

Nisshinbo Group CSR Report

2014



NISSHINBO

Since the Nisshinbo Group was founded as a cotton spinning company in 1907 (originally Nisshin Cotton Spinning Co., Ltd.), it has engaged in a wide variety of enterprises and contributed greatly to people's lives and economic development. Presently, we conduct business operations in a wide range of fields including textiles, automobile brakes, papers, precision instruments, chemicals, electronics, and real estate.

The Nisshinbo Group, which continues to rise to the needs of the modern era, now contributes to the realization of a sustainable society as an "environmental and energy company".

Contents

The Nisshinbo Group's Business and Relationship with Society	01
Business Highlights	02
Global Development	03
The Nisshinbo Group's Concept of CSR	04
Companies Covered by the Report/ Principal Financial Data	05
Vision of the Nisshinbo Group	06
Together with Stakeholders	07
To Our Stakeholders	08
Special Feature	11
CSR Targets and Results	18
CSR: Management Platform	20
Together with Customers	24
Together with Shareholders	27
Together with Suppliers	28
Together with Employees	29
Together with Local Communities	34
Environmental Report	35
Third-Party Opinion	50
An Introduction to Specific Sites	51

History of the Nisshinbo Group

1940

1945

1955

1965

Textiles

Cotton spinning has been the Nisshinbo Group's core business since it was founded in 1907. Since launching APOLLOCOT 100% cotton non-iron shirts in 2009, we have been using the same technology to develop and sell a range of new APOLLOCOT products.

Automobile Brakes

We began production of friction materials for use in automobiles, and later expanded into the production of brake assembly products. Currently, we are working to reduce our copper content in compliance with environmental regulations.

Papers

After World War II, we began producing household papers. Currently, we are developing high value-added products, such as highly water absorbent toilet tissue that is well-suited to bidet toilets, fine paper with genuine paper texture and excellent printability, and luxury packaging that brings design and functionality together.

Precision Instruments

Following World War II, we put facilities built for the manufacturing of aeronautic parts to use and began the production of customized machines. Currently, we are developing such products as photovoltaic module manufacturing equipment, plastic molding products and precision automotive parts.

Chemicals

This business has its roots in our man-made fiber research. We are currently strengthening the products that contribute to a sustainable society, such as rigid urethane foam used in insulation materials, functional chemicals, and fuel cell parts and materials.

Electronics

In the 1950s, we transferred management personnel to Japan Radio Co., Ltd. after receiving a request for support. Over the years, we gradually strengthened our partnership with the Japan Radio Group to enhance our presence in the environmental and energy field. Japan Radio Co., Ltd. and 32 other companies are now consolidated subsidiaries.

Real Estate

Since the 1990s, the Company has been working to make active use of property that has sat idle as operations shifted overseas. The business has focused on leasing real estate for shopping centers, and more recently, on releasing land for residential development.

Other Businesses

Fiscal Year Ended March 31, 2014

Segment Sales

1975

1985

1995

2005

Main Products

Shares Amount (billion yen)



Total **494.4**

1.75 MW "Mega Solar" Completed at Tokushima Plant

In July 2013, we completed construction of the massive photovoltaic modules plant "Mega Solar" at our Tokushima Plant, and began commercial operations.

We are taking advantage of the feed-in tariff law to sell the entirety of Mega Solar's maximum 1.75 MW output to Shikoku Electric Power Co., Inc. Nisshinbo Mechatronics Inc. managed the installation process of this massive construction project. This company has already been selling photovoltaic module manufacturing equipment and related materials, but it will further strengthen its efforts in the equipment, materials, and installation fields of the solar power business in the years ahead.



Maximum output of 1.75 MW

Expansion of Automobile Brake Business

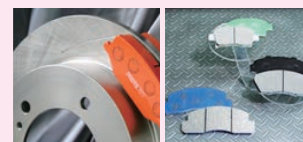
In 2011, we acquired TMD Friction Group S.A. located in Luxembourg (hereinafter TMD) and became a world-leading friction material manufacturer.

In April 2013, mass production started in our Chinese subsidiary located in Changshu, Jiangsu and our new plant in Thailand started full-scale operations in April 2014. Currently, we plan to move our subsidiary in Brazil, TMD Friction do Brasil S.A. to a new location by the end of 2016 to increase production capacity. After China, USA and Japan, Brazil is the world's number four country in automobile sales — the core of the South American market where future growth will be focused.

We strongly intend to expand our manufacture and contribute to the development of the world's automotive markets in the future.



Break Linings



Disc Pads

Electronics: Groundbreaking of Advanced Technology Center

In October 2013 we began construction of an advanced technology center that is to become the home base of our three electronics subsidiaries: Japan Radio Co., Ltd., Nagano Japan Radio Co., Ltd., and Ueda Japan Radio Co., Ltd.

Construction of this advanced technology center is being conducted as part of our core fiscal 2013 policy goals to revolutionize and expand the Nisshinbo Group Electronics Department. The center will be a 6 floor steel frame building with 13,500 square meters of floor space and a capacity of approximately 1,000 engineers, built on a lot area of approximately 10,000 square meters. Construction is due to finish in November 2014.



Advanced Technology Center
(concept drawing)

Contributing to Society through Global Business Development

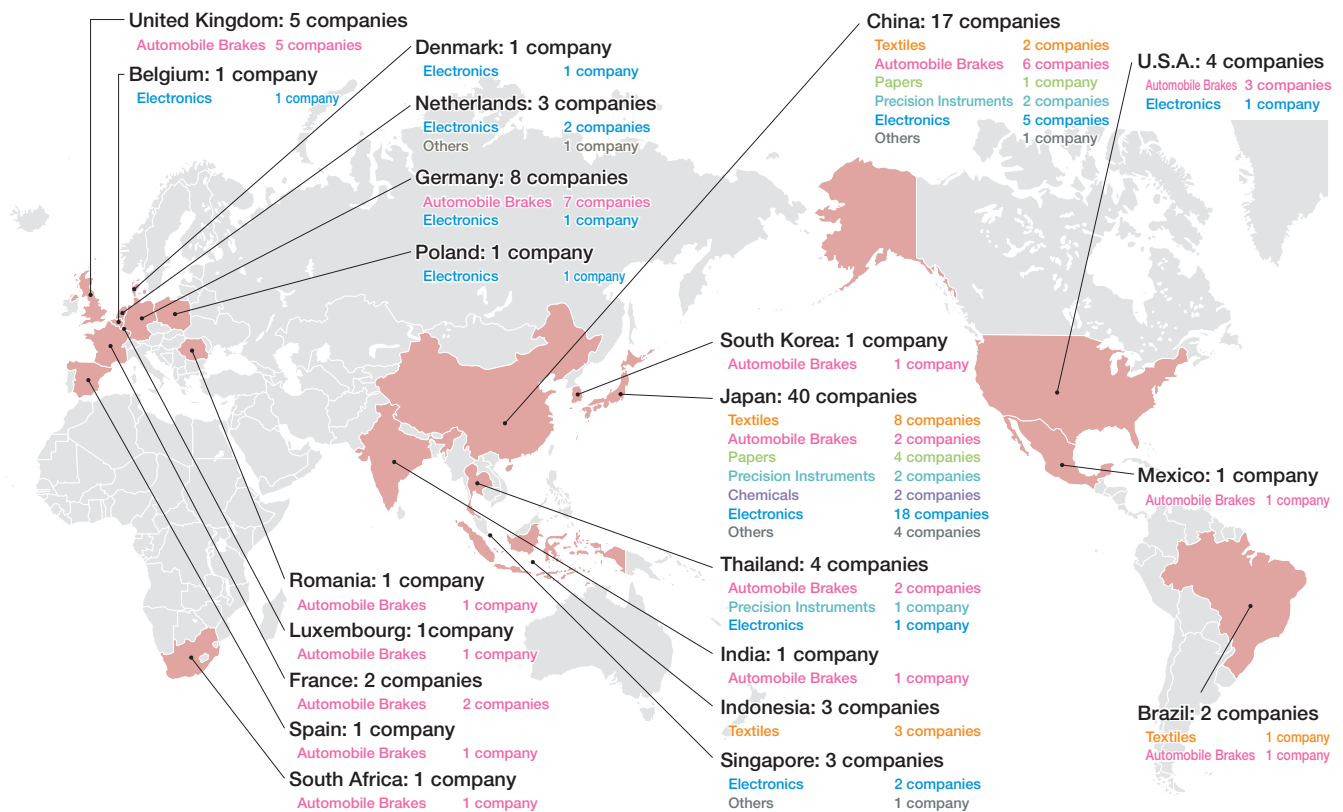
The Nisshinbo Group has made faster globalization a key emphasis of "NEXT 2015", our new mid-term management plan initiated in fiscal 2013.

As one of the world's leading manufacturers of friction materials for automobile brakes, as well as expanding our manufacturing capabilities in China, Thailand, and Brazil, we are accelerating the shift of our manufacturing and sales structure towards growing foreign markets even in our production of precision instruments and other businesses.

The Nisshinbo Group will continue to contribute to society through our business activities as we expand to developing markets around the world.

Business Locations

Japan: 40 companies; Overseas: 61 companies (as of March, 2014)



Alphatron Marine Beheer B.V.
Head Office (Netherlands)



Marine equipment sales company which joined the Group in December 2013

TMD Friction Holdings GmbH
(Germany)



TMD main factory

Nisshinbo Somboon Automotive Co., Ltd.
Factory 2 (Thailand)



Automotive brake manufacturing site which began full-scale operations in April 2014

Shenzhen NJRC Technology Co., Ltd.
Guangming Branch (China)



Electronics manufacturing base newly constructed in May 2013

The Nisshinbo Group's Concept of CSR

The Nisshinbo Group carries forward the corporate spirit that the Group is in essence a "Public Entity" and an unwavering commitment to "Consistent Integrity" since its founding in 1907. This is in tune with the Group's current concept of CSR and the origin of its management principles. After becoming a holding company in 2009, we devoted ourselves to a new corporate philosophy of "Innovation" through constantly challenging ourselves to embrace change.

Moving forward, the Nisshinbo Group will continue to contribute to society and help realize growth in partnership with communities by promoting business activities primarily in the environmental and energy fields.

Overview and Contents of This Report

Each year, the Nisshinbo Group issues a CSR (Corporate Social Responsibility) report with the aim of providing all of its stakeholders with details of the Group's CSR activities.

1. Period Covered

This report, in principle, covers activities undertaken during fiscal 2013 (April 1, 2013 to March 31, 2014). Certain information, however, covers the fiscal 2012 and fiscal 2014 periods.

2. Scope

The economic and financial data provided in the "The Nisshinbo Group's Business and Relationship with Society", "Global Development", and "Principal Financial Data" sections of this report cover Nisshinbo Holdings Inc. and its consolidated subsidiaries. Matters of a social and environmental nature cover the 51 companies listed at right. Unless otherwise specifically stated, "the Company" shall refer to Nisshinbo Holdings Inc. and "the Nisshinbo Group" to the Group as a whole.

3. Guidelines Used for Reference

- Environmental Reporting Guidelines 2012, Japan's Ministry of the Environment
- Environmental Accounting Guidelines 2005, Japan's Ministry of the Environment
- Sustainability Reporting Guidelines, version 4.0, Global Reporting Initiative (GRI)

4. Past CSR Reports

Past CSR reports can be downloaded from the following URL:

<http://www.nisshinbo.co.jp/english/csr/download>

Financial and other related information can be downloaded from the Company's IR site.

- Annual Report (Japanese and English)
- Financial Results (Japanese)
- Shareholder Report No. 171 (Japanese)
- Securities Report (Japanese)

5. Publication Date

August 2014

6. Next Report (Planned)

August 2015

Companies covered by the report

Nisshinbo Holdings Inc.

Textiles

Nisshinbo Textile Inc.
 CHOYA CORPORATION
 Nisshin Denim Inc.
 Naigai Shirts Co., Ltd.
 Nisshinbo Yarn Dyed Co., Ltd.
 Ocean Link Corporation
 Koyama CHOYA sewing corp.
 ARIES CO., LTD.
 PT. Nikawa Textile Industry
 PT. Nisshinbo Indonesia
 PT. Naigai Shirts Indonesia
 Nisshinbo Do Brasil Industria Textil LTDA.
 Shanghai Choya Fashion Co., Ltd.
 Nisshinbo (Shanghai) Co., Ltd.
 Nisshinbo Textile Changzhou Co., Ltd.

Automobile Brakes

Nisshinbo Brake Inc.
 TMD Friction Group S.A.
 Nisshinbo Automotive Manufacturing Inc.
 Nisshinbo Somboon Automotive Co., Ltd.
 Saeron Automotive Corporation
 Saeron Automotive (Beijing) Co., Ltd.
 Nisshinbo Saeron (Changshu) Automotive Co., Ltd.

Paper

Nisshinbo Paper Products Inc.
 Tokai Seishi Kogyo Co., Ltd.
 Nisshinbo Postal Chemical Co., Ltd.
 Daiwa Shiko Co., Ltd.
 Shanghai Sun-Rich Arts & Crafts Co., Ltd.

Precision Instruments

Nisshinbo Mechatronics Inc.
 Nisshinbo Precision Instrument & Machinery Hiroshima Corporation
 Nisshinbo Mechatronics (Shanghai) Co., Ltd.
 Nisshinbo Mechatronics (Thailand) Ltd.
 Nisshinbo Yawei Precision Instruments & Machinery (Jiangsu) Co., Ltd.
 Nisshinbo Mechatronics India Private Limited

Chemicals

Nisshinbo Chemical Inc.
 Nisshin Environmental Planning Inc.

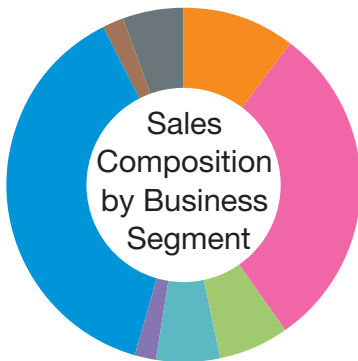
Electronics

Japan Radio Co., Ltd.
 New Japan Radio Co., Ltd.
 Nagano Japan Radio Co., Ltd.
 Ueda Japan Radio Co., Ltd.
 JRC Tokki Co., Ltd.
 Japan Radio Glass Co., Ltd.
 Saga Electronics Co., Ltd.
 NJR FUKUOKA CO., LTD.
 Thai NJR Co., Ltd.

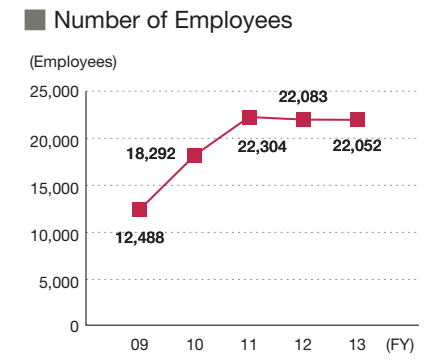
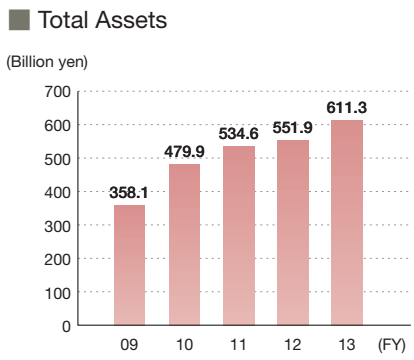
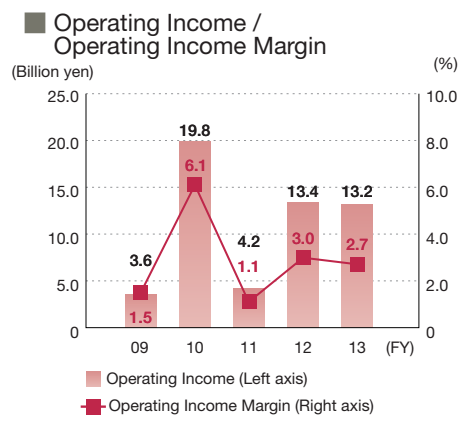
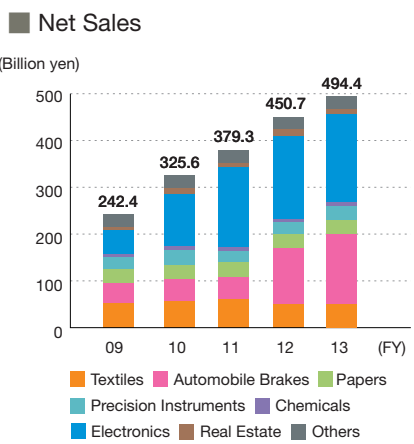
Real Estate and Other Businesses

Nisshinbo Urban Development Co., Ltd.
 Nisshin Toa Inc.
 Iwao & Co., Ltd.
 Nisshinbo Europe B.V.
 Nisshinbo Singapore Pte. Ltd.
 Nisshinbo Business Management (Shanghai) Co., Ltd.

Principal Financial Data



Textiles	10.4 %
Automobile Brakes	30.1 %
Papers	6.4 %
Precision Instruments	5.8 %
Chemicals	1.8 %
Electronics	38.0 %
Real Estate	2.1 %
Others	5.4 %



Nisshinbo Group Corporate Philosophy & Business Conduct Guidelines

In order to disseminate our corporate philosophy throughout the Nisshinbo Group, we have combined our corporate philosophy with our other policies, and integrated our corporate activity charter and other statements of principle as business conduct guidelines.

Nisshinbo Group Corporate Philosophy

Our corporate philosophy expresses the values we share as members of the Nisshinbo Group.

Public Entity

Believing that our companies are public entities, we shall aim to realize a sustainable society by proposing solutions to global environmental problems.

- We remember at all times and in all our activities that the ultimate goal of our Group is to contribute to society.
- We offer products and services that help solve global environmental issues, with an eye to developing a society where all people can enjoy comfortable lifestyles long into the future.

Consistent Integrity

Respecting the diverse cultures and customs of the world, as well as biodiversity, we shall conduct fair and sincere business activities with pride as a corporate citizen.

- We fulfill our social responsibilities as a corporate citizen by acting in good faith and with fairness at all times.
- We respect the diverse cultures and customs of countries and regions throughout the world and uphold the laws and regulations of each.
- We conduct our business activities with full recognition that the global environment depends on the maintenance of a delicate harmony among all living things and that we are part of that diverse harmony.

Innovation

Maintaining our spirit of response to change and unceasing challenge, we shall create an affluent future together with our stakeholders.

- We work toward the creation of an affluent society by constantly creating new and original value.
- We satisfy stakeholder expectations by sensitively anticipating changes in the times and the environment and boldly taking on new challenges.
- We build ties of trust with stakeholders and work together with them in our business activities.

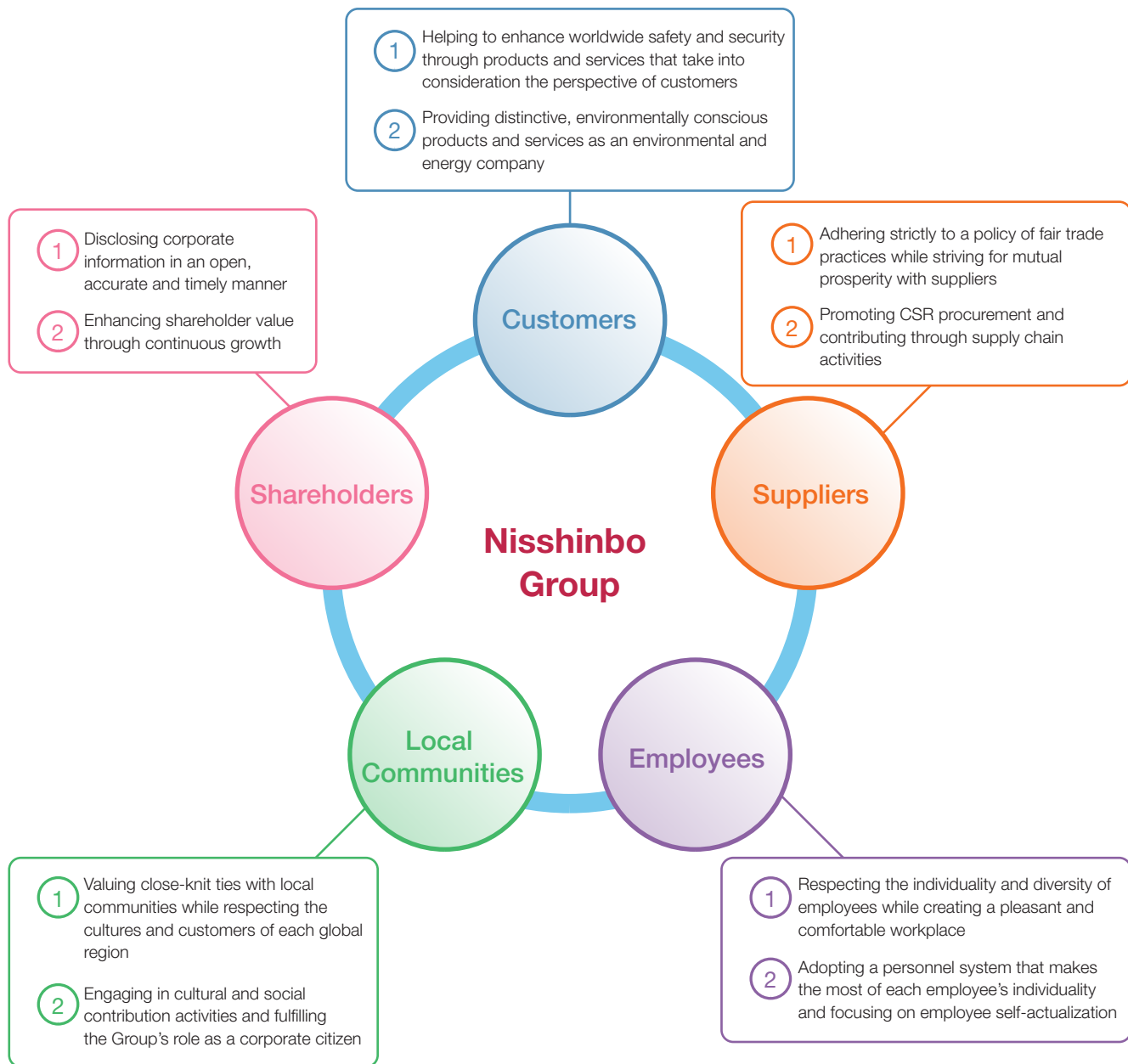
Business Conduct Guidelines of the Nisshinbo Group

These Business Conduct Guidelines of the Nisshinbo Group are guidelines for specific conduct that all officers and employees of the Nisshinbo Group are expected to comply with.

Compliance	—————	P.23	Workplace	—————	P.29
Environment	—————	P.35	Product Safety	—————	P.24
Human Rights	—————	P.29	Procurement	—————	P.28

TOGETHER WITH STAKEHOLDERS

Lending an ear to the comments of stakeholders while working together to build a sustainable society is an important priority of the Company. The Nisshinbo Group will work diligently to fulfill its responsibilities toward stakeholders while endeavoring to foster increasingly close-knit, positive ties.



External Evaluation

Upgrading and Expanding the Company's Website

According to a survey of 3,556 respondent publicly listed companies conducted by Nikko Investor Relations Co., Ltd., Nisshinbo Holdings Inc. ranked 193rd overall and 3rd in its industry for the outstanding quality of its corporate information website for fiscal 2013.

Furthermore, in a survey of 3,602 companies' online investor relations, Nisshinbo Holdings Inc. was one of 146 companies selected to receive the 2013 Daiwa Investor Relations Award for Excellence.

Continued Inclusion in the International SRI Index

The FTSE4 Good Index Series is one of the two major SRI (Socially Responsible Investment) indices in the world. The Company has been included continuously in this index since 2004 indicating considerable worldwide attention toward and expectations of the Company's CSR activities.



"The Group as a Public Entity"

We aim to establish long term ties of trust with our stakeholders.

The Nisshinbo Group is rapidly increasing its corporate value as an "environmental and energy company".

President Masaya Kawata shares a few words about our vision

and efforts toward global social contributions through our business activities.

Q Can you take a moment to reflect on the business conditions of the Nisshinbo Group in fiscal 2013?

A The Nisshinbo Group will realize better results in terms of both quality and quantity

With regard to business results, in addition to an increase in income due to the weak yen and satisfactory performance of our automobile brake business's overseas subsidiaries, the electronics business is doing well and growing, and sales have reached ¥494.4 billion - up 9.7% from the previous term. We suffered decreased income from Real Estate (down ¥4.5 billion from fiscal 2012). However, increased income from overseas automobile brakes subsidiaries such as TMD and from Electronics covered some of this loss. As a result, our operating income for fiscal 2013 totaled ¥13.2 billion, a loss of 1.6% from the previous period.

Keeping pace with progressive globalization and the expansion of our business interests, we have also strengthened our efforts to foment corporate culture and improve our organization's quality. This is achieved through our corporate philosophy that sees the Group as a "Public Entity", holds an unwavering commitment to "Consistent Integrity", and strives to achieve "Innovation". Specifically,

in order to share our corporate philosophy with the entire Group including overseas subsidiaries, we have unified our charters and corporate philosophy and integrated our various codes, such as our corporate code of conduct as the 'Business Conduct Guidelines', so that they are easy to put in place. We are also working to reaffirm the Nisshinbo Group's direction as an "environmental and energy company" and fundamentally enhance our ability to fulfill our social responsibility as a corporate group trusted by the public.

Q The Nisshinbo Group is broadly expanding its business interests. Can you tell us about your vision for the Group's future?

A We aim for sustainable growth using a variety of technologies.

Founded as Nisshin Cotton Spinning Co., Ltd. in 1907, we have expanded our business interests from cotton spinning and finishing to automobile brakes, precision instruments, papers, and chemicals since the 1940s. We have also added electronics to our interests and accumulated a wide variety of technologies. We have integrated this technology and are now working on the



development of new technology and products unique to the Nisshinbo Group, with "wireless communications and electronics", "automotive parts and devices", "lifestyle and materials", and "the new energy and smart society" as our four strategic business fields. We aim to achieve sustainable growth by utilizing these management resources to their maximum extent and expanding these businesses globally while developing a driver of new growth.

Q What are your mid-term management goals?

A Further promoting globalization and cash flow management to achieve mid to long term goals

The Nisshinbo Group aims to achieve our strategic goals of sales in excess of ¥600 billion, operating income in excess of ¥40 billion, and ROE in excess of 9% by fiscal 2017. In the milestone mid-term business plan "NEXT 2015", we have stated our goal of achieving ¥550 billion in sales and ¥24 billion in operating income in fiscal 2015. Each of our businesses is working proactively from a global perspective to achieve these goals. Furthermore, we will aim to raise the value of our group companies by accelerating cash flow management throughout the Group.

Q How are you working to develop as an environmental and energy company in each of your enterprises?

A Accelerating contributions to society as an environmental and energy company in all business fields

As for new operations, we completed Mega Solar, a photovoltaic module plant with a maximum output of 1.75 MW, at our Tokushima Plant last year, and we have also established an operation test facility for a "Smart Factory". This facility is the culmination of technologies such as the Nisshinbo Group's wireless communications, photovoltaic module systems and fuel cells as well as our independently developed Energy Management System (EMS). We are also vigorously promoting the development of unique products that contribute to society in environmental and energy fields, such as bipolar plates for fuel cells and Carbodilite. We have even succeeded in cultivating strawberries in completely controlled plant factories and are now promoting the mass production of the "APOLLOBERRY". We have expectations for the future of agriculture freed from

the influence of climate and temperature as it allows for a steadier supply of safe food.

On the other hand, we are developing products as an "environmental and energy company" even in our existing businesses. Take textiles for example. We primarily use environmentally friendly natural fibers. Using our original finishing technology, we have made APOLLOCOT, a non-iron fabric that helps reduce housework and conserves energy. In addition, through precision instruments we have gotten involved in the production of photovoltaic modules, related materials, and installing solar panels, as well as supplying Eco Cross as a low-cost resource for air conditioning fans. Through the production and sales of papers, we are careful to reduce, reuse, and recycle, developing copper-free brake pads for our automobile brakes, and are making efforts to maintain that stance in our company's products and services whenever possible.

Q What are your thoughts on the Nisshinbo Group's corporate social responsibility (CSR)?

A Building long term bonds of trust with stakeholders and practicing CSR through our business activities

Our business activities cannot afford to lose the trust



of our stakeholders or our healthy relationship with society. Providing products that gain the trust and satisfaction of our customers, doing fair deals that return a fair profit to our shareholders, promoting our corporate philosophy, and improving aspects of corporate culture such as corporate governance and compliance: I believe solid execution of these basic responsibilities in every aspect of management, as well as steady growth of our business, are linked to CSR.

The contributions made in environmental and energy fields are as previously mentioned. For example, in the field of wireless electronics, we supply disaster prevention information systems and weather radar to protect our country and lives from typhoons, earthquakes, and tsunamis. All of our business activities lead to the fulfillment of our social responsibilities.

Q Do you have a message for the stakeholders?

A The Nisshinbo Group aims to adhere strictly to our management philosophies and build a sustainable society by providing solutions for global environmental problems as an "environmental and energy company". We will also strive to achieve unified and continual improvement of our performance, corporate culture, and management quality in the group as a whole and in each individual company in the mid and long term.

We kindly request the continued support and understanding of all our stakeholders.

July 2014

Masaya Kawata,
President
Nisshinbo Holdings Inc.

Special
Feature

Focus 2014

The Nisshinbo Group's Strategic Business Fields as an "Environmental and Energy Company"

The Nisshinbo Group is continuously developing new products and services that contribute to solving such tremendous challenges as the destruction of the environment and global warming, as well as the safety, security, and comfort of everyday life. We are focused on the four strategic business fields of "wireless communications and electronics", "automotive parts and devices", "lifestyle and materials" and "the new energy and smart society".

The Nisshinbo Group develops globally and continues to endeavor so that we can contribute to the well-being of the world as we expand our business activities around the globe.



01

Wireless Communications and Electronics

Contributing to a safe and secure society with wireless communications technology



02

Automotive Parts and Devices

Supporting safe, secure, and comfortable mobility around the world



03

Lifestyle and Materials

Improving quality of life



04

New Energy and Smart Society

Continuing challenges in the Nisshinbo Group aimed at realizing a smart society



Wireless Communications and Electronics

Contributing to a safe and secure society with wireless communications technology

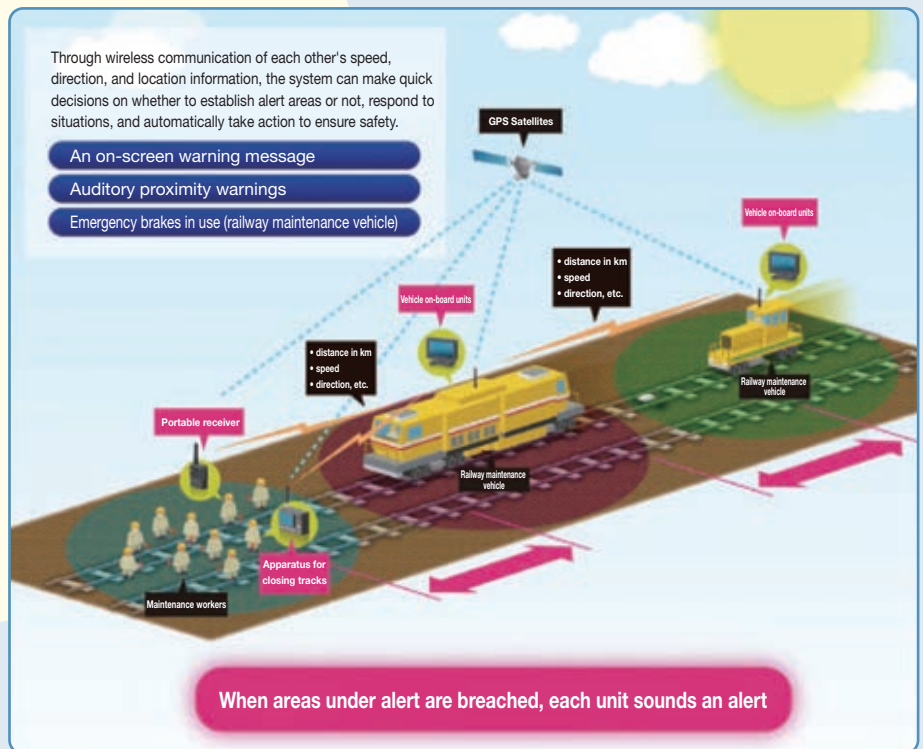
Communications Equipment

We supply communications and navigation equipment that support the safe and efficient operation of merchant ships and fishing ships. For example, Electronic Chart Display and Information System can display radar images and information of Automatic Identification System on charts, supporting international voyages.

We also supply products that contribute to the transportation community, such as ITS (Intelligent Transport Systems) related products and railroad safety systems, as well as broadband communication and administrative wireless technology.



▲ Electronic Chart Display and Information System

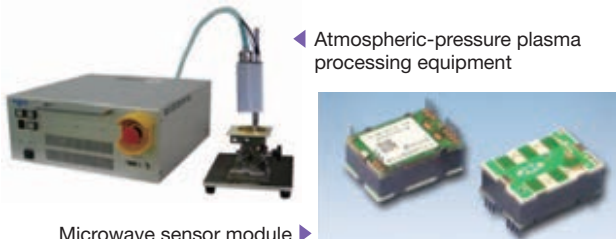


▲ Railroad safety system

Wireless Application Technology

Atmospheric-pressure plasma processing equipment generates low temperature, highly stable, highly reactive plasma which is used to clean resin, glass, and metal surfaces.

Motion detectors that use microwaves contribute to safety and security in such diverse activities as crime prevention, entrance and exit management, medical care, and surveillance.



◀ Atmospheric-pressure plasma processing equipment

Microwave sensor module ▶

Hearing Support Speaker Systems

COMUOON speaker system to help support communication between people who can hear and the hearing impaired was a joint project with Universal Sound Design Inc.

Unlike regular hearing aids which must be worn by the hearing impaired, this system facilitates conversation with a special microphone used by the speaker. A sensitive microphone, a noise canceling amp and a precise directional speaker combine to faithfully reproduce the original sound. The system enhances both the articulation of the speaker's voice and the speech time response, thereby improving audibility for the listener.



COMUOON ▶

The Nisshinbo Group contributes to the creation of a safe, secure, and comfortable society through communications equipment, disaster prevention infrastructure and semiconductors based on our wireless communications and microelectronics technology.

Disaster Prevention Infrastructure

We supply communications systems and services that protect land and inhabitants from floods, landslides, earthquakes, tsunamis and other natural disasters and guarantee safety and security in their everyday lives. We also supply administrative support systems that utilize communications technology to enable the efficient operation of rivers, dams, roads and other social infrastructure, both in Japan and abroad.



▲ Dam control system for Chubu Electric Power Co., Inc.

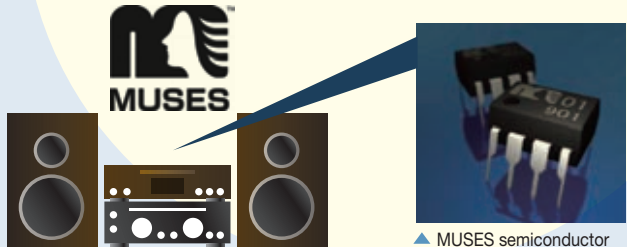


▲ Cutting edge weather radar installation (photo: National Research Institute for Earth Science and Disaster Prevention)

Semiconductors

Using our microelectronics technology, we supply unique products such as analog semiconductors which affect the value of audio visual products.

For example, MUSES is the pinnacle of semiconductor devices, adding sounds that resonate in the heart of the listener.



▲ MUSES semiconductor device

Global Development

In the field of communications equipment, we acquired Alpatron Marine Beheer B.V. (Netherlands), a firm renowned for its offshore support vessel* equipment, in December 2013. By sharing technology and pursuing joint development with Alpatron, we will supply products with more added value for our customers. In May 2013, we also doubled the space of our manufacturing base in China. In the years to come, we will continue to enlarge our range of manufactured products, including power sources, information devices, mechatronic devices and marine devices.

In the field of semiconductors, we expanded the assembly site of IC and LSI in Thailand in January 2014. Moving forward, we will continue to construct systems with further increased production.

*Ships that support the development or manufacturing process of marine resources far out at sea.



▲ Integrated bridge system developed in cooperation with Alpatron Marine Beheer B.V.

Automotive Parts and Devices

Supporting safe, secure, and comfortable mobility around the world

Automobile Brakes

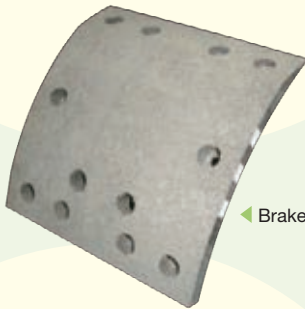
We have established a global supply system for friction materials, which are essential for automobiles. Aiming to reduce environmentally hazardous substances in friction material products, we have succeeded in developing copper-free friction materials that clear a wide range of safety standards. Now, through the synergistic effect of technology collaboration with TMD Group, we have been developing "green friction materials" that use fewer environmentally hazardous substances.



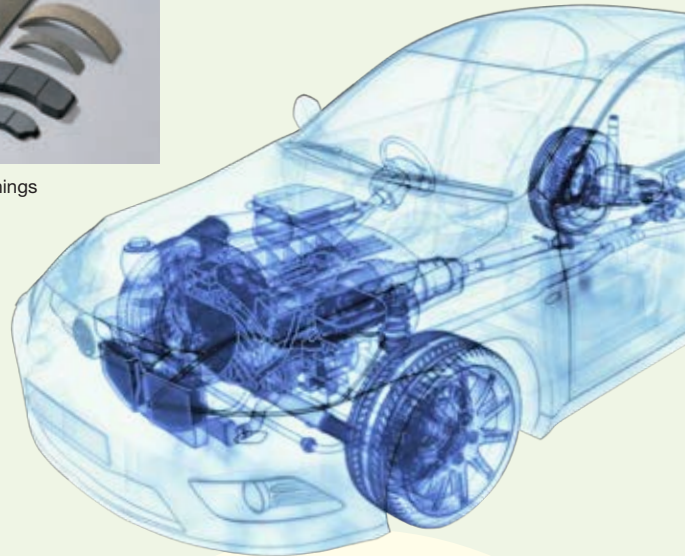
▲ Disc brake pads, brake linings



▲ Drum brake assembly



◀ Brake lining for use in commercial vehicles



Precision Automotive Parts

In Precision Instruments, we supply valve blocks, the primary component in electronic braking systems (EBC). Highly accurate mechanical finishing is required to precisely control the brake pressure of each axle in a vehicle. We have met this requirement and ensured safe mobility with our technology, refined by many years of research.



▲ Valve Block "MK100"



▲ Diesel common rail parts



▲ Engine intake and exhaust parts

Automotive Sensors

We supply products that contribute to comfortable, secure automotive travel, such as car navigation GPS*1 modules, VICS*2 beacon transceivers, and ETC devices for motorcycles.

We also have a host of technologies related to radar and ultrasound that are applied to the fields of marine electronics and weather forecasting. Using these technologies, we are conducting research and development on their application in peripheral monitoring sensors for automobiles.

*1 GPS = Global Positioning System

*2 VICS = Vehicle Information and Communication System



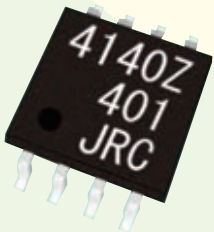
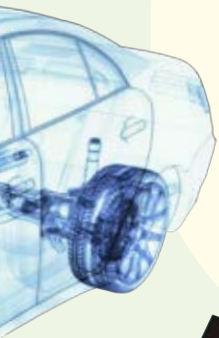
▲ on-board ETC device

The Nisshinbo Group supports the safety, security, and comfort of car-centric societies around the world by supplying various automotive parts, including automobile brakes, precision automotive parts, communication devices such as car navigation GPS modules and ETC systems, car audio semiconductors, and coils for use in next generation vehicles.

Automotive Semiconductors

We supply semiconductors for automotive accessories such as car audio and for automobile control systems.

We will continue to develop high quality, high added value products and devote ourselves to the automotive market, which continues to become more and more electronic.



▲ IC for automotive power sources



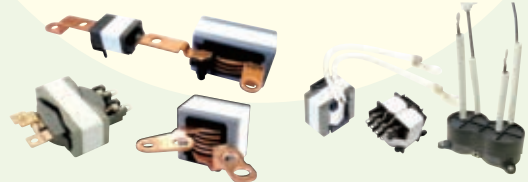
▲ Keyless entry systems using SAW filters

Coils for In-Vehicle Equipment

We produce in-vehicle coils for use in the power source and charging equipment of next generation vehicles, utilizing specialized high frequency/heavy voltage ready coil technology. We have developed miniaturized, highly efficient, highly reliable products that meet the needs of various automobile manufacturers and, by producing our automotive coils on a specialized production line, we have also realized high productivity.



▲ Coil for electric inverter for use in compressors



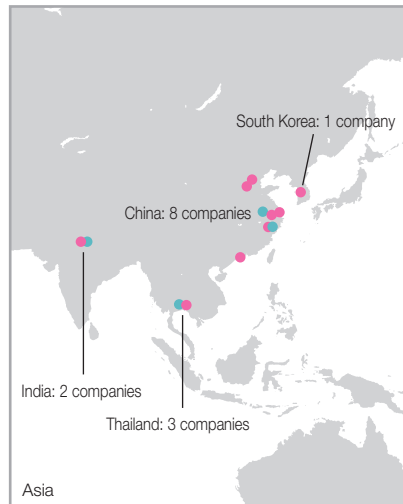
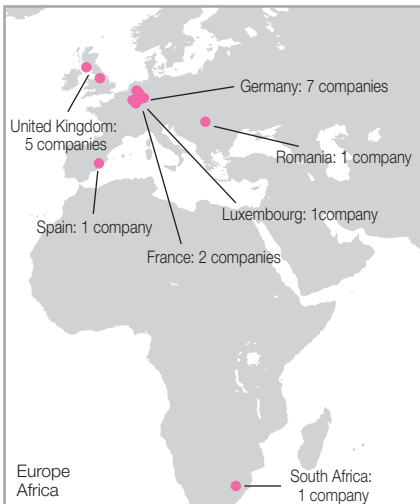
▲ Coil for 12V DC/DC converters

▲ Coil for EV chargers

Global Development

With regard to our Automobile Brakes, in order to satisfy automobile manufacturers' requirements for optimal purchasing, we acquired TMD in November 2011 and established a stable global supply system. Full-scale operations started in China in April 2013 and in the new plant in Thailand in April 2014. We also plan to increase production capacity in Brazil by the end of 2016.

In Precision Instruments, we have made an agreement to establish a joint venture for the manufacture and sale of EBS valve blocks with Continental Automotive Holding Co., Ltd., a Chinese subsidiary of Continental Teves AG & Co. oHG, one of the world's largest automobile parts manufacturers. We are planning further growth into the ever growing Chinese automotive market.



● Automobile Brakes ● Precision Instruments



Lifestyle and Materials

Improving quality of life

Textile and paper products that add a splash of color to everyday life; chemicals that contribute to the environment right around you. The Nisshinbo Group is working to improve our quality of life.

Textiles

We manufacture and market both textile materials and finished products, including shirts, denim, non-woven fabrics, and Nisshinbo Mobilon (spandex).

APOLLOCOT, a 100% cotton no-ironing shirt made with our original finishing technology which helps conserve energy and reduce strain on the environment. New variations are constantly in development from business shirts to handkerchiefs, business pants and even business knit shirts.



◀ APOLLOCOT men's shirts



◀ APOLLOCOT pants

Papers

We provide a wide range of original, high quality products, striving to realize our concept of environmentally friendly manufacturing. Our product lineup includes facial tissue paper, toilet tissue, fine paper, synthetic paper, telegram paper, and luxury packaging.



▲ Kihoushi



▲ Toilet tissue with double absorbency for use with bidets

Chemicals

Carbodilite improves the durability of bioplastics without damaging their biodegradability, allowing their materials to return to the earth. Furthermore, when added to water-based paints that do not include VOC (volatile organic compounds), it improves their water resistance, chemical resistance and adhesion.

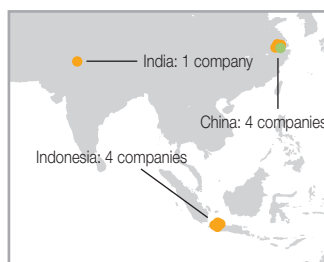


▲ Shopping bag made from bioplastics

Global Development

We have textiles production sites in Indonesia, China, Brazil, and India. In Indonesia we have formed an integrated manufacturing system, from spinning, weaving, dyeing, and finishing all the way to sewing.

As for Papers, we differentiate our products with a high end package of design and functionality. We are expanding our paper manufacturing and marketing activities around the world, starting with China.



● Textiles ● Papers

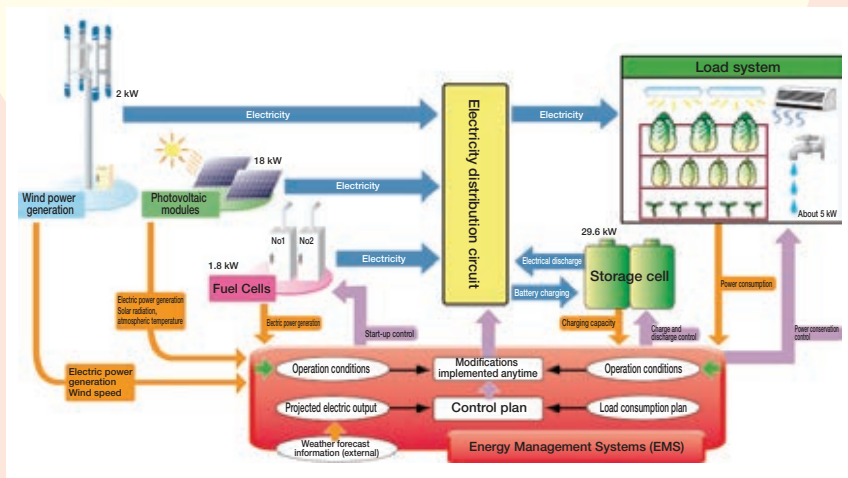
Continuing challenges in the Nisshinbo Group aimed at realizing a smart society

As an "environmental and energy company", the Nisshinbo Group is pursuing business interests and funding research and development related to Energy Management Systems (EMS) and new energy, with the goal of making a smart society a reality.

Energy Management Systems

In 2012, the Nisshinbo Group gathered all our energy-related technology in one place to establish our first smart factory. The smart factory is a test operation facility that combines new power sources, such as photovoltaic modules and fuel cells, with our own original Energy Management System (EMS), which monitors and controls the flow of electrical power.

The Nisshinbo Group will contribute to a safer, more sustainable society with the creation of smart communities featuring EMS with built-in disaster prevention wireless systems.



▲ Outline of the smart factory system in use at the Tokushima Plant

Fuel Cells

In anticipation of the hydrogen energy based society of the future, we have expanded our interests in bipolar plates, which are crucial to fuel cells. To promote the adoption of fuel cell technology, we are also conducting research and development of carbon alloy catalysts, a hopeful replacement for expensive platinum catalysts.



▲ Bipolar plates for fuel cells

Photovoltaic Modules

In addition to producing photovoltaic module manufacturing equipment and related materials, we are also expanding our photovoltaic module installation business.

By applying the knowledge of photovoltaic modules we gained through production of manufacturing equipment to actual photovoltaic module installation, we are now able to propose plans for more reliable solar power plants.



2 step laminator for manufacturing photovoltaic modules ▲

NALT

Our NALT-01 (Nisshinbo Automated Laser Technology) electronic component mounting equipment is about 80% smaller than previous equipment and has reduced energy consumption by about 80%.

Using this technology, we were able to improve the efficiency and reduce the cost of manufacturing LED lights, which are renowned for their long life and energy conservation. LED lighting devices produced with NALT are currently being used for plant cultivation in the Tokushima Plant Smart Factory.



▲ Nisshinbo Automated Laser Technology (NALT)



CSR TARGETS AND RESULTS

CSR Topics	Key Action Items	Mid-Term CSR Targets (Fiscal 2015)	Activity Plans in Fiscal 2013
Management	Thorough compliance	Periodically conduct compliance training Operate corporate ethics reporting system Strengthen safety assurance trading management system	Educate all employees about compliance Continue operating corporate ethics reporting system Expand scope of employee eligibility by position for export control education
	Strengthen internal controls	Continue updating internal control systems	Continue implementing business audits, IT audits and legal risk monitoring Continue updating and evaluating financial reporting operations for internal control systems Continue helping the TMD Group to construct internal control systems
	Reinforce risk management	Update BCP	Continue strengthening disaster prevention and mitigation Reinforce product supply structure
		Reinforce information security	Strengthen protections against external threats
For a better society	Improve quality and customer satisfaction	Keep PL problems at zero occurrences Reduce number of quality issue occurrences Continue implementing measures to improve customer satisfaction	Continue zero occurrences of PL issues Continue to reduce number of quality problem occurrences Continue measures to improve customer satisfaction
	Dialog with society	Appropriate and timely disclosure of corporate information	Continue appropriate and timely disclosure of corporate information Augment IR activities overseas
	Social contribution activities	Support development of international human resources	Continue support for training international human resources
		Contribute to local communities	Continue participating in local activities near business sites
	Contribute to future society	Next-generation education	Continue next-generation education
		Promote industry-academia joint research	Continue promoting industry-academia collaboration in research
For a better global environment		Achieved Second Mid-term Environmental Targets* (see page 35 for details)	
For a better workplace	Respect for human rights	Increase awareness of human rights Prevent harassment	Continue raising awareness of human rights Expand harassment consultation services
	Promoting diversity	Globalization of human resources Create a workplace conducive for women Increase employment ratio of persons with disabilities	Continue training global human resources Improve programs that make workplaces more conducive for women Continue efforts to increase employment ratio of persons with disabilities
	Occupational health and safety	Prevent occupational injuries	Zero occurrence of major accidents Continue to implement guidance to plants where multiple occupational injuries have occurred
		Promote mental health services	Implement mental health training for employees
	Fair transactions as customary practice	Advance CSR procurement	Continue with CSR procurement

* The scope of the Second Mid-term Environmental Targets is from fiscal 2012 through fiscal 2014.

Outcomes in Fiscal 2013	Assessments in Fiscal 2013	Activity Plans in Fiscal 2014
Reviewed the structure of our corporate philosophy and business conduct guidelines Continued operating corporate ethics reporting system Expand scope of employee eligibility by position for export control education	○	Promote the Corporate Philosophy and the Business Conduct Guidelines as customary practice throughout the Group (including overseas subsidiaries) Continue operating corporate ethics reporting system Expand scope of employee eligibility by position for export control education
Conducted business audits, IT audits and monitored legal risk Updated internal control system for financial reporting, and evaluated its operation Provided continual help to TMD Group in creation of internal controls	○	Continue implement business audits, IT audits Continue updating and evaluating financial reporting operations for internal control systems Continue helping the TMD Group to construct internal control systems
Putting in effect disaster prevention and mitigation practices Gradually moved our information systems from internal servers to external data centers	△	Continue strengthening disaster prevention and mitigation Improve our risk management system Continue gradually moving our information systems from internal servers to external data centers
Updated our firewall Transitioned to 24-hour monitoring service	○	Reinforce terminal security
Reduced PL problems to zero Kept number of quality issue occurrences lower than last fiscal year Implemented measures to improve customer satisfaction	△	Continue zero occurrences of PL issues Continue to reduce number of quality problem occurrences Continue measures to improve customer satisfaction
Continued appropriate and timely disclosure of corporate information Executed IR activities towards European institutional investors	○	Continue appropriate and timely disclosure of corporate information Augment IR activities overseas
Cosponsored the 2013 All-Japan Junior Tennis Championship Continued sending Junior Tennis contenders to the South American Junior Tennis Circuit	○	Continue to support the training of international junior tennis players
Participated in local activities near business sites	○	Continue participating in local activities near business sites
Implemented factory manufacturing training Promoted internships	○	Continue next-generation education
Promoted industry-academia collaboration in research almost exactly according to plan	○	Continue promoting industry-academia collaboration in research
Raised awareness of human rights Revised contents of follow-up training for harassment advisors	○	Continue raising awareness of human rights Conduct training for new harassment advisors
Continued hiring globally Conducted training for executives of overseas subsidiaries Partially revised system for sick/injured child care leave Continued efforts to employ persons with disabilities	○	Continue hiring globally Conduct language studies programs Revise systems for sick/injured child care Continue efforts to employ persons with disabilities
One major accident occurred Implemented guidance to plants where multiple occupational injuries have occurred	×	Zero occurrence of major accidents Continue to implement guidance to plants where multiple occupational injuries have occurred
Implemented mental health training to meet the needs of all our companies and facilities	○	Implement a variety of measures that contribute to the prevention of mental health problems
Expanded the scope of CSR procurement	△	Continue with CSR procurement

Self-assessment: ○ = target achieved, △ = target partially achieved, × = target not achieved

Corporate Governance

Based on our belief of "Public Entity" and "Consistent Integrity", the Nisshinbo group adheres to our fundamental philosophy of always acting with integrity and in good faith towards our stakeholders.

Reflecting this in our corporate governance activities, we work to ensure the transparency of management, reinforce accountability and act ethically in all matters.

The Group's Business Oversight and Execution Framework

The Company's Board of Directors is responsible for making decisions on key management matters and for monitoring the execution of duties by the directors.

We have also adopted a managing officer system in order to strengthen and separate decision-making and oversight functions and business execution functions.

The Corporate Strategy Conference, which is made up of directors and other senior personnel, holds meetings to discuss important matters related to business execution throughout the Group.

The Group's Audit Framework

The Company has established an Audit & Supervisory Board. The audit framework comprises the Audit & Supervisory Board members, who conduct audits, the independent auditor, who carries out accounting audits, and the Internal Audit Department, which is responsible for conducting internal audits. These groups work closely together to improve corporate governance.

The Company also conducts oversight of specific areas such as workplace safety, environmental issues and IT systems.

Corporate Governance Structure



Representative Directors

Representative directors are selected by resolutions of the Board of Directors. As of June 2014, the Company has two people, the chairman and the president, serving as representative directors.

Directors

As of June 2014, the Company had elected 12 directors, including three outside directors. The Company's Board of Directors makes decisions on key management matters and monitors the execution of duties by the directors. Directors are appointed for one-year terms in order to clarify management responsibility each fiscal year.

Managing Officers

The Company has adopted a managing officer system to speed up decision-making for business execution and clarify operational responsibilities. As of June 2014, the managing officers are made up of 15 people (including the president and 7 directors with dual roles as managing officers). Managing officers are also appointed for one-year terms.

Audit & Supervisory Board

The Company's Audit & Supervisory Board comprises four Audit & Supervisory Board members, two of whom are outside members. In accordance with audit policy and plans determined by the Audit & Supervisory Board, members monitor business management and execution at the Company and our subsidiaries by attending important management meetings such as meetings of the Board of Directors and Corporate Strategy Conference in order to understand operating conditions.

Internal Audit Division

The Company has established the Internal Audit Department independent from executive business functions to act as the internal audit division. The Internal Audit Department conducts ongoing audits of operations across the entire Nisshinbo Group and works to protect corporate assets and increase management efficiency by providing advice and proposals for remedial measures from a legal and rational standpoint.

In fiscal 2013, the Internal Audit Department stepped up the oversight of Group subsidiaries overseas, which now play an increasingly important role in the Group's operations.

Timely Information Disclosure

The Company is working to ensure it is accountable to all stakeholders in order to create a highly transparent business. In addition to fulfilling timely disclosure standards determined by the Tokyo Stock Exchange, we hold briefings for investors on a regular basis and provide other timely information via our corporate website as part of ongoing efforts to improve the provision of information to stakeholders and retain their trust.

Maintaining Internal Control Systems

The Company endeavors to create a healthy and highly transparent corporate culture in accordance with the Corporate Philosophy of the Nisshinbo Group. An internal control system has been established to identify and then remedy any issues in business execution processes.

Internal Control Report System over Financial Reporting

The Financial Instruments and Exchange Law, which includes provisions on internal corporate control known as J-SOX, came into force in April 2008. Since then, we have implemented control measures to maintain and upgrade our internal control over financial reporting. During fiscal 2013, an assessment led by the Internal Audit Department confirmed that the internal control over financial reporting is operating effectively.

Aiming for Global Corporate Governance

Centralized Management of Operations in Asia

Nisshinbo Singapore Pte. Ltd. and Nisshinbo Business Management (Shanghai) Co., Ltd. were established for the purpose of supporting local subsidiaries in Asia. These companies provide subsidiaries in ASEAN countries and China, respectively, with financial support and internal control support.

In October, 2013, representatives from subsidiaries in China gathered in Shanghai for a corporate assembly. They enthusiastically exchanged their ideas regarding information infrastructure, fundraising, personnel systems, and employee training. We plan to further deepen the horizontal bonds between our companies, and improve management throughout the Group.



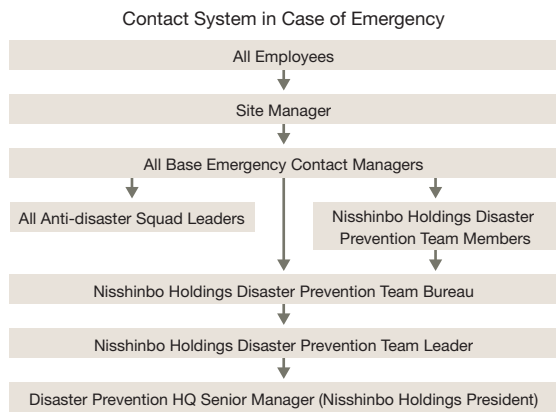
Assembly of representatives of Group companies in China

Risk Management

In order to fulfill our corporate social responsibility by contributing to society through ongoing business activities, the Nisshinbo Group has established systems to ensure stable operations by mitigating a range of risks that could have a serious impact on the smooth operation of the business.

Crisis Management System

In order to mitigate and minimize risk and any potential losses, the Company has formulated Crisis Management Regulations covering the whole Group. It also conducts annual training exercises and inspections. Action plans have been created to respond to any risk that impacts on the Group, while systems have been put in place to minimize any losses. In fiscal 2013, training drills of emergency contact were conducted based on an overhaul of fiscal 2011.



Disaster Prevention System

Firefighting teams at each Group business site conduct regular drills to improve disaster prevention capabilities. These drills increase readiness for early-stage fires, lifesaving situations and potential emergencies such as gas or chemical leaks, and are developed based on the type and location of each facility. Major business sites including subsidiaries, conduct comprehensive disaster prevention drills and work to invigorate disaster prevention management activities. Each year, managing officers observe and review the implementation of comprehensive disaster prevention drills. In fiscal 2013, managing officers inspected 14 business sites.

Initiatives to plan for business continuity

The Nisshinbo Group formulates and practices business continuity plans tailored to the needs of each business division. These plans prepare for business continuity in the event that our offices or factories are damaged by natural disasters.

Initiatives at overseas business sites

TMD Group considers contingency planning and a quality and environmental management system as key elements to prepare the organization to respond appropriately to emergency situations and any potential impact on business as a result.

All TMD Group sites decide on their own rules for emergency response as part of their quality and environmental

management systems' standard requirements. The TMD Group's emergency response plans the following aspects: interruption of gas, water and other utilities; labor shortage due to holidays, illness, and strikes; and key equipment failure for relevant machines. Also included are short and long term measures that specify the risks to clients, mitigate or prevent risk, control flow information and actions, and guarantee client satisfaction in the case of a disaster.

Initiatives to Protect Personal Information

The Nisshinbo Group recognizes that one of our key corporate responsibilities is to ensure that important information related to customers, suppliers, employees and other individuals is protected appropriately. In order to fulfill this responsibility, we handle personal information in accordance with an internal privacy policy. In addition, internal audits are conducted based on company regulations to ensure that systems are working properly, and steps are taken to prevent information leaks and realize ongoing improvements.

To ensure every one of our employees maintains awareness of personal information protection, we provide basic training when they join the company. This training continues at each of our business sites, based on the plan for that fiscal year. Furthermore, training on how to protect personal information has been included as part of our management training curriculum since fiscal 2013.

Initiatives to Ensure Information Security

The Nisshinbo Group is constantly reinforcing information security measures to prevent leaks of the sensitive information about personal information, customers information and the others.

We widely use anti-virus software and security patch programs to remedy security issues in our IT systems in order to prevent computer viruses from causing leaks of sensitive data. In addition, by monitoring access to IT systems, we prevent external attacks and leaks of information caused by internal unethical actions by monitoring access to IT systems.

We have established rules for Group companies to follow in the "Guidelines for Information Security". To ensure compliance with these rules, we regularly conduct internal IT internal audits on our subsidiaries, and work continuously to improve their status.

We have also established rules for information system users in our new "Information Security Handbook". Through periodic education in information security, we are able to raise awareness of information security measures among users across the entire Nisshinbo Group.

Compliance

Basic Stance

Based on our belief that corporations are public entity that must have consistent integrity, the Nisshinbo group takes a fair and sincere stance on our mission to better society through business. It is to this end we established and require compliance with the "Business Conduct Guidelines of the Nisshinbo Group".

- We comply with laws, regulations, and other rules applied in countries and regions throughout the world related to antitrust issues, fair competition, and fair trade, and we act with good social judgment.
- We do not participate in cartels or bid rigging or engage in deceptive labeling or illegal acquisition of confidential information.
- We do not abuse our dominant position to force our business partners into a disadvantageous position.
- We do not offer or accept entertainment or gifts that are against common sense or sound business practice. Moreover, we do not use our position within the Nisshinbo Group for personal gain.
- We do not offer entertainment or gifts that could be construed as payoffs or favors given to gain illicit business benefits to politicians, government officials, or equivalent persons in our home country or overseas.
- To support international peace and security, we engage in appropriate transactions and comply with the relevant laws and regulations in each country in our importing and exporting activities.
- We do not divulge to others confidential information of the Nisshinbo Group or that of third parties acquired in the course of our business and do not use such information for purposes other than business operations.
- We protect and manage our intellectual property rights and do not infringe those of third parties.
- We do not engage in insider trading or divulge information that could lead to insider trading to family, friends, or others.
- We strictly control personal information and do not disclose it to third parties without a legitimate reason.
- We have no ties in any aspect of our business activities with any antisocial forces or organizations that pose a threat to the order and security of society.

(From the Business Conduct Guidelines of the Nisshinbo Group)

Corporate Ethics Committee

The Nisshinbo Group has established a Corporate Ethics Committee that answers directly to the president. The committee is led by a director with a dual role as a managing officer, who is responsible for handling all compliance matters across the Nisshinbo Group.

Specifically, the Corporate Ethics Committee is responsible for (1) implementing corporate ethics systems and regulations, (2) deciding the content and methods of corporate ethics training for employees, and (3) formulating and implementing investigations, responses, procedures and remedial measures related to consultations and reports received through the Company's Corporate Ethics Reporting System.

Corporate Ethics Reporting System

The Nisshinbo Group has established a Corporate Ethics Reporting System to rapidly identify and prevent any recurrence of potential or actual legal violations. Group employees and external parties can submit reports to the system, which can be used to communicate directly with the Corporate Ethics Committee or an outside corporate attorney. Every effort is made to protect those who use the system from unfair treatment.

If the Corporate Ethics Committee receives a report via the system, it convenes a meeting, launches an investigation and takes appropriate action where necessary. If the external corporate attorney receives a report, appropriate action is taken based on close cooperation with the Corporate Ethics Committee. Furthermore, important matters are immediately reported to the president. In the case of reports received from individuals who have provided their name and contact details, the Corporate Ethics Committee provides information about how the matter is being dealt with, such as updates on the investigation and a summary of its conclusions. The Corporate Ethics Committee also works to prevent any future violations of law or corporate ethics by providing information to all companies in the Group about its response to the issue based on the results of the investigation.

Compliance Education

In order to promote wider understanding of corporate ethics, the Nisshinbo Group conducts compliance training for different employee levels and work sites.

We have especially focused on reinforcing our security export control system. Starting in fiscal 2012 and continuing into fiscal 2013, export management related training has been included as part of standard training for newly appointed senior managers and managers.

We have also unified our policies and corporate philosophy as a set of values to be shared by all employees of the Nisshinbo Group. These values are established in detail in the "Business Conduct Guidelines of the Nisshinbo Group". Training has been conducted in workplaces throughout the group, encouraging all of our employees to share our corporate philosophy and follow the "Business Conduct Guidelines of the Nisshinbo Group".

Manufacturing from the Perspective of Customers

Basic Stance

The Nisshinbo Group aims to create new and original value in our products and contribute to the creation of an affluent society according to our principal of "Innovation".

While striving to deliver products and services that meet our customer's demands for product safety, performance, and quality in a timely and dependable manner, we have established the "Business Conduct Guidelines of the Nisshinbo Group" to gain the satisfaction and confidence of our customers with outstanding quality, and we work to create value for them.

- We earn the satisfaction and trust of stakeholders by developing and providing products and services that are safe and beneficial for society.
- We engage in product manufacturing that is focused on safety throughout the product lifecycle, from development, procurement, and manufacture through sale, use, after-service, and disposal.
- We comply with relevant regulations and standards in our home country and overseas to ensure the safety of products and services and endeavor at our own initiative to reach higher targets.
- We provide accurate and easy-to-understand information regarding the safe and correct use of our products and services.
- If there is a chance that an accident or trouble related to our products or services could impact customer safety, we quickly disclose the facts and take prompt and appropriate action.
- We set up systems to control the quality and safety of our products and services, and we thoroughly instill product safety awareness in our employees.

(From the Business Conduct Guidelines of the Nisshinbo Group)

Quality and Safety Strategies by Nisshinbo Brake

Nisshinbo Brake Inc. supplies safe products in order to obtain customers' trust and satisfaction, with its main quality policy being the customer first principle.

At the development planning stage, the company considers its customers' requirements and voluntary targets in order to determine product performance and quality to be targeted. The company incorporates safety (with regard to people's lives), environmentally hazardous substance reduction through the use of environmentally friendly raw materials, and energy and resource saving through streamlined processes into its products.

Next, the company prepares for mass production and the supply of products to customers by checking its performance targets and ensuring that consistent quality is maintained at each stage.

Its brake products developed and produced in this manner have come to be highly regarded by the market.

Saeron Automotive Corporation Strategies

Saeron Automotive Corporation (SAC) operates a website-based QIS (Quality Information System) that enables the company to share integrated, quality-related information with customers. In order to respond rapidly to all quality-related complaints, the company is committed to the improvement and standardization of its QIS using a "rapid 9-step response" system. That system is also useful for information sharing within the company, making it possible to browse a variety of materials, including documents relating to quality control and requirements, training materials, and measurement data/calibration records for all instruments. Since the system was introduced, the company has received supplier evaluations from customers (in areas including quality, cost and delivery time) that are higher than those of its competitors.

In addition, the company has been aggressively developing friction materials with better performance and durability. The company has obtained ISO14001 and TS16949 certifications for its quality and environmental management systems and is taking further steps to address its customers' requirements regarding quality and the environment.

Quality Improvement: Initiatives at Nisshinbo Mechatronics

Nisshinbo Mechatronics Inc. carries on its activities with "the participation of all employees in global quality assurance activities" as its policy to ensure quality.

Global Quality Assurance Activities

Nisshinbo Mechatronics Inc. manufactures its products both domestically and at subsidiaries in China, Thailand, and India. It has three departments: the Machinery Systems Department responsible for photovoltaic module manufacturing equipment, the Precision Instruments Department responsible for precision automotive parts, and the Plastics Department responsible for A/C fans. Quality Assurance methods vary greatly from department to department, as Machinery Systems focuses on single order or small scale production, Precision Instruments focuses on mass production, and Plastics focuses on mid-scale production. To help each department learn the other departments' strong points and mutually improve their quality assurance processes, the company has held a monthly NISM Quality Assurance Department Meeting online since May 2013. At these meetings, quality assurance controllers from all production bases in Japan and overseas gather to share the quality conditions and examples of improvements in their respective departments.

The company also conducts quality audits stretching across departments and national borders. Its domestic Quality Assurance Department also conducts audits of overseas business sites as necessary. By conducting these activities, it aims to raise the quality management standards of its overseas businesses up to their domestic standards by 2015.

Quality Improvement Initiatives in the Machinery Systems Department

The Machinery Systems Department is working to improve the quality of Nisshinbo Yawei Precision Instruments & Machinery (Jiangsu) Co., Ltd., which manufactures photovoltaic module manufacturing equipment in China. It instructs local staff on 5S and Hiyari Hatto occupational health and safety activities and encourage solving methods that incorporate all employees. By conducting these activities, it aims to foster a culture of high quality awareness among all employees and ensure peerless product quality at all local manufacturers.

Quality Improvement Initiatives in the Precision Instruments Department

Following TS16949 certification of its automotive manufacturing quality control at Nisshinbo Mechatronics (Shanghai) Co., Ltd. in 2013, the Precision Instruments Department also achieved certification of its Miai Machinery Plant and its Hamakita Plant in April 2014. Seizing this opportunity, the Department is working to further enhance quality and improve customer satisfaction.

Quality Improvement Initiatives in the Plastics Department

The Plastics Department at the Miai Machinery Plant has started several new initiatives to improve quality. Notably, it has introduced "3H activities" (accounting for risk in operations performed for the first time ever, first time in a long while, or the first time after changes), "guaranteed operations manuals", "construction of inspection sites based on human engineering", and "quality patrol using 5S check sheets". The department is working to foster a quality-oriented mindset and enhance quality conditions, with the aim of eliminating quality claims and reducing the cost of quality. It has also worked to expand these same activities to its business sites overseas.

Letter of appreciation from Mitsubishi Heavy Industries

Mitsubishi Heavy Industries Ltd. highly praised Nisshinbo Mechatronics Inc. Plastics Department's work in China and Thailand to improve the quality of Mitsubishi's automotive HVAC* system development and showed its appreciation with a thank you letter and a gift at its business partners meeting. Out of its 8,800 clients, Mitsubishi counts 300 as business partners and conferred awards to only 17 of them. Among them, Nisshinbo Mechatronics Inc. was the only one to receive an award for HVAC related work.

*HVAC (Heating, Ventilating, Air Conditioning)



Prize-winning HVAC resin parts

Quality and Safety: Initiatives at Japan Radio

Japan Radio Co., Ltd. follows laws and standards related to product safety in every step of the product creation processes and works to provide safer, higher quality products deserving of customer satisfaction. To achieve this goal, the company prepares safe design processes and standards based on its quality management system and technical standards, and makes these tools available to its developers and producers. The company pursues product safety by adjusting these standards and processes as necessary.

For example, the Marine Electronics Department, which makes products assist for the safety voyage of ships all over the world, must meet international standards and follow the rules of government agencies in various countries, such as the International Maritime Organization (IMO), the International Telecommunication Union (ITU), and the International Electrotechnical Commission (IEC), and so on. Therefore, it develops and supplies safe products by using product safety check sheets and other development tools at each stage of design review and design evaluation.



Marine Electronics MF/HF Radio

Quality Assurance: Initiatives at JRC Tokki

JRC Tokki Co., Ltd., a subsidiary of Japan Radio Co., Ltd., specializes in developing products for the defense industry.

The company develops products according to its own Tokki Industrial Standard, which meets the design safety standards of its client, the Ministry of Defense, as well as standard product liability laws. It works constantly to ensure the quality befitting products for the defense industry. In December 1999, the company received ISO9001 certification and is still working to maintain and improve its quality management system. Specifically, the company has established a hotline for rapid response to customer's quality claims.

Quality Improvement: Initiatives at Nisshinbo Postal Chemical

Nisshinbo Postal Chemical Co., Ltd. develops systems related to label manufacturing. It received ISO 9001 certification in 2008 and has worked continuously to improve its quality control system ever since. With a central Quality Assurance Section in Kawagoe and quality assurance managers at the Tokyo Head Office, Osaka Branch Office, and Kyushu Branch Office, the company can respond quickly to quality issues. It works to prevent the distribution of defective products by examining samples of products soon to be shipped to its customers every day.

It also provide feedback to its 30-plus suppliers by reporting quality issues and conducting quality audits as necessary. Quality control managers also visit clients regularly and provide advice on quality control.

Product Labeling for APOLLOBERRY

Nisshinbo Holdings Inc. has branded the strawberries grown at the Tokushima Plant (in Tokushima City, Tokushima Prefecture) and the Fujieda Plant (in Fujieda City, Shizuoka Prefecture) as "APOLLOBERRY", and started shipping them for use in confectioneries.

The Tokushima Plant received the "Tokushima Anan Agricultural Products Certification" in August 2011, and the Fujieda Plant received the "Shizuoka Produce Certification" in November 2013. These certifications are the means by which each prefecture recognizes the safety and security of agricultural products, and the certification mark is prominently displayed on the cardboard boxes and plastic wrap of APOLLOBERRY.



Comments from our Customers: GUNZE LIMITED

The stockings market has been steadily shrinking for many years, and legwear makers are now operating in a very harsh environment. However, plain stockings have gained popularity since spring of 2013, and expanding to a younger age bracket.

Japanese stockings are world leaders in quality and function, and we are continuously developing products to ensure our customer's satisfaction. Our flagship stocking product "Sabrina" is approaching its 20th anniversary, and we are taking this opportunity to do a grand renewal.

Since Sabrina's debut, we have used Nisshinbo Mobilon for the core ingredient: spandex. Our product has evolved many times over the years, but our joint development system with Nisshinbo has always supported this process. We hope to continue our cooperation with Nisshinbo in the future to develop new products finding customer needs and backed by strong materials.



Corporate Officer
General Manager
Leg Wear Division Group
Apparel Company
GUNZE LIMITED
Shigeki Takao

Major Awards Received in Fiscal 2013

In this section, we provide details of the major awards received by the Nisshinbo Group in 2013. Moving forward, we will continue to recognize the importance of manufacturing activities that reflect the perspectives and requirements of customers.

Textiles
CHOYA CORPORATION
<ul style="list-style-type: none"> Received an "Excellent Sales Staff Award" from Sogo Yokohama and Hankyu Men's Osaka
Automobile Brakes
Nisshinbo Brake Inc.
<ul style="list-style-type: none"> Received a "Quality Control Excellence Award" from Toyota Motor Corporation
Nisshinbo Automotive Manufacturing Inc.
<ul style="list-style-type: none"> Received a "Toyota Certificate of Achievