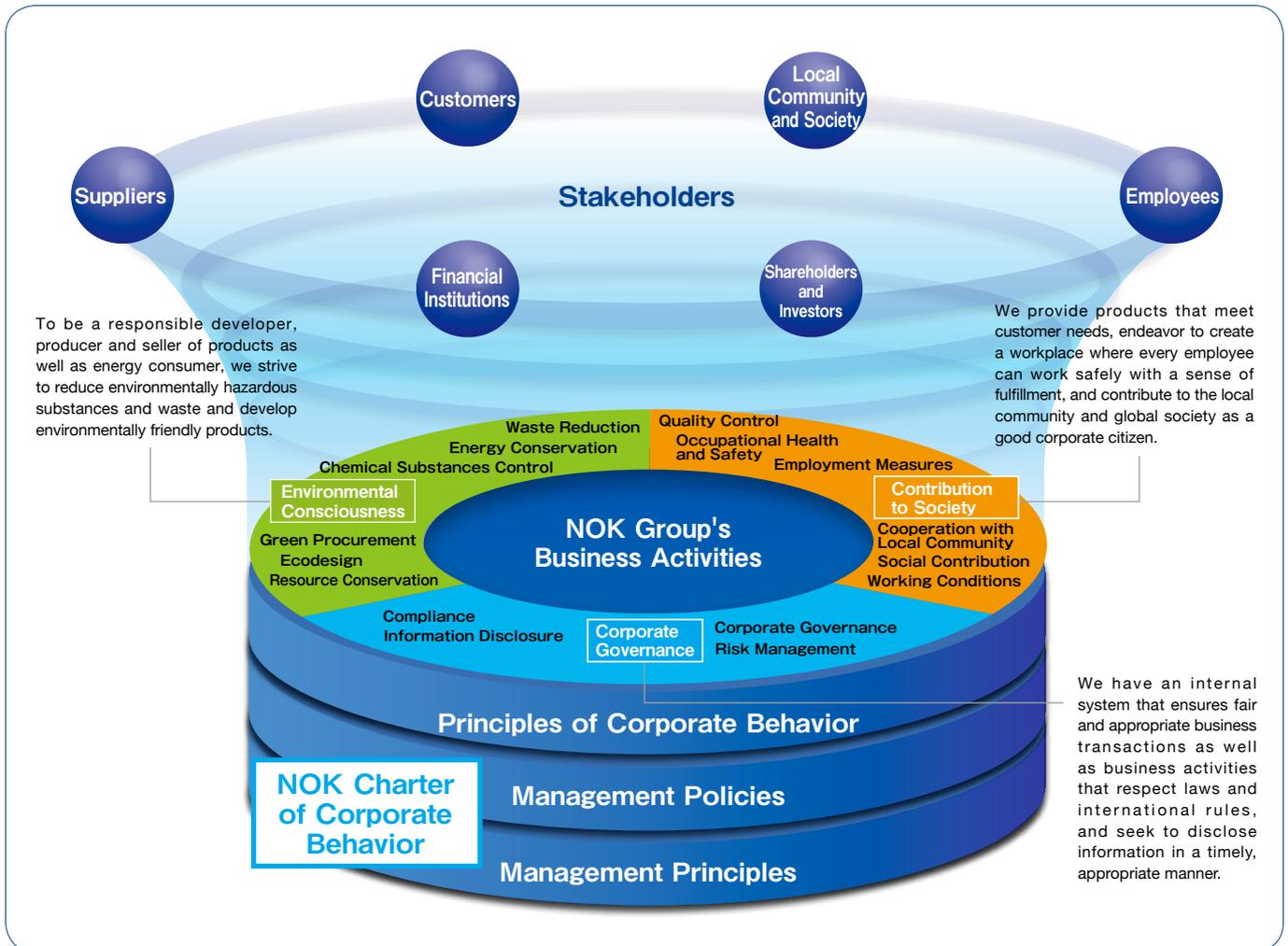
Concept of CSR and Our Organization

Concept of CSR

As stated in the Charter of Corporate Behavior, the NOK group not only endeavors to contribute to the economic development of society, but wants to be a company with which all its stakeholders are proud of us and chase their dream with us. All of our business activities are built on the NOK Charter of Corporate Behavior (Management Principles, Management Policies and Principles of Corporate Behavior). We believe that fulfilling the environmental, social and corporate governance aspects of corporate social

responsibility (CSR) is an integral part of continuous business activities.

We also value communication with stakeholders as an effective way to broadly examine the business climate and situation, as well as to identify business risks and opportunities. The NOK group aims to be a company that not only brings benefits to stakeholders, but also makes them proud.



Our CSR Organization

The CSR Committee was organized in October 2016 to increase the awareness of CSR throughout the company and to promote CSR activities more effectively.

Chair: Manager of Corporate Administration Office

Members: Representatives of the Environment Control Dept., Corporate Planning Dept., Corporate Communication Dept., Procurement Control Dept., Business Management Dept., Personnel Dept., Safety & Health Dept., Legal Affairs Dept., General Affairs Dept., Corporate IT Office, Engineering Administration Dept. and Sales Administration Dept.

The CSR Committee collects reports from related internal committees and divisions and oversees company-wide CSR activities while disseminating external information, such as issuing CSR reports.





Management Foundation

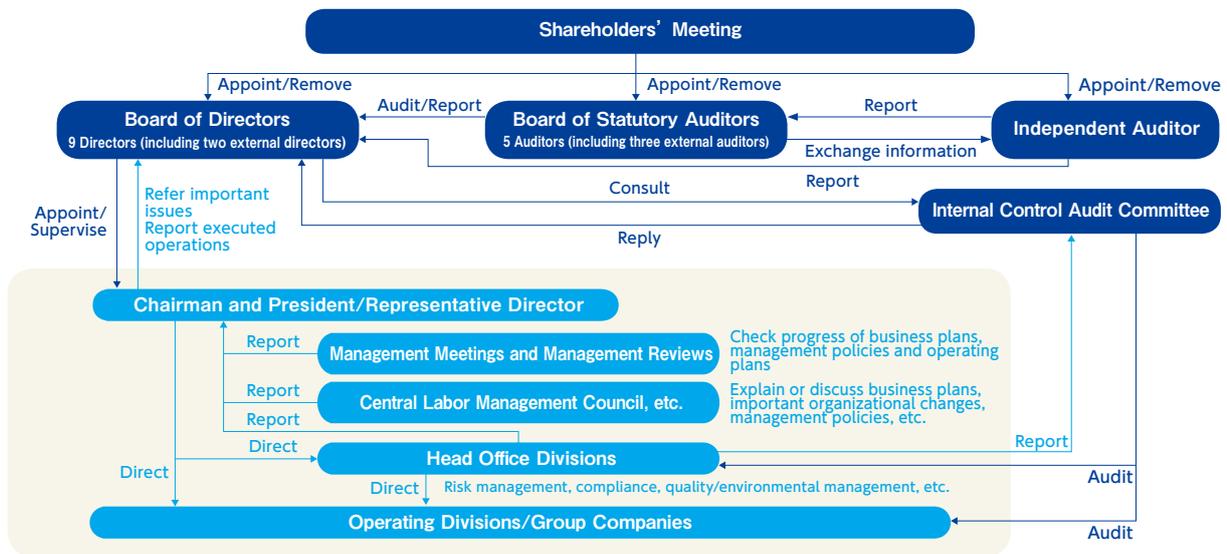
Corporate Governance System

Continuously strengthening the corporate governance system is one of our business management priorities, and we are committed to this goal.

NOK has adopted the format of a company with a board of corporate auditors. In our organization, directors who are well-versed in operations work together in harmony, while good governance is maintained through mutual monitoring by internal and external directors, as well as through management audits conducted by statutory auditors, including external auditors.

NOK's head office divisions have established rules for the internal control system. In accordance with the rules, these divisions give directions to NOK's operating divisions and subsidiaries, while the Internal Control Audit Committee periodically audits the internal control system to determine the progress of improvement and implementation. In FY2017, there were no legal violations or lawsuits against NOK that affected our performance critically.

Corporate Governance System



The numbers of directors and auditors are as of June 27, 2018.

Compliance System

Pursuant to the NOK Principle of Corporate Behavior, the Behavioral Guidelines Concerning Employee Compliance set forth the rules that employees must observe in their business activities.

The NOK Group has designated October of every year as a compliance promotion month in order to regularly inform employees of NOK's compliance initiatives and to help raise their awareness of compliance.

We also continuously promote awareness. Efforts include distributing a compliance guide to every employee, publishing a series of articles entitled *An Introduction to Compliance* in company newsletters, conducting compliance training during new employee orientation and providing workshops for new managers.

Risk Management

To effectively address diversifying risks, the NOK group promotes an organization-wide risk management system with the Risk Management Committee as its center.

Crisis Management

Our Corporate Risk Management Office takes the initiative in building our crisis management system, setting the following basic policies:

- (1) Give first priority to ensuring safety, protecting people and saving people's lives.
- (2) In the event of a disaster in the local region, make proactive contributions to the reconstruction of the region as a member of the community.
- (3) In an emergency, minimize the impact on our customers and other stakeholders by continuing business to the extent possible in order to fulfill our responsibilities.

To ensure quick information gathering in the event of a major disaster, we maintain a safety confirmation system and an emergency calling tree, and have emergency communication devices in place. We also store supplies necessary to resume business smoothly.

The Central BCM Committee was formed with the mission of establishing a more effective business continuity management (BCM) system based on our experience of past disasters. Under the initiative of the committee, we are planning and implementing group-wide measures in terms of facilities, systems and employee education, including reinforcing production facilities against earthquakes, strengthening product supply functions, reviewing the current business continuity plans and conducting projects that encourage the reform of employee awareness. Through all these endeavors, we maintain our robust business continuity system.

Information Security Measures

To protect information received from customers, preserve company assets such as proprietary technologies, and ensure appropriate use of information assets, we have established the NOK Group Information Security Policy. Also, the Information Security Committee has been formed to closely coordinate our information security efforts with our business activities and to involve top management in this initiative.

In FY2016, we revised our overall information security regulations. The aim was to rebuild the information security measures of our divisions and group companies and allow the Information Security Committee to audit them from objective, expert perspectives. In FY2017, the Corporate IT Office was established to further reinforce the system for dealing with IT-related threats.

We will review these activities repeatedly to maintain and improve our information security measures.

Protection of Intellectual Property

Our Behavioral Guidelines Concerning Employee Compliance raise awareness among employees by providing precautions regarding adherence to laws related to intellectual property rights. This is one of our efforts to promote patent application and rights acquisition for our inventions. The Guidelines also advocate respect for intellectual property rights of third parties. The NOK Group endeavors to prevent infringement of other companies' patents through patent search.

To protect NOK's brands, we combat counterfeiting, even outside Japan, through our Anti-Counterfeit Committee. In FY2017, we uncovered eight counterfeit factories in China and got 629 web pages selling imitation products taken down from online sales sites.

Business Plan

We intend to be a competitive, world-leading enterprise group under the management principle of respect for human dignity.

In the Three-year Plan that started in FY2017, the NOK group seeks to achieve sustainable growth and development by optimizing its customer base through sales expansion and new business creation, further improving and stabilizing quality, establishing a BCM system, and developing human resources to drive these activities.

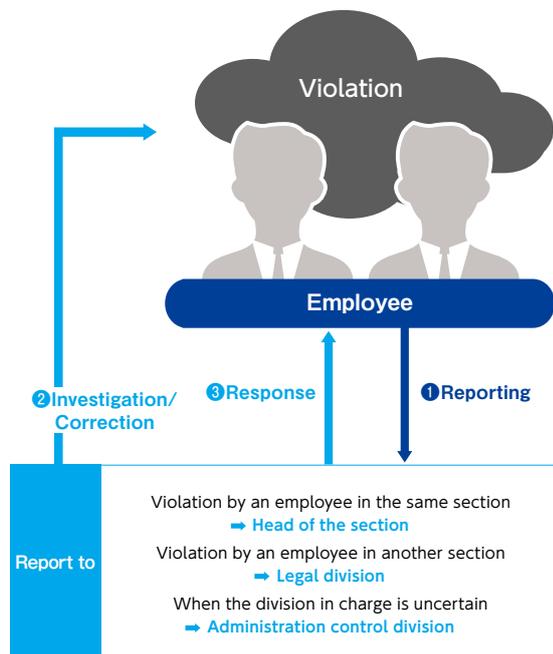
Reporting and Whistle Blowing System

The NOK group provides a reporting and whistle blowing system for the early detection and correction of compliance regulation violations.

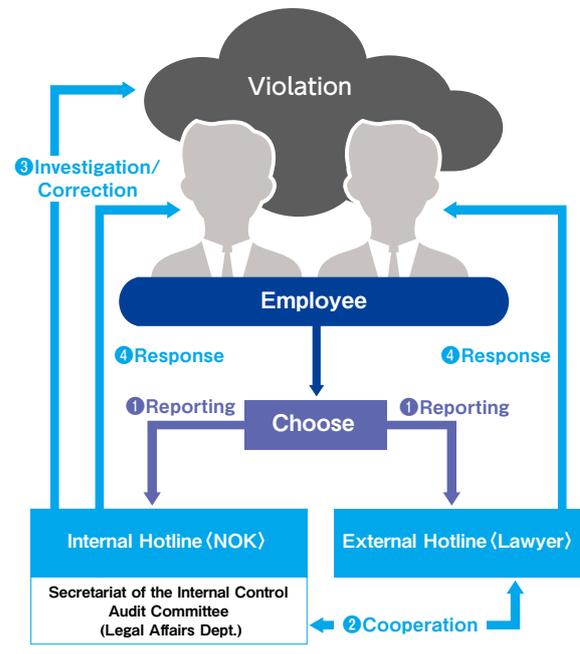
An employee who has noticed a violation can contact the reporting hotline. If the violation continues even after the reporting or the employee finds it difficult to report the case, he or she can contact the whistle blowing hotline. The whistle blowing hotline connects the employee to the Internal Control Audit Committee or an external lawyer. The whistle-blower is protected from disadvantages under the compliance regulations.

NOK Group Reporting/Whistle Blowing System

1 Reporting Hotline



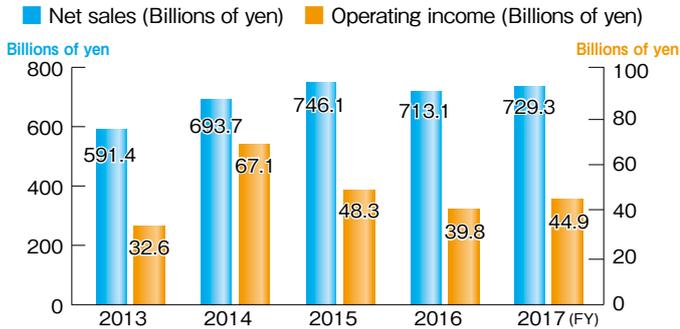
2 Whistle Blowing Hotline



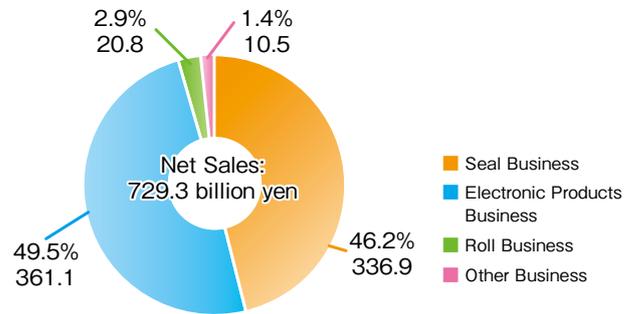


NOK Group Business Overview

Net Sales and Operating Income (FY2013 to FY2017)



Sales by Segment (FY2017)



Seal Business

Net sales: 336.9 billion yen

Operating income: 40.8 billion yen

Major products: Oil seals, O-rings, dust covers, industrial rubber and resin products, rubber sound and vibration isolators

Major operating companies: NOK CORPORATION, UNIMATEC CO., LTD.

Founded in 1941, NOK is Japan's first oil seal manufacturer. This functional part seals oil and is used in automobiles and many other machines in a wide range of industries. Our synthetic rubber processing technology is also used to produce items such as O-rings and packings.



Electronic Products Business

Net sales: 361.1 billion yen

Operating income: 3.0 billion yen

Major products: Flexible printed circuits (single-sided, double-sided, multilayer and component assembly FPCs)

Major operating company: NIPPON MEKTRON, LTD.

The flexible printed circuit (FPC) is a film-based soft circuit board. FPCs are built in electronic devices that need compact, lightweight, super-flexible electronic circuit boards. They are commonly found in smartphones, mobile phones, hard disk drives and digital cameras. As automobiles are employing an increasing number of electric and electronic components, automotive FPCs are finding wider applications including switches, sensors and lights.



Roll Business

Net sales: 20.8 billion yen

Operating income: 0 billion yen

Major products: Development and charge rollers, cleaning blades, fixing belts, pressure rollers, products for financial terminals, products for textile machinery,

Major operating company: SYNZTEC CO., LTD.

Production of highly functional rollers for office equipment such as copiers and printers.



Other Business

Net sales: 10.5 billion yen

Operating income: 1.1 billion yen

Major products: Special lubricants (grease, oil and coating products for automobiles, industrial machinery, electric appliances, food machines, etc.)

Major operating company: NOK KLUEBER CO., LTD.

We manufacture and sell a range of lubricants that perform excellently in severe operating conditions, such as super-high or super-low temperatures, at high speed or under heavy loads. Comprehensive services are available to help customers improve the productivity of their facilities and machinery and to reduce maintenance costs.





NOK Group's Products Support Daily Lives

1 Strategy & Management

2 Environment

3 Society

Automobile and Traffic Safety Products

The NOK group's products for automobiles and motorcycles include seal products (such as oil seals, O-rings and gaskets), flexible printed circuits (FPCs), rubber vibration isolators, dust covers and lubricants. We also offer lane control/guidance products and shock absorbers.

Electronic Devices

NOK's FPCs, precision rubber and resin components are built into various electronic devices, such as smartphones, mobile phones, computer hard disk drives, and digital cameras.

General Industrial Machinery

NOK's oil seals, O-rings, gaskets, packings, and belts are used in construction machinery (such as power shovels, bulldozers and cranes), agricultural machinery (such as tractors and grain combines) and plant machinery for various industries (such as steel, paper and food).

Aircraft and Rockets

Our seal products are installed in engines and turbo pumps for aircraft and rockets.

Marine Vessels

We offer seals for stern tubes and bearings in marine vessels.

Power Generation Plants

Our oil seals, O-rings and lubricants are built into equipment and auxiliaries for thermal power plants and renewable energy power plants (such as wind, hydroelectric, photovoltaic and solar thermal plants).

Residential Equipment

NOK's O-rings are found in water supply systems, water purifiers and shower toilet seats, while CELLSEAL and membrane humidifiers are used in residential fuel cells.

Office Equipment and ATMs

The NOK group's products are installed in copiers, printers and other office equipment, including development rollers, charge rollers, fixing belts and cleaning blades. Our bill beater rubber is used in ATMs and other financial terminals.



NOK Group's Technology

The NOK Group comprises NOK CORPORATION as the Group's core company, NIPPON MEKTRON, LTD. (electronic products), SYNZTEC CO., LTD. (products for office machinery), NOK KLUEBER CO., LTD. (special lubricants) and UNIMATEC CO., LTD. (synthetic chemical products). The NOK Group builds

on its wide-ranging technological capabilities to develop new technologies in an effort to contribute to a sustainable society through our products, which are used in our customers' products.

1 Strategy & Management

2 Environment

3 Society

Initiative for E-Mobility to Contribute to a Sustainable Society

In recent years, the electrification of automobiles has been making rapid progress toward reducing fuel consumption and environmental impacts. Keeping pace with the significant and rapid changes in auto industry trends, the NOK Group is offering

its core technologies and products as solutions for EVs, HEVs and other next-generation vehicles, while aggressively pursuing the development of new technologies and products.

Drive Motors & Power Transmission

Supply of oil seals for high-rpm motors, high-speed rotary seals for reduction gears, dust seals for motors and CVT cases, and rubber vibration isolators



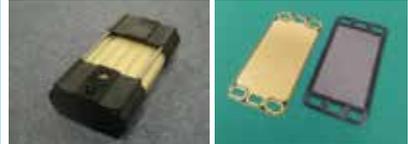
Batteries & Capacitors

Supply of sealing plates for secondary battery capacitors; various types of sealing parts that use electrolyte fluid resistant materials, such as explosive-proof valves; supersized gasket for batteries



Fuel Cell Vehicles

Development and supply of critical components that comprise the heart of fuel cell vehicles, including cell seals, high-pressure hydrogen gas seals, membrane humidifiers and gas diffusion layers (GDL)



Sensors

Development of sensors using various functional rubber products, including electroconductive rubber, thermal conductive rubber and pressure-sensitive rubber



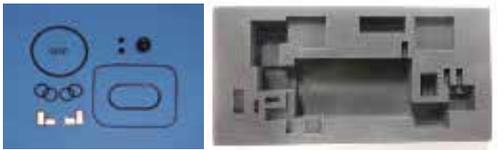
Cooling

Supply of water-resistant rubber gaskets and plug tube seals with complex configurations for coolant passages of motors



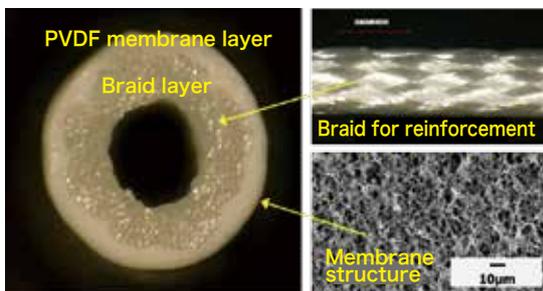
PCUs & Inverters

Development and supply of electromagnetic shields made of electroconductive rubber materials, heat diffusing parts made of heat conductive rubber for circuit substrates, and large-sized gaskets for control system housing



Hollow Fiber Membrane Business Contributes to Solving Environmental Problems

Since the early 1980s, NOK has actively promoted businesses that help solve environmental problems. NOK's hollow fiber membrane module business is intended to support the purification of water, and NOK independently established a spinning technique for hollow fiber membranes for use in household water purifiers. Over the years, we have improved and sophisticated this technology and are currently supplying various types of membrane modules to the industrial sector as well as household users. Braid-reinforced PVDF hollow fiber membrane, in particular, employs the proprietary nonsolvent induced phase separation method that delivers high permeability, high strength and a permanent hydrophilic property, which were unattainable with conventional methods. As the deterioration of water purification and drainage conditions due to population increase has emerged as a serious social issue in countries in the Middle East and Asia, NOK's products are arousing high levels of expectation as a hollow fiber separation membrane for membrane bioreactor (MBR) systems, which are drawing considerable attention as a promising purification and drainage treatment technology.





Environmental Management

Basic Policies on Environmental Conservation

On the basis that the company is a member of the society, we give all our employees full recognition to the fact that our business activities, products, and services have diverse relations to the environmental impact in the global scale. We set and implement the Basic Environmental Policy from a longitudinal perspective in order to contribute to the realization of sustainable development of a society toward future generations.

- 1 Based on our unique technology, we promote the improvement of technology and development of products with environmental considerations to reduce the negative environmental impacts.
- 2 We promote energy saving to prevent the global warming, and promote reuse and reproduction of resources and reduction of wastes corresponding to the recycling society.
- 3 Setting the goals by NOK central environmental protection committee, we will continue environmental improvement cooperating with business partners including suppliers, strengthen the control of chemical substances, prevent global environmental pollution and strengthen the effort to initiative of water environmental impact.
- 4 We comply with related laws and regulations, local government ordinances, and regional agreement, etc., and promote activities for environmental conservation.
- 5 We comply with self-imposed restrictions by the industry and customers, and positively engage in the requirements from our stakeholders toward environmental issues.
- 6 We disclose information on environmental conservation and social contribution activities, and positively communicate with local and broader society.
- 7 As a good corporate citizen, we strive to continually improve the environmental management system, as well as promoting all employees to recognize the importance of biodiversity and conservation of global environment and cultivate the awareness toward the global environment.

● Third revision on April 1, 2018

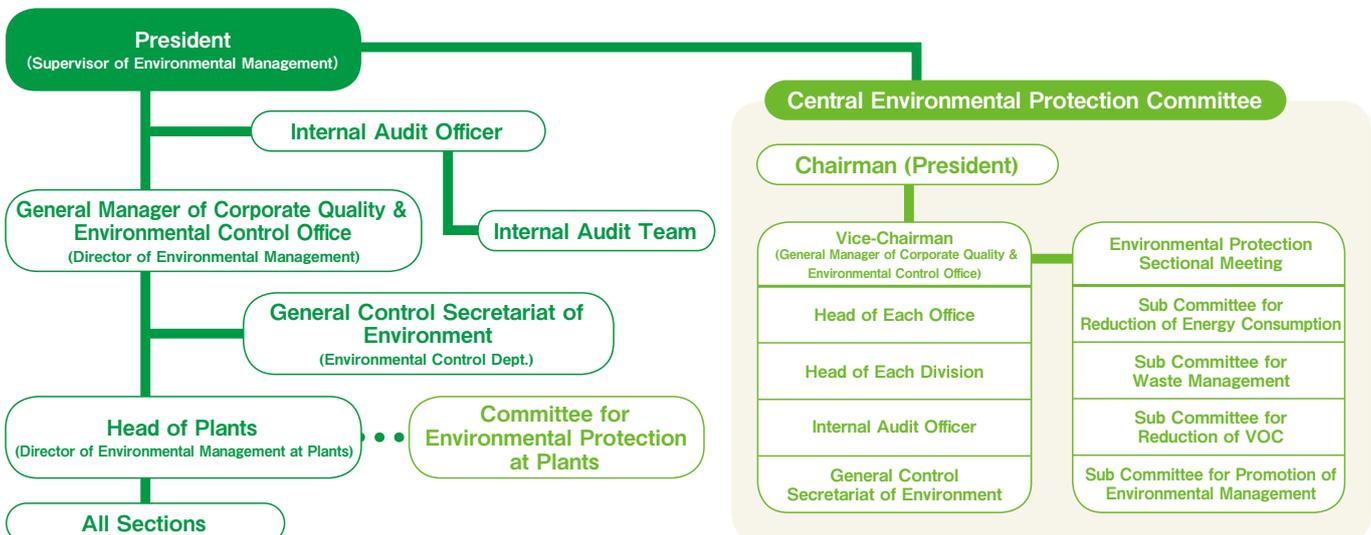
President of NOK Corporation
Chairman of Central Environmental Protection Committee

Kiyoshi Doi

Environmental Management System

To promote our environmental management activities smoothly and steadily, company-wide efforts are made under the following system. The Central Environmental Protection Committee, chaired by the President, sets the overall direction of our environmental management and implements it. Sub Committee take the initiative

in our activities to reduce energy consumption, manage waste and reduce VOC emissions. The Sub Committee for Promotion of Environmental Management, launched in FY2017, formulated a medium- to long-term environmental vision.



NOK will establish a robust environmental management system by upholding the slogan, *Kankyo Gannen*: The First Year of NOK's Environmental Management (The Year for Groundwork).

In its three-year plan that commenced in FY2017, NOK has set medium- to long-term goals regarding the reduction of CO₂ and VOC emissions and waste management. These goals are in line with Japan's greenhouse gas reduction commitment under the Paris Agreement, customer requirements based on this government pledge and the Japan Auto Parts Industries Association (JAPIA)'s eighth Voluntary Action Plan on the Environment.

NOK recognizes that safety, the environment and quality are prerequisites for our business operation. As for the environment, our policy is to Take on Challenges for the Next-Generation Environment. The three pillars of the policy are: prevention of environmental problems (for BCM); reduction of our environmental impact for future generations (for the Paris Agreement, etc.); and enhancement of the environmentally hazardous substance management system to meet external requirements (for environmental quality). To achieve these objectives, NOK Group companies, both in and outside Japan, closely cooperated in implementing various initiatives last year. However, we were unable to produce satisfactory results.

To make a fresh start, we designated the fiscal year of 2018 as *Kankyo Gannen* or the First Year of NOK's Environmental Management (although it is the second year of the three-year plan) to promote group-wide endeavors to reform our environmental management system. Each division will formulate specific goals to address respective challenges and work to achieve the goals with a sense of ownership.

At the same time, we formulated the NOK Twin Green Plan 2030 as a vision that will guide our environmental initiatives toward 2030. By specifying Green Factory initiatives (activities at factories) and Green Product initiatives (activities for products), the plan provides us with a roadmap for better environmental performance. We are continuing our untiring efforts to achieve the best possible environmental performance as a corporate citizen. To this end, we accurately identify and analyze the impact of our operations on the environment while using a P-D-C-A cycle approach to ensure that NOK's technologies and products can have a positive impact on the environment, over and above that of our efforts to reduce CO₂ emissions.



Operating Officer, General Manager of Corporate Quality & Environmental Control Office
(Director of Environmental Management)

Tomio Nakayama

FY2018 Environmental Policy *KANKYO GANNEN*:

The First Year of NOK's Environmental Management
(The Year for Groundwork).

—For establishing a robust environmental management system—

Priority Action Items

- **Maintain and improve an EMS**
 - Stay compliant with ISO14001:2015
 - Closer communication with external and internal stakeholders
 - Foster an awareness of environmental conservation
- **Prevention of environmental problems (for BCM)**
 - Promote voluntary audits
 - Prevent accidents and emergency situations from recurring by sharing such irregularity information across the organization
- **Reduction of our environmental impact for the next generation (for the Paris Agreement, etc.)**
 - Improve our environmental performance
 - Reduce our environmental impact through activities of Sub Committee
- **Enhancement of the environmentally hazardous substance management system to meet external requirements (for environmental quality)**
 - Increase the accuracy of investigation for environmentally hazardous substances contained in products and promptly respond to requests for investigations

Environmental Management System

NOK has built an environmental management system compliant with ISO14001 and is implementing it. Given the significant impact of our production activities, we have obtained integrated ISO14001 certification for all of our production sites. NOK thus ensures that our manufacturing helps reduce environmental impacts. Our system conforms to the revised standards of 2015.

To ensure compliance with environmental laws and regulations, as is strictly required by ISO14001, NOK's divisions and group companies have identified laws and regulations that they must observe, along with key control items, and periodically check and evaluate the compliance status. We will continue our effort for early detection of possible risks related to environmental accidents and compliance and for prevention of nonconformities.

- Registration Agency: Japan Automobile Research Institute, Registration Body
- Certificate Number: JAER 0335

NOK Environment Mark

To raise employee awareness of environmental conservation, we asked them to submit proposals for the company's environment mark. The mark chosen as the best design has been used as the symbol of NOK's environmental conservation activities.

The mark combines three letters that read NOK, where *N* represents *Nature*, *K* indicates *Keep*, and the *O* in the center is designed in the shape of a globe. This design effectively conveys the message *Protecting Nature on Earth*.





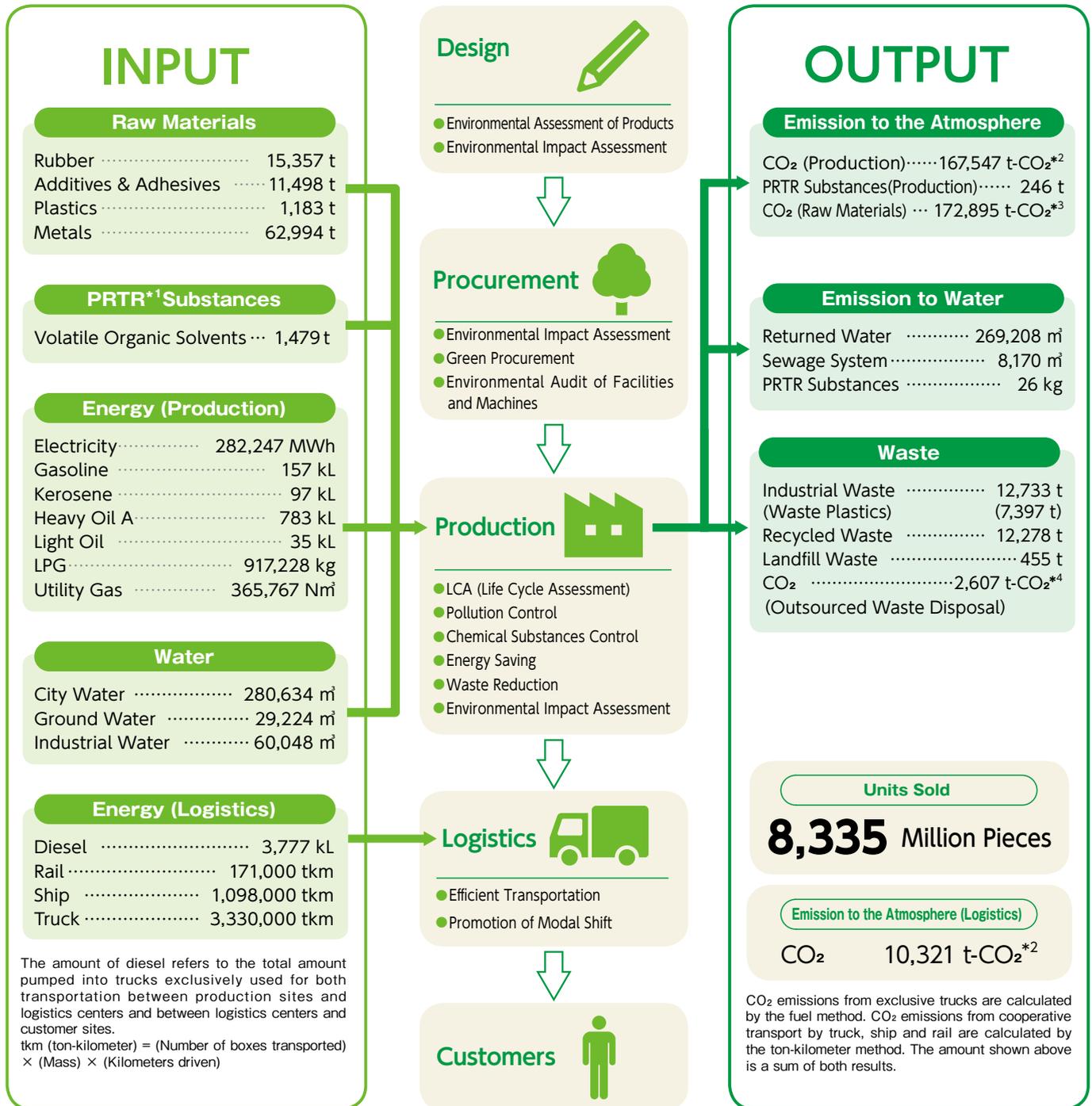
Input & Output of Our Business Activities

NOK Corporation and Production Subsidiaries in Japan during FY2017

1 Strategy & Management

2 Environment

3 Society



★Scope of coverage

The above input and output refer to the amounts from business activities at NOK's seven divisions (Fukushima/Nihonmatsu, Kitaibaraki, Shonan R&D Center, Shizuoka, Tokai Environmental Products R&D Center, Tottori, and Kumamoto) and 17 production subsidiaries in Japan (Tenei Seal Industry, MIHARU Industry, SENPOKU Industry, MIYAZAKI Industry, Tohoku Seal Industry, Nihonmatsu Seal Industry, Isohara Polyurethane Industry, ISSHIN Industries, MYK, Kikugawa Seal Industry, TVC, SAGA SEAL Industry, Kumamoto Seal Industry, KUSU Kogyo, Nichinan Seal Kogyo, Kawazu Kogyo and TOSU Seal Industry). Exceptions are PRTR substances, water used and emission to water, for which the amounts refer only to NOK's seven divisions.

*1 PRTR

Pollutant Release and Transfer Register, a publicly accessible database of hazardous chemicals released to the environment and transferred off-site for

treatment in the form of waste. It brings together information about which chemicals are being released, how much and from which sources. (Source: Website of the Ministry of the Environment)

*2 CO₂

CO₂ emissions are calculated in accordance with the greenhouse gas emissions accounting and reporting manual under the Act on Promotion of Global Warming Countermeasures.

*3 CO₂ (Raw Materials)

CO₂ emissions are calculated from the mass data of purchased raw materials while referring to the JAPIA LCI Guideline.

*4 CO₂ (Outsourced Waste Disposal)

CO₂ emissions are calculated based on the emission factor database for organizations calculating GHG emissions through supply chains.



Results and Targets

FY2017 Results and FY2018 Targets for Environmental Protection

Environmental Policy	FY2017			FY2018
	Action Item	Target	Result	Target
Prevent environmental problems	Comply with environment-related laws and regulations (Monitor and eradicate environmental problems by thorough compliance)	Promotion of compliance self-audit in Japan and abroad	Compliance self-audits conducted in Japan and abroad	Promotion of compliance self-audit in Japan and abroad
Maintain and improve EMS	Eliminate operational problems (Review the environmental aspects of changes and irregular activities)	Sufficient quantity and quality of human assets	Sufficient quantity and quality of human assets secured	Sufficient quantity and quality of human assets
Reduce environmental hazardous substances	Absolute CO ₂ emissions (t-CO ₂)* from NOK's divisions	51,820	48,558	52,986
	Intensity (t-CO ₂ /million yen) at production divisions	1.71	1.56	1.630
	Intensity per square meter (t-CO ₂ /m ²) at development divisions	0.17	0.16	0.180
	VOC emissions to the environment (t) from NOK's divisions	1,034	1,027	805
	CFC facilities (number of machines)	158	135	109
	Absolute CO ₂ emissions (t-CO ₂)* from NOK group companies in Japan and abroad	834,851	825,652	788,364
	Intensity (t-CO ₂ /million yen) at NOK group companies in Japan and abroad	1.18	1.22	—
Create and expand use of efficient environmental hazardous substances survey system	Promptly respond to requests for investigation of environmental hazardous substances contained in products	Creation of a database to manage products containing environmental hazardous substances	Made preparatory work for creation of a database to manage products containing environmentally hazardous substances	Creation of a database to manage products containing environmental hazardous substances
	Plan for information sharing systems	Upgrading of environmental quality voluntary audits	Voluntary audit items upgraded and audits conducted	Continuing of voluntary audits on environmental quality

* The CO₂ emission factor of electricity usage in FY2016 and FY2017 used for Japanese sites is 0.571 t-CO₂/MWh (actual CO₂ emissions factor of electricity usage at the generating end after reflecting Kyoto mechanism credits during FY2012). For overseas sites, 0.642 t-CO₂/MWh (calculated from the weighted average of the group's global power usage for FY2012) is used.

Formulation of Long-term Environmental Vision for 2030

NOK Twin Green Plan 2030

As climate change and energy issues have become increasingly serious problems, the Paris Agreement entered into force to combat global warming and the Sustainable Development Goals (SDGs) were adopted

by the United Nations. In line with such global initiatives, NOK has formulated the NOK Twin Green Plan 2030 to promote our environmental conservation activities for a sustainable society.

Green Factory

NOK will reduce CO₂ emissions from factories by 20%* from FY2007 through environment-friendly manufacturing initiatives.

Initiatives

- Develop production equipment that consumes 20% less energy than conventional equipment
- Actively promote the use of renewable energy
- Reduce waste and aim to achieve a recycling rate of 100%
- Reduce water consumption and ensure cleaner wastewater
- Control and reduce hazardous chemical substances throughout processes

Relevant SDGs



Green Product

NOK promotes the development of products that contribute to next-generation environment-friendly technologies.

Initiatives

- Develop products that contribute to popularization of next-generation energy-saving technologies, such as fuel cells
- Contribute to reducing environmental impact through the development of low-friction technologies that help achieve greater fuel efficiency
- Develop functional membranes that help recycle water (supply of clean water and water circulation)
- Rigorously manage chemical substances contained in products to improve their environmental quality

Relevant SDGs





Global Warming Countermeasures

Activities of Sub Committee for Reduction of Energy Consumption

NOK engages in continuous and strategic energy conservation activities with the goal of reducing energy consumption by at least 1% of the previous year's usage. This goal was set in line with JAPIA's target as defined in its eighth Voluntary Action Plan: "a 20% reduction of CO₂ emission intensity from the FY2007 level in FY2030."

In FY2017, we conducted our ongoing key activities for eliminating wasteful facilities and operations, such as replacing conventional lights with LED lights, preventing heat loss and

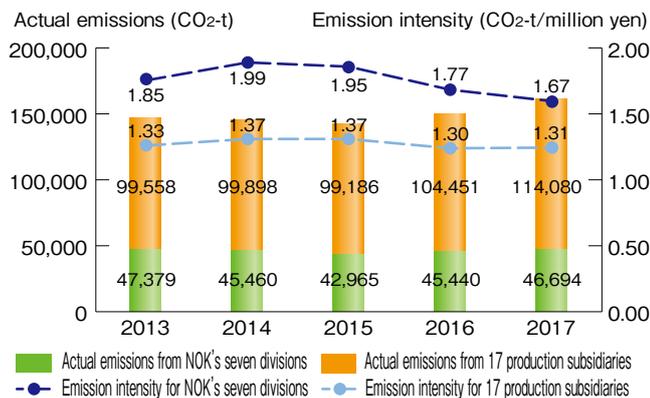
speeding up operations. In addition, we reviewed our energy management system and adopted IoT technologies to visualize power consumption. We also analyzed airflows in plants and started to discuss how we should improve the working environment and achieve energy conservation at the same time.

We will expand the scope of this activity beyond factories to the head office, sales offices and centers. With the participation of all employees of the Group, we seek to promote energy-saving activities by implementing a P-D-C-A cycle.



Manager of Production Engineering Dept.,
Production Engineering Technology Office
Chair of the Sub Committee for Reduction of Energy Consumption
Yushi Nakahata

CO₂ Emissions and Intensity



An increase in CO₂ emissions in FY2017 is attributable to the increased production of seal products for automobiles in response to the increased auto production in Japan and China (a year-on-year increase of 2.8% for NOK divisions; and a year-on-year increase of 9.2% for production subsidiaries).

Emission intensity for NOK divisions decreased, while that for production subsidiaries remained unchanged.

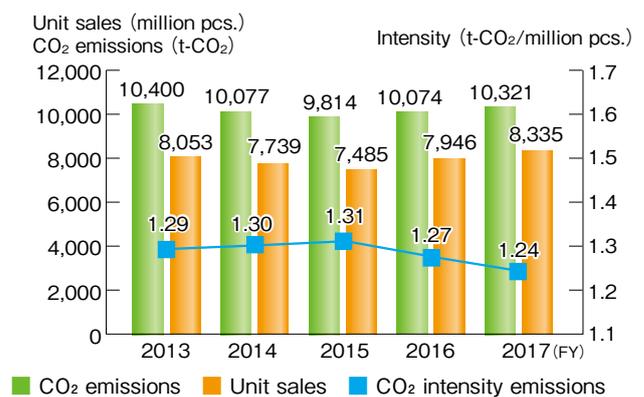
NOK has been promoting energy-saving efforts with a view to simultaneously achieving better business performance and meeting global warming mitigation goals. In addition to ongoing efforts to develop energy-efficient production equipment, we improved the efficiency of existing hydraulic pumps at NOK divisions and production subsidiaries.

Led by the Sub Committee for Reduction of Energy Consumption, energy-saving activities are being promoted by introducing solar panels, replacing conventional lights with LED lights and upgrading air conditioners to high-efficiency models.

Environmental Action in Transportation

Being aware that energy conservation in transportation is becoming more important, the committee is focusing on the reduction of the amount of diesel oil used by trucks. In FY2017, NOK reduced the annual diesel oil consumption by 49,000 liters by improving transport efficiency, reviewing transport routes, introducing new vehicles and enforcing eco-driving.

Trend of CO₂ Absolute and Intensity Emissions from Transportation



Note: See ★ on page 13 for the details of NOK's seven divisions and 17 production subsidiaries in Japan.

Development of Energy-Saving Equipment

NOK continues the development of energy-saving production equipment, taking into account its contribution to the improvement of productivity and yield.

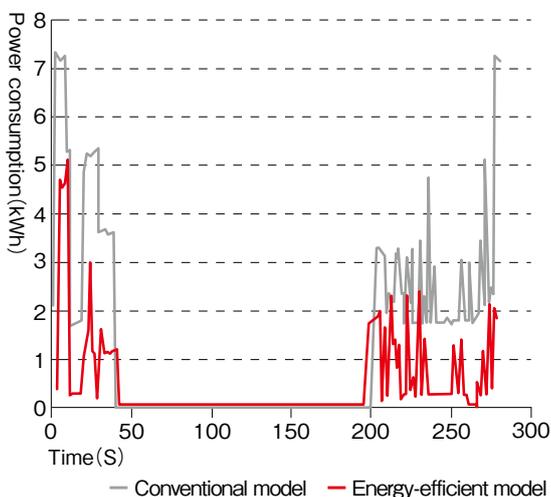
We believe that a single drastic reform and continuous, small improvements are both effective in achieving energy conservation for facilities. Introduced here is a typical example of the approach of accumulating small efforts in achieving energy conservation by hydraulic pumps used for rubber vulcanization equipment.

NOK has used energy-efficient, variable capacity types of hydraulic pumps to power vulcanization equipment. With approximately 4,000 such units installed in Japan alone, many of

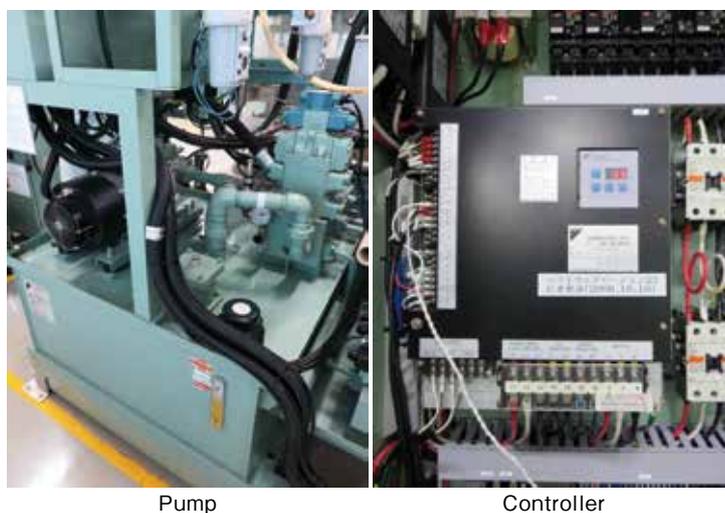
them have been overhauled or replaced due to obsolescence in recent years. NOK therefore examined the possible introduction of hybrid electric motors and confirmed their effectiveness in saving energy. Having confirmed that rates of energy conservation (for a pump) of 40% and 63% were achieved by simulation and by actual measurement, respectively, NOK decided to adopt this type of hydraulic pump as the standard model.

In the coming years, we will promote the introduction of this hybrid type of hydraulic pump, while continuing the development of more energy-efficient equipment (for example, from hydraulic to electric pumps).

Comparison of Power Consumption between the Current and Energy-efficient Models



Energy-saving Hydraulic Unit



Pump

Controller

Use of Renewable Energy

NOK has introduced renewable energy for emergency lighting (in case of power outage). For the purpose of BCM, we promote the adoption of equipment powered by renewable energy sources when plant buildings are constructed and renovated.



	Site	Annual Output
Solar panel	Fukushima Plant (Rooftop)	45MWh/year
	Fukushima Plant (Exterior light)	15MWh/year
	Kitaibaraki Plant (Rooftop)	22MWh/year
	Kitaibaraki Plant (Guard gate)	4MWh/year
Skylight Tube	Kumamoto Plant Office Building	1MWh/year
Solar panel	Kumamoto Plant (Guard gate)	11MWh/year
	Fukushima Plant (Exterior light)	10MWh/year
	Kitaibaraki Plant (Isohara Polyurethane Industry) (Roof)	61MWh/year
	Kumamoto Plant (Roof)	24MWh/year





Activities of Sub Committee for Reduction of VOC

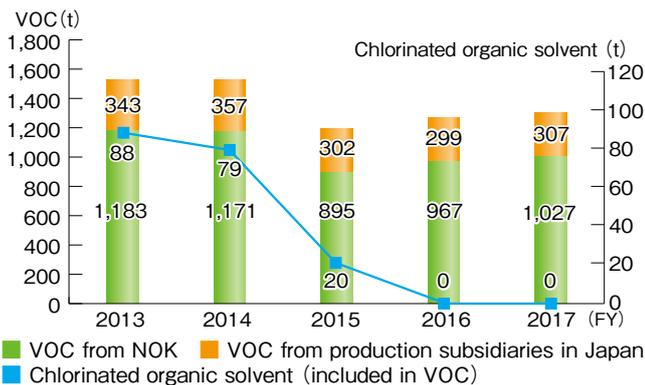
NOK continues to promote the reduction of VOC emissions released into the atmosphere. In FY2017, the reduction of VOC emissions was almost as planned (101% of the annual plan) at NOK's divisions. However, we failed to meet the plan on a global basis, reaching merely 93% of the reduction target, due to increased production exceeding the initial forecast. While production is expected to continue growing in FY2018, we are planning to introduce combustion devices to further reduce VOC emissions and are formulating a plan to reduce emissions to a level below the previous year's performance. As a result of our reduction efforts focusing specifically on dichloromethane, which has a high environmental impact, we completely eliminated

its use at the last overseas site in FY2017. As of the end of FY2017, dichloromethane was totally eliminated at 11 sites in Japan (including production subsidiaries) and six sites outside Japan. Meanwhile, we started technical deliberations on the next reduction target in FY2017. For example, we explored how to improve the yield of organic solvents used in adhesives and paints and found a technique that seemed likely to achieve a roughly 25% reduction. In the next step, we will apply the technology to mass production. Technical deliberations on other substances are also underway. Once technical viability for a substance is established, we will verify it in mass production equipment.



Manager of Material Engineering Dept.,
Corporate Technology Office
Chair of the Sub Committee for Reduction of VOC
Masashi Kudo

Amount of VOC Emissions



Scope of coverage: NOK's seven divisions and 17 production subsidiaries in Japan
Note: See ★ on page 13 for the details of NOK's seven divisions and 17 production subsidiaries in Japan

Compliance with PRTR Law

In FY2017, we reported seven regulated substances under the PRTR law, which mandates that companies submit information on environmental release and transfer of specified toxic chemicals.

Results for FY2017

Substance Name	Cabinet Order No.	Emissions (kg)				Transfer (kg)	
		Atmosphere	Public Water	Landfill	Soil	Drainage	Off-site
Zinc Compounds (Water-Soluble)	1	0	26	0	0	0	1,695
Ferric Chloride	71	0	0	0	0	0	258
Xylene	80	192	0	0	0	0	26
N,N-Dimethylformamide	232	90	0	0	0	0	10,000
Toluene	300	245,175	0	0	0	0	42,137
Methylnaphthalene	438	5	0	0	0	0	0
Methylenebis (4,1-Phenylene) Diisocyanate	448	2	0	0	0	0	1,200
Total		245,465	26	0	0	0	55,316

Scope of coverage: NOK's seven divisions
See ★ on page 13 for the details of NOK's seven divisions.

Activities to Control Environmental Hazardous Substances

Regulations concerning chemical substances are becoming stricter year after year, with different countries establishing different kinds of laws and regulations, such as the European Union's ELV Directive, RoHS Directive and REACH Regulation. The NOK group keeps up with these changes in regulatory requirements and trends to manage chemical substances properly.

We have also obtained ISO14001 certification through external audits and have built our own environmental management system. The control criteria for environmental hazardous substances are incorporated into this system to prevent prohibited substances from adhering to, being mixed into or leaking into products or packaging materials in any process from the acceptance of raw materials and manufacturing at production lines to delivery to the customer.

We ensure that the same level of chemical substance control (environmental quality control) as at our Japanese sites is implemented for products delivered to customers from any of our production sites outside Japan. Relevant plants in Japan and abroad are subject to self-auditing their management of raw material procurement, production processes and other activities. This allows us to prevent nonconformity of environmental quality (e.g., unintended entry of prohibited substances) and other problems from occurring. The results of self-audits and follow-up activities are shared through an internal database, which has been made accessible to an increasing number of parties. To prepare for customers' requests for investigation of environmentally hazardous substances contained in delivered products, we have deployed a system to respond to such requests quickly and accurately as part of our efforts to build an efficient, effective investigation framework.

Moreover, we anticipate cases in the future where our customers request the discontinuation of the use of certain substances, or the replacement with other ones in order for them to comply with new regulatory requirements related to chemical substances. To deal with such situations, we are creating a system that enables us to rapidly respond to such customer needs, including our ability to answer whether or not we can meet customer requests.



Commitment to Recycling-Oriented Society

Activities of Sub Committee for Waste Management

In FY2014, the committee in charge of zero emissions activities at the NOK Group was renamed the Sub Committee for Waste Management. This committee has led activities to reduce waste associated with production. In FY2017, waste from production increased roughly 10% from the previous year due to favorable production and sales performance as well as the start of a new foundry at a production subsidiary in Japan.

The recycling rate at NOK's divisions and production subsidiaries in Japan reached near the ceiling and stands at 99.8% or above since

FY2013. However, the recycling rate for FY2017 unfortunately dropped to 97.2% since we had a new type of waste for which a method of recycling has not been established.

While continuing activities to reduce materials to be discharged, we will work out new ways to reduce nonconforming products (especially heavy items), to promote recycling and to turn waste into valuables.

The Committee will continue to promote efforts to enhance our compliance, aiming for more advanced waste management.



Deputy General Manager of Corporate Quality & Environmental Control Office and Manager of Environmental Control Dept.
Chair of the Sub Committee for Waste Management

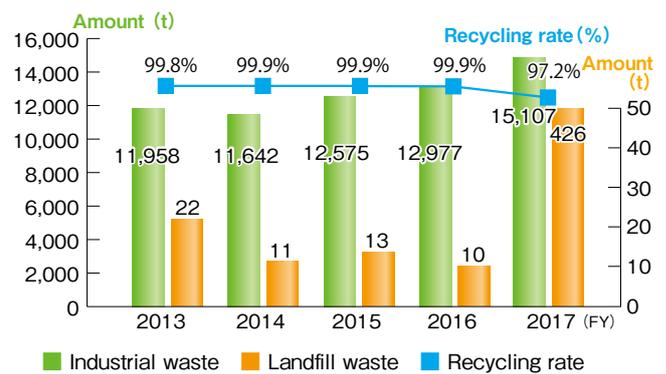
Masayuki Kimura

Trend of Industrial Wastes and Landfill Wastes

● NOK's seven divisions

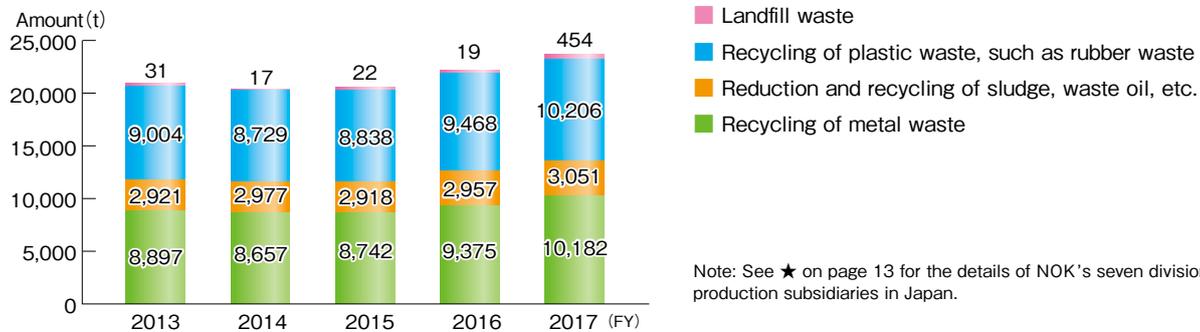


● 17 production subsidiaries in Japan



Breakdown of Industrial Waste

● Total for NOK's seven divisions and 17 production subsidiaries in Japan



Note: See ★ on page 13 for the details of NOK's seven divisions and 17 production subsidiaries in Japan.



Environmentally Conscious in All Business Activities

Environmental Impact Assessment for Design

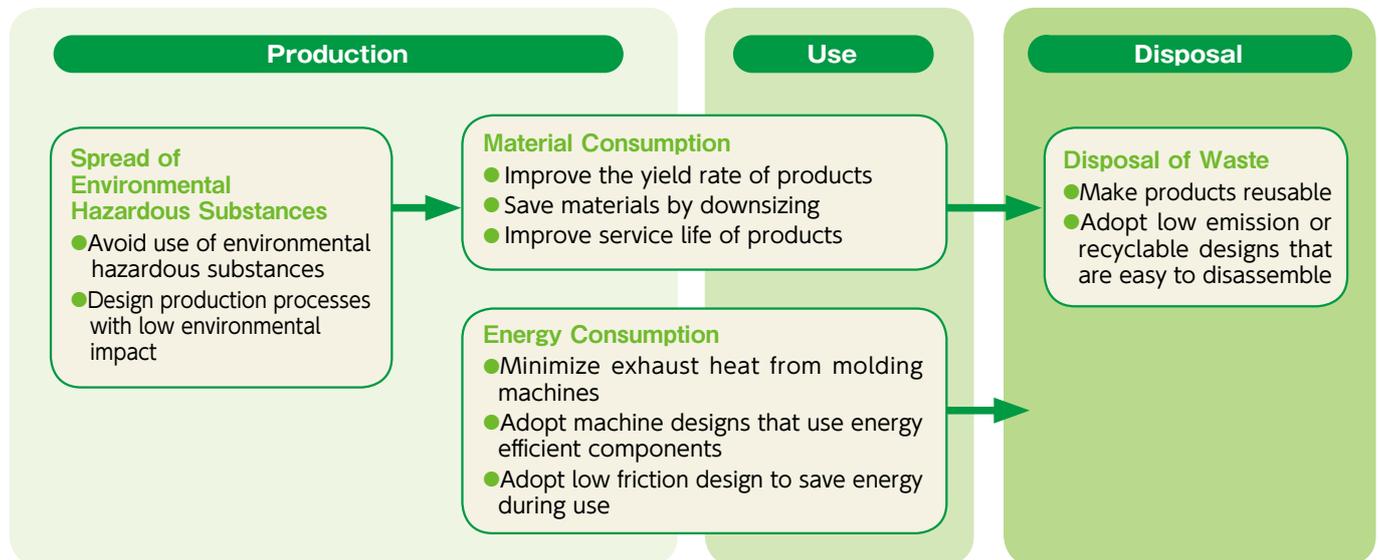
We assess the environmental impact of designs of new products, new materials and new production machines in accordance with NOK's Standard of Environmental Impact Assessment for Design.

During the design phase, we plan for the disuse of environmental hazardous substances, low energy consumption, high product yields, downsizing, long service life, low friction and low wear performance, as well as reuse, low waste and recycling of end-of-life products.

Application of the Standard of Environmental Impact Assessment for Design in FY2017

Division	Applicable Cases	Performance Improved
Fukushima	767	125
Kitaibaraki	1,116	21
Shonan R&D Center	142	89
Shizuoka	789	17
Tokai Environmental Products R&D Center	21	3
Tottori	83	71
Kumamoto	27	20
Total	2,945	346

Standard of Environmental Impact Assessment for Design



Environmental Protection Cost

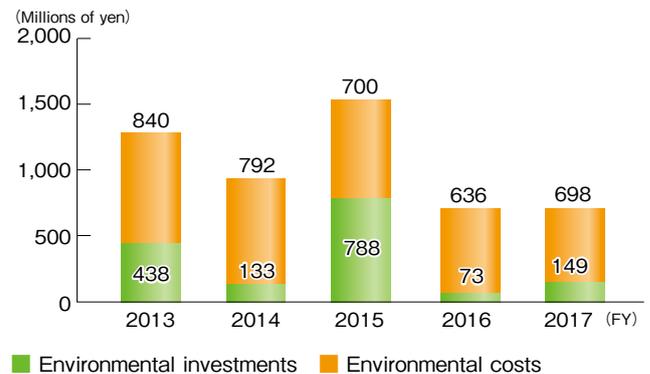
NOK calculates its environmental investments and expenses in its business activities annually to fulfill its environmental social responsibility and promote environment conservation activities efficiently and effectively.

Our environmental investments in FY2017 include conserving energy by installing high efficiency air-conditioning systems and replacing conventional lights with LED lights, improving wastewater treatment facilities, and reducing CFC facilities by renewing the thermostatic bath.

We are introducing solar panels, which also serve a function under BCM.

Trend of Environmental Investments and Costs

● NOK's seven divisions



Note: See ★ on page 13 for the details of NOK's seven divisions.

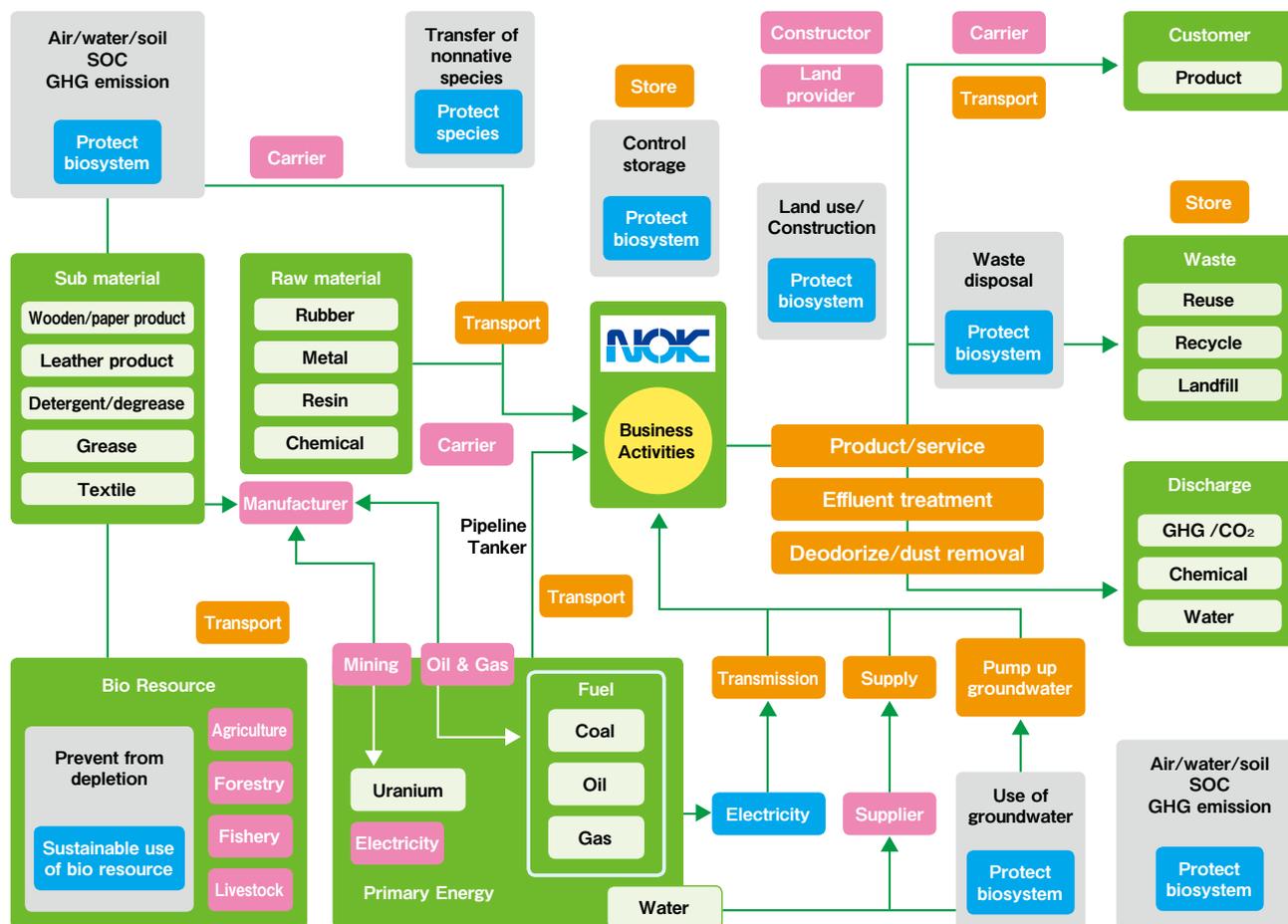
Biodiversity

We assessed our impact and dependence on biodiversity and ecosystem services. Based on the results, we have confirmed the direction that NOK should take to conserve biodiversity and established a common internal regulation in FY2011, the Standard

for NOK Biodiversity Conservation.

This standard defines the biodiversity-related actions we should take in our business activities and promotes biodiversity conservation.

Head View of Relationship between NOK Business Activities and Biodiversity



NOK Business and Biodiversity

Activities	Related Ecosystem Services and Impact
1 Efforts to reduce CO ₂ emissions and emission intensity	Impact on climate change
2 Promotion of water use reduction and water reuse	Impact on fresh water use and water purification ability
3 Reduction of nonconforming products, improvement of yields, reduction of industrial waste and improvement of the recycling rate	Use of wood, paper, textile, fuel, oils and fats, raw materials, genetic resources, biochemical substances, natural medicines, etc., and collection of biological resources
4 Prevention of entry of specified chemical substances into exhaust, and restriction of volatile chemical substances, dust, etc.	Atmospheric quality and climate
5 Prevention of entry of hazardous substances, oil, etc., into drainage	Impact due to discharge of contaminants into waters
6 Management of nighttime outdoor lighting to limit leaked light and lighting hours	Impact of nighttime lighting and noise
7 Compliance with applicable laws and regulations, including the Noise Regulation Act, Vibration Regulation Act, Soil Contamination Countermeasures Act, Air Pollution Control Act, and Water Pollution Control Act	Protection from natural disasters associated with water retention and soil erosion, recreation and spiritual wellness, and changes in habitats due to land use
8 Proper disposal of industrial waste	Protection from natural disasters associated with water retention and soil erosion, recreation and spiritual wellness, and changes in habitats due to land use
9 Implementation of internal environmental education, participation in social environmental activities, etc.	General



Reports from NOK Group Sites

NOK Divisions

Fukushima and Nihonmatsu Plants

In cooperation with companies at the site, we promoted activities based on the environmental management system. We underwent a transition audit in February and completed the transition to ISO14001:2015.

The Fukushima Plant is scheduled to expand plant buildings in FY2018 and is currently undertaking environmental assessments for the work.

The Nihonmatsu Plant is also planning to expand plant buildings and construct a new one, and is undertaking environmental assessments for the work. The Plant will introduce combustion equipment to reduce the release of VOCs to the air. The start of operation is slated for October 2018.

Kitaibaraki Plant

The Kitaibaraki Plant, together with its production subsidiaries and contractors, is promoting energy and resource conservation activities, while taking into account the environment (E), quality (Q) and total cost reduction (T) in an integrated manner, rather than considering E, Q and T separately.

In FY2017, as part of energy conservation efforts, air-conditioning facilities at the Plant were renewed, and solar panels were introduced to production subsidiaries.

Shonan R&D Center

The Center pursues environment-friendly development practice in basic technology research and product and material development. We are also developing production technologies to achieve further energy and resource conservation, in addition to improving the efficiency of production equipment. Moreover, the Center also emphasizes technical support for NOK plants to help them promote their environment-friendly manufacturing. Our support contributes to extending product lifetimes, reducing torque (saving energy) and improving yield.

Tokai Environmental Products R&D Center

The Center was renamed from the Tokai R&D Center for Membrane Technology to the Tokai Environmental Products R&D Center in FY2017. As the leader of NOK's contribution to environmental conservation through seal technology, the Tokai Environmental Products R&D Center has engaged in the development and production of innovative products that have facilitated the popularization of fuel cell vehicles and the effective use of water resources. With a high level of awareness and motivation for the environment, we have consolidated the system to fulfill our corporate social responsibilities.

Shizuoka Plant

In FY2016, MYK's second plant was closed as part of measures against possible tsunami disasters associated with predicted earthquakes in the Tokai area. Relocation and consolidation of the plant into the headquarters plant located on the premises of the Shizuoka Plant was completed in April 2017.

Moreover, preparations are underway to resume the operation of Kikugawa Seal Industry Co., Ltd. at this site and will be completed in May 2018. In cooperation with these companies that share its premises, the Plant will fulfill legal reporting requirements incidental to the transfer of facilities to remain compliant with relevant laws and regulations.

Tottori Plant

In FY2017, Thai NOK Co., Ltd. completely eliminated the use of dichloromethane. This means that all production sites of rubber vibration isolators completely discontinued the use of dichloromethane.

Efforts to reduce paint and adhesive use have achieved better results than planned through the reviewing of equipment. In tandem with the growth of the rubber vibration isolator business, the Tottori Plant will continue its aggressive environmental conservation activities as the mother plant.

Kumamoto Plant

The Kumamoto Plant periodically performs environmental measurements of drainage from the plant and groundwater on the premises to protect the Aso region's water resources, which have been conserved by local residents. Such activities to contribute to local environmental protection are conducted continuously.

In FY2017, ceiling lights in the Plant were replaced with LED lights to save energy. In view of BCM, photovoltaic power generators and storage batteries were installed at the guard gate.

Group Companies

NIPPON MEKTRON, LTD. (MEK)

The MEKTEC group has been committed to minimizing its environmental impact by saving energy and reducing waste, and also to conducting audits to ensure regulatory compliance. We contributed to reducing CO₂ emissions by replacing old exterior lights (mercury lamps) in plants with solar-powered LED lights and upgrading steam boilers to more efficient models having less impact on the environment.

Two sites underwent regulatory compliance audits and passed.

MEKTEC sites in Japan completed the transition to ISO14001:2015 in April 2017.

SYNZTEC CO., LTD. (SZT)

The SZT group engages in production at its group companies in Japan and abroad. Independent efforts by SZT are focused mainly on support for internal sections in technology and quality control by initiating activities to reduce nonconforming products and save more energy.

Since a production function of other plants in Japan is scheduled to be transferred to the Yokosuka Plant, it is expected that the site's energy consumption and waste emissions will increase. Therefore, the SZT group will make concerted efforts to further promote environmental conservation activities.

UNIMATEC CO., LTD. (UMT)

With the goal of mitigating global warming and building a recycling-oriented society, UMT focuses on continuous improvement activities. In FY2017, equipment that used CFC R-22 was replaced with a different model that uses a CFC substitute, and production equipment with better energy-saving performance was introduced. The company is also promoting the recycling of organic sludge discharged from its wastewater treatment facilities by processing it into compost, and is reducing noise from production equipment in consideration of living conditions for nearby residents. In addition, the company is engaged in the development and design of products that have a low environmental impact.

Wuxi NOK-Freudenberg Oil Seal Co., Ltd. (WNF)

WNF continues to improve its environmental activities under the ISO14001 system. WNF achieved a reduction in power consumption by controlling the volume of exhaust air with the use of valves during the second vulcanization process. This enabled it to secure a proper volume of flow, and eliminate wasteful blow. As a result, power consumption was cut by 65,000 kWh annually. To raise environmental awareness among employees, WNF provides new employees with basic environmental training every year. Persons in charge of environmental management gather from all departments every month for mutual exchanges.

NOK Vibration Control China Co., Ltd. (NVCC)

Casting equipment that started full-fledged operation in FY2017 at NVCC generates and releases substantially less dust as compared to the previous model. As well as reducing the amount of dust released into the air outside, the dust concentration inside the plant also significantly decreased, improving working conditions to a remarkable degree. In recognition of this initiative, the company was commended as a dust control model company by the government of Wuxi City of Jiangsu Province in FY2017.

Thai NOK Co., Ltd. (TNC)

TNC has been implementing various initiatives for the environment, with the emphasis in recent years on energy conservation activities. In FY2017, lighting at the plant was replaced with LED lights and chillers were also replaced with more efficient, energy-saving models, which resulted in a total reduction of 3,343 tons of CO₂ emissions for the year.

To realize a sustainable society, the company will continue promoting environmental conservation activities and making social contributions.

P.T. NOK Indonesia (NIN)

NIN completed the transition to ISO14001:2015 in FY2016, and passed the surveillance audit in FY2017. Its aggressive energy conservation initiatives include replacing plant lighting with LED lights and installing Skylight Tubes (a system that brings sunlight into indoor space after cutting UV rays and heat). The system added more light inside the plant and has helped reduce power consumption for lighting by roughly 50%.

With a production increase expected for FY2018, NIN will improve its wastewater treatment capacity to ensure compliance with environmental laws and regulations.



Procurement Policy

The NOK group's procurement from suppliers complies with its Procurement Policy

Procurement Policy

- 1 We comply with laws, regulations and social norms.
- 2 Based on the idea of free competition, we select suppliers in a stringent manner by providing fair and equal opportunities.
- 3 We share mutual interests and benefits with suppliers based on the idea of mutual prosperity.
- 4 We engage in open communication and build a relationship of trust with suppliers.
- 5 We conduct improvement activities proactively in collaboration with suppliers.

The NOK Group believes that if we are to fulfill our corporate social responsibility, it is essential that our awareness is shared across the procurement supply chain.

We are asking our suppliers to understand the Procurement Policy shown on the left and respect the NOK Charter of Corporate Behavior and CSR Procurement Guidelines in business transactions with us.

CSR Procurement Guidelines

To fulfill our corporate social responsibility, we carry out procurement activities in accordance with the following policies:

- | | |
|--|---|
| 1. Compliance with laws and regulations | We comply with laws and regulations, including the competition laws, trade laws, environmental laws and social norms of relevant countries. |
| 2. Respect for human rights | We do not deal with business entities that would use forced or child labor, that would engage in unlawful employment of foreign nationals or any other illegal employment and that would not satisfy industrial safety and health requirements. |
| 3. Safety | We prioritize the safety of customers and consumers and purchase products that satisfy safety requirements. |
| 4. Green procurement | We carry out procurement activities based on the NOK Group Green Procurement Guideline with consideration for preserving the global environment . |
| 5. Confidentiality | We deal with suppliers that can appropriately manage and control the confidentiality of information on customers, individuals and technologies, etc. obtained through business transactions. |
| 6. Elimination of anti-social forces | We do not deal with any organized crime groups, any of their members and related individuals nor any other antisocial forces as well as any business entities associated with them. |
| 7. Activities regarding conflict minerals | We strive to avoid purchasing minerals and products that use minerals from countries where inhumane armed forces are active and mining minerals for their financial resources. |
| 8. Contribution to local communities | We contribute to the development of local communities by promoting business transactions with local suppliers. |
| 9. Sharing awareness with suppliers | We strive to ensure that the NOK Charter of Corporate Behavior and the CSR Procurement Guidelines are respected throughout the supply chain. |

NOK's production activities are centered on industrial components made from polymeric materials, such as synthetic rubber and resin. We are committed to environmental conservation activities such as managing environmental hazardous substances used in production processes, saving energy and resources, and reducing waste. To extend these

controls beyond production processes to procurement activities, we have established the NOK Group Green Procurement Guideline. Controlling environmental hazardous substances and building a system to guarantee the non-inclusion of these substances throughout the supply chain are our priorities.



Customer First

The NOK Group continues its efforts to provide high-quality products and services for customers.

Quality Management System

To continually produce products that meet customer requirements, we have been implementing and improving our quality management system, which complies with international standards such as ISO9001.

Our internal control rules for subsidiaries are revised to enhance the quality assurance activities at the NOK group.

We have expanded the scope of onsite audits by quality control officers since FY2013. We strive to achieve a uniform quality level globally for NOK products through close exchange of information on the quality management system both in Japan and abroad.



Global Use of the Quality Dojo

The Quality Dojo is NOK's school, and it aims to develop human resources who can communicate, practice and promote the culture of "Quality First" in day-to-day work. Quality Leaders¹ guide their subordinates and colleagues while engaging in their own quality improvement activities as part of their work. We also develop Quality Dojo Masters, who serve as trainers by opening their own Quality Dojo to teach others.

As it reaches its ninth anniversary, our Quality Dojo program has trained more than 810 Quality Leaders in Japan. Quality Leaders have communicated what they have learned at the Quality Dojo to others in their workplace to build a Quality First Line². The program was converted into *Asunaro* activities³ in FY2015, and continues in a different framework. Under the slogan of *There is no end to improvement activities*, we relentlessly pursue improvement in an attempt to build Quality First Lines.

To further enhance improvement activities, NOK organizes gatherings called N-Act, where Quality Leaders present the results of their initiatives.

We have also opened Quality Dojos at our sites in China and Southeast Asia. In China, five Quality Dojo Masters are independently operating their own Quality Dojos and 72 Quality Leaders are currently promoting their respective activities.

*1 Quality Leader: The title granted to a person who has graduated from the Quality Dojo.

*2 Quality First Line: A production line that does not produce or release nonconforming products.

*3 *Asunaro* activities: *Asunaro* is a Japanese word that literally means "it will happen tomorrow," and here it conveys the message, "We will build a Quality First Line tomorrow." This initiative encourages employees to continue improvement activities with the goal of developing their production lines to a level equivalent to that of Quality First Lines that were built previously.

NOK Group QC Circle Meeting

The NOK Group encourages employees to form QC circles: autonomous small groups that engage in quality improvement activities.

Under the theme of pursuing down-to-earth improvements by going back to the starting point of QC circles, presentation meetings are held at NOK divisions in Japan and global group companies every year. In FY2017, 1,302 QC circles took part globally. Eight circles, each selected at a regional presentation meeting, gathered and reported their activities at the NOK Group QC Circle Meeting, where the best QC circle in the NOK Group was decided.

With more QC circles being formed throughout the NOK group, we can see wide-ranging QC circle activities at many of our sites, group companies and affiliated companies in Japan and abroad.



Nonconformity Reduction Activities

NOK strives to reduce nonconforming products to improve quality and cut back on waste. We have also been committed to developing human resources through these activities.

In FY2011, the Zero Nonconformity Project was launched. In Japan, the project was extended to production subsidiaries in FY2013 in an effort to make project activities "self-propelling," or autonomous, at each site. As a result, more than 200 initiatives were carried out throughout the NOK Group during the three-year period from FY2011 to FY2013, leading to the decline in the nonconformity rate by 30%. Through these activities, production teams have enhanced their problem-solving capabilities as they repeated checks based on observation and the principles of *gemba* (actual place) and *gembutsu* (actual thing). This has also helped develop leaders who can take the initiative in the activities. Our sites in China and Thailand adopted this project in later FY2012 and became the first overseas group companies to join the annual reporting session held at the end of FY2014. Nonconformity reduction activities are steadily taking root even at overseas sites.

In and after FY2014, more than 80 initiatives were implemented annually. The nonconformity reduction activities are now conducted at group companies in and outside Japan on a routine basis and at the initiative of each company. We will further expand this project and make it a standard activity across the Group.

In-house Quality Award System

Our quality award system was introduced in FY2008 to boost quality improvement activities. All employees of the NOK group in Japan are eligible. Following a nomination and selection process that takes place every six months, organizations that have accomplished excellent results through effective quality improvement activities are honored. Articles on the outstanding improvements they have achieved appear in company newsletters.

Nomination guidelines were revised in FY2012 so that the award system can promote quality improvement activities more effectively. The revised system encourages nominations of projects that are feasible and implementation by teams to increase quality awareness among employees.

Nine teams were nominated in the first half of FY2017, and the Chubu Logistics Control Sect. of the Logistics Dept. under the Business Promotion Office won the award. In the second half of the year, six teams were nominated and the Production 2 Sect. of the Production Dept., Saga Seal Industry Co., Ltd. received the highest award. The quality award system helps us to create a workplace culture that encourages quality enhancements and improvements.

Quick Response Based on the 3G*

When a product nonconformity is detected, the sales department and the divisions in charge of related products cooperate to respond quickly while being aware of the importance of initial action. They make a concerted effort to resolve the problem as quickly as possible by following the 3G principle.

*3G: *Gemba* (actual place), *gembutsu* (actual thing) and *genjitsu* (actuality). Respectively, these three Japanese words express important actions to take: going to the *gemba* and seeing where the problem happened, seeing the *gembutsu* first-hand and checking things, and seeing *genjitsu* first-hand and learning the facts.

Promotion of Products at Exhibitions

NOK exhibits at many trade shows in Japan and elsewhere every year. Through exhibitions, we seek to make our technologies and products known to a broader range of prospective and existing customers, and to improve our understanding of market needs.

We also organize in-office exhibitions in which our products are displayed in a spare space at customers' sites. This provides us an opportunity to better understand the customer needs and encourage communication with them.

Exhibition at Tokyo Motor Show 2017

The NOK group joined many exhibitions in FY2017 as in previous years.

NOK participated in the 45th Tokyo Motor Show, which took place in October 2017. We set up an experience-based display intended to encourage visitors to learn about NOK by enjoying games and quizzes, as well as watching and touching exhibits. At the booth, easy-to-understand explanations were provided on the NOK Group's products and proprietary technologies, along with details of seal technology trends.



Establishment of Customer Support Center

The Customer Support Center responds to various inquiries about NOK's technologies and products. Questions and requests received by the Customer Support Center and via the website are reported to relevant departments and receive a follow-up. This input provides information used in resolving challenges that customers face and in proposing new projects.



Sponsor for NHK Gakusei Robocon 2017

NHK Gakusei Robocon (Student Robot Contest) 2017, Japan's preliminary for the ABU Asia-Pacific Robot Contest, took place on June 11, 2017 at Ota City General Gymnasium in Tokyo. NOK has been sponsoring NHK Robocon since 2015 as a way of supporting the next generation of engineers. The theme for the 2017 contest was "The Landing Disk." The rules were as follows: Two robots—each made by a different team of students—compete by throwing flying discs, with the object of landing them on seven pre-designated spots. Each spot is assigned points. The robot that earns the most points in three minutes or the one that is the first to land a disc on each of the spots to reach "APPARE!" wins the game. The audience was thrilled by the performance of the robots, each of which featured an original and ingenious design.

The bold and free-thinking ideas of student engineers on display at this event, along with their hard work, never fails to generate excitement among the audience. NOK will continue to sponsor this event to encourage their development.



Support for "AICHI: No Longer the Worst" Road Safety Project

With the highest rate of car ownership in Japan, Aichi Prefecture has also had the highest rate of traffic fatalities in the country for 14 consecutive years*. To reduce traffic fatalities by raising road safety awareness, Chunichi Shimbun Co., Ltd. launched the "AICHI: No Longer the Worst" Road Safety Project in 2016 in cooperation with radio and television stations based in Nagoya City. As a manufacturer of auto parts, NOK has joined the project since FY2017 in support of the project's objective to eliminate traffic accidents.

* As of 2017

Sponsorship for Kids Engineer 2017

NOK was a cosponsor of Kids Engineer 2017, which was held from August 4 to 5, 2017 at the Nagoya International Exhibition Hall (Portmesse Nagoya). Organized by the Society of Automotive Engineers of Japan, Kids Engineer provides a hands-on learning opportunity for schoolchildren and is aimed at encouraging their interest in various fields of science, technology and monozukuri (manufacturing skills), particularly around automobiles. NOK started sponsoring the event last year. For its second year, the company set up an exhibition booth for the first time with the theme "Save the leaking world!" It developed a program to teach children how oil seals work while having fun with card games and quizzes. We used creativity and ingenuity in designing the program to help participants readily understand the "big" roles played by "small" parts in cars.



Sponsor for 15th Student Formula Japan

From September 5 to 9, 2017, Student Formula Japan took place at Ogasayama Sports Park ECOPA, Shizuoka Prefecture. Student Formula is a competition organized by the Society of Automotive Engineers of Japan. Teams of students race with small-sized formula racing cars that they have planned, designed and built themselves. As well as the actual performance of the car, the comprehensive monozukuri capability, including the concept, design and cost of the car, is evaluated.

NOK has been a sponsor since 2008 and has provided NOK Group products to some of the participating universities. NOK will continue to sponsor this event and is proud to support young engineers who are enthusiastic about building cars.



Traffic Safety Campaigns at Plants

As a manufacturer of automobile-related products and to ensure the safety of its employees and their families, the NOK Group sets a traffic safety management policy every year to ensure observance of traffic rules and the elimination of traffic accidents and violations. Each plant conducts a unique traffic safety campaign suited to its local community. In cooperation with the relevant prefectural governments and local police stations, the NOK Group thus helps employees raise their awareness of road safety.

The Kitaibaraki Plant was commended for its outstanding practice of safe driving on June 30, 2017.



Sponsorship of Street Rugby Alliance

Street Rugby Alliance is organizing various events to increase the recognition and popularity of rugby through the popularization of street rugby* with a view to ensuring the success of the 2019 Rugby World Cup in Japan. Aspiring to contribute to local communities through sports, NOK started sponsoring the alliance this year.

* Street rugby: Played by two teams each having three players. It is devised to be easy and safe to play on the street.



Support for Palette, a non-profit organization

We regularly invite Palette to sell their baked goods and other items at our Head Office. Palette is a certified non-profit organization aimed at helping to create a society where people with disabilities can live how they want to and provides jobs and life-related assistance for the mentally challenged. NOK has been supporting the activities of Palette and will continue to organize their sales events.



Exhibition at Tokyo Stock Exchange IR Festa 2018

NOK exhibited at the Tokyo Stock Exchange IR Festa 2018, which took place from March 16 to 17, 2018 at PACIFICO Yokohama. This event aims to offer an opportunity for individual investors to communicate with listed companies. NOK held a 10-minute company briefing session about twice an hour at our booth. We explained our business activities, performance and growth strategy. Some of our products were displayed on the walls of the booth, along with information on application examples.

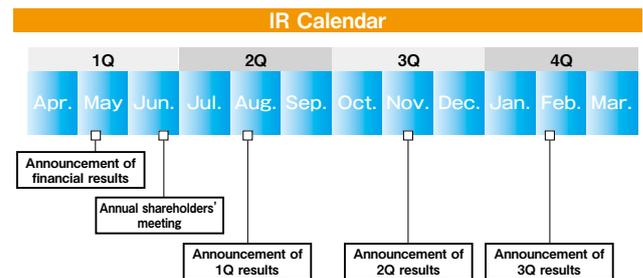
We distributed questionnaires to visitors after every briefing session and received responses from more than 500 of them. The event allowed us to obtain valuable feedback from individual investors.



Financial Results Briefings

The NOK group holds two financial results briefings every year, one in May for annual results and another in November for interim results. Securities analysts, institutional investors, research institutions, journalists and financial institutions are invited to these sessions, where we explain financial results and forecasts, and also respond to questions.

Presentation materials used for financial results briefings are available at NOK's website.



Relations with External Organizations

The NOK group is a member of economic organizations and industry associations and participates in their activities. We cooperate with these external organizations by acting as a general affairs committee member of the Japan Auto Parts Industries Association (JAPIA) and the chair of the Japan Electronics Packaging and Circuits Association (JPCA).

At JAPIA, we seek to contribute to the development of the automobile and automobile parts industries. NOK is a member of subcommittees on the environment and on conflict minerals, and exchanges views with other JAPIA members.



Relations with Employees

Respect for Basic Human Rights

One of NOK's Principles of Corporate Behavior is *Respect for Human Rights and Provision of a Safe and Comfortable Working Environment*. Our Behavioral Guidelines Concerning Employee Compliance, work rules and other internal regulations explicitly prohibit discrimination and harassment. To address harassment, an employee hotline is available at each division.

Supporting Diverse Work Styles

NOK provides childcare leave and other systems that help employees work in ways that suits their lifestyles.

Recognizing that having systems in place is not enough, we seek to appropriately implement these systems so that employees can make use of them more easily. The number of employees who took leave under the special leave systems during FY2017 is shown below.

Employees Who Took Special Leave in FY2017

System	Number of Employees
Childcare leave	54
Nursing care leave	1

Work-Life Balance

Our efforts to reduce the total hours worked by employees focus mainly on cutting back overtime work through enhanced productivity and increasing the rate of annual paid holidays taken. To promote leisure activities, NOK's corporate pension fund provides subsidies for employees who spend their vacations at designated resort facilities.

Mental and Physical Health

■ Employee Health Consultation

NOK provides a telephone health consultation service that is available around the clock free of charge to help employees maintain and enhance their mental and physical health. We also cooperate with industrial physicians and nurses to promote employees' mental health at work.

Personnel Exchange with Overseas Group Companies

To ensure that the management spirit that respects human dignity is in place at overseas group companies, meetings are held with personnel departments of major overseas group companies periodically to discuss personnel systems and exchange information.

Technical trainees from overseas group companies are also accepted at our Japan sites.

Supporting People with Disabilities

NOK is eager to employ people with disabilities. As of April 2018, there are 64 employees with disabilities working at NOK.

Re-employment System

A system to rehire employees who have reached retirement age was introduced in 2006. We seek to improve the system so that healthy retired people who still wish to work can make full use of their rich work experience and advanced skills gained through their career at NOK. For example, retired employees can pass their work-related knowledge and techniques on to younger generations while improving their livelihood through re-employment under the system.

Employee Welfare

NOK provides working conditions that are suitable for different stages of working life, covering a long period from entry into the company to post-retirement years. Major employee welfare benefit plans are as follows:

- (1) Housing benefits, such as company dormitories for singles, company housing for families, housing allowances, and the promotion of home ownership through a housing loan system
- (2) Asset accumulation support, such as an employee stock ownership plan, ESOP trust, employee savings plan and employee loan program
- (3) Retirement income support, such as a company pension plan, defined-benefit retirement allowance and pension plan, subsidies to support retired employees until they become eligible for public pensions, and re-employment system

Human Resources Development Program

NOK's human resources development program consists of level-specific education and development/specialized education. Level-specific education is mandatory for employees after specified years of service and for those in specified positions. Development/specialized education is designed to train employees in skills that are considered necessary for their duties by their supervisors. Training records are kept and updated in the corporate training management system. In FY2017, 849 employees received training through the program.

■ Special-purpose training

Training programs meeting various needs are available, such as those aimed at providing support for female employees and for employees rehired after retirement age, as well as those for improving workplace productivity.

■ Development of global human resources

This program seeks to develop employees who can actively apply English at work rather than people who can simply speak English well. Employees who pass preliminary interviews are assigned duties individually, and receive on-the-job and off-the-job training for a year.

NOK Group Safety Principles

“Safety is the foundation for implementing management spirit that respects human dignity, my desire and my mission”

Respect for human dignity is one of the NOK Group’s management principles, and safety, which greatly affects the life and wellbeing of employees, is well recognized as a top priority in all operations. While upholding the safety principles, we promote workplace safety management activities to establish a strong safety culture across the Group.

Activities during FY2017

■ Activities for safety and health

Our safety and health policy for FY2017 was improvement of safety and health control practices. We thoroughly identified and remedied unsafe conditions, conducted worksite patrols and observed work processes to provide guidance for corrective actions. When conducting work on the premises, together with contractors, we ensure the sharing of near miss incident information, risk prediction training and adherence to safe working procedures.



Michiaki Tanabe
Deputy Manager of the Safety & Health Dept.

To better address employees’ mental health, we have added a new program to our existing effort, which consists of self-care, care by managers and care by internal experts. A toll-free telephone consultation service provided by an external specialized organization is now available 24 hours a day, every day of the year. We are enhancing our capacity to respond quickly to mental health problems and to help employees smoothly return to work after a long absence.

■ Activities to improve the workplace environment

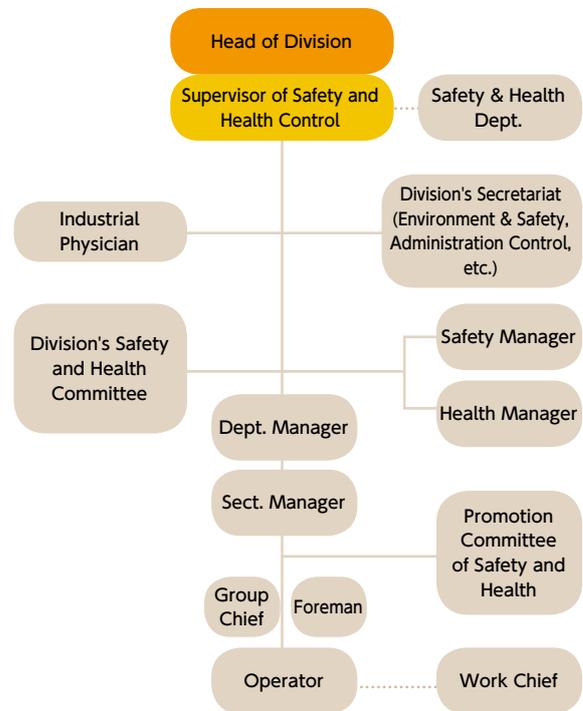
We started activities to improve the workplace environment in FY1993 and implemented measures in two phases. The first phase focused on the working environment (noise, heat and cold), and the second on work management (working posture and handling heavy objects).

The third phase of the plan for workplace improvement was launched in 2005 to address management of support systems, which refer to providing facilities for employee relaxation and facilities essential to workplace comfort. We have set up rest areas for employees.

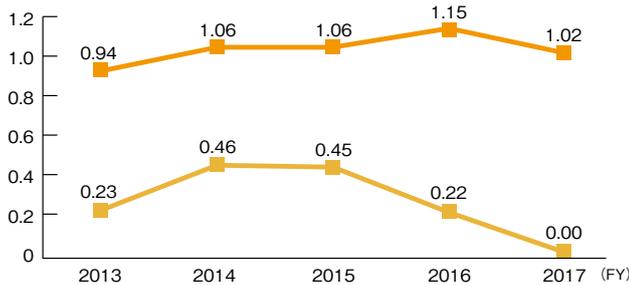
Occupational Health and Safety Management System

We promote safety and health activities by forming a division-level organization for safety and health management supervised by the head of the division, who serves as the Supervisor of Safety and Health Control. Company-wide activities are also conducted through coordination between the Safety & Health Dept. at the Head Office and the secretariat in each division.

To prevent the recurrence of workplace accidents through sharing accident data to raise employee awareness, we have compiled annual statistics on these accidents every year since FY1973. We have used the statistics as a tool to promote safety and health activities at plants.

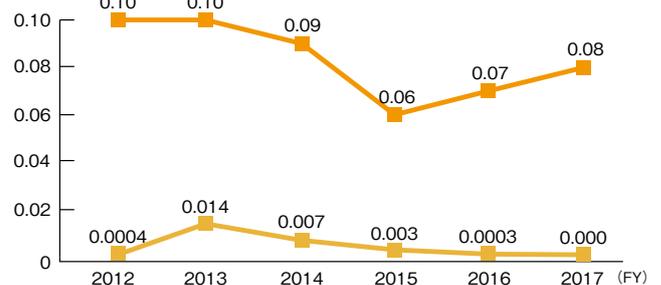


Lost Time Injury Frequency Rate*1



■ National average among manufacturers ■ NOK group

Lost Time Injury Severity Rate*2



■ National average among manufacturers ■ NOK group

*1 Lost time injury frequency rate: The number of deaths and injuries from workplace accidents per million hours worked. It represents the frequency of accidents.

*2 Lost time injury severity rate: The number of lost work days per thousand hours worked. It represents the gravity of accidents.

Scope of coverage: The figures for the NOK group refer to four companies: NOK, NIPPON MEKTRON, NOK KLUEBER and UNIMATEC.

Third-Party Opinion on CSR Report 2018

Mr. Masatoshi Ikari

Advisor, PDCA Co., Ltd
Representative, Sustainability Consulting
Part-time Teacher, Seikei University



NOK published its first Environmental Report in 2004 and has issued it since then, although the title was changed to Environmental & Social Report in 2006 and to CSR Report in

2017. I have thoroughly reviewed the report, the second issue of the CSR Report, and herein provide my opinions as a third party.

Commendable Points

- In the report, NOK clearly states: “Safety is the foundation for implementing management spirit that respects human dignity.” The company’s commitment is supported by the commendable occupational health and safety performance in FY2017, that is, the lost time injury frequency rate of 0.00 and the lost time severity rate of 0.000. However, the scope of the statistics is limited to NOK Corporation and three group companies. I therefore expect that the coverage will be expanded.
- The NOK Group formulated the NOK Twin Green Plan 2030, a long-term environmental vision toward 2030, in line with the Paris Agreement and the Sustainable Development Goals (SDGs).

“NOK Group’s Technology” features the initiatives for E-Mobility (next-generation automobiles) and applications of the hollow fiber membrane technology to address water resource risks. These provide model examples of Green Product initiatives under the vision.

- “Reports from NOK Group Sites” describes a wide range of environmental activities implemented at NOK plants and group companies in and outside Japan. In particular, activities by the plant in Wuxi, China were recognized and commended by the local government.

Opportunities for Improvement

- NOK links the initiatives under the 2030 environmental vision mentioned above to some of the environment-related goals of the 17 SDGs. In the future, it is hoped that issues with social aspects involving various stakeholders (other than the environment), such as employees, customers and supply chains, will also be related to specific SDGs for continuous improvement of CSR activities.
- Although the report refers to the NOK Group Green Procurement Guideline and the CSR Procurement Guidelines, it describes no actual achievements or future plans. Since ISO14001:2015 calls for a life cycle viewpoint and CSR focuses on supply chain

management, appropriate disclosure of procurement practices from these perspectives is required.

- It is hard to find any external stakeholders’ “voices” or “opinions.” I would suggest that the report contain comments and feedback from customers, schoolchildren who participated in Kids Engineer 2017, college students who took part in Student Formula, and individual investors at Tokyo Stock Exchange IR Festa 2018 to further boost the credibility of your company.

Response to Third-Party Opinion

Noriyuki Takahashi

Senior Operating Officer and
Manager of Corporate Administration Office
Chair of the CSR Committee



We highly appreciate the valuable opinions we have received. Your favorable evaluation of our safety and environmental activities has given us great confidence in promoting future activities. We will definitely incorporate the recommendations you provided in the Opportunity for Improvement section with regard to “relevance to the SDGs,” “concrete plans and activities concerning the procurement guidelines” and

“voices of stakeholders” into our future reports. I also believe that these aspects are what we should always keep in mind when promoting our CSR activities. We will continue CSR activities in a manner that will make our stakeholders proud.

Company Profile

Company Name : NOK CORPORATION

Registered Head Office : 1-12-15 Shiba Daimon, Minato-ku, Tokyo 105-8585, Japan

Head Office : 3-13-12 Mita, Minato-ku, Tokyo 108-0073, Japan

Established : December 2, 1939

Capital : 23,335 million yen

Business Details : Manufacture, purchase, import and sale of seals, industrial functional parts, hydraulic and pneumatic equipment, plant machinery, synthetic chemical products, electronic products and various other products; and the provision of associated services such as installation of machinery and devices

Contact

● **About the CSR report in general :**

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● **About the Environment part of the report :**

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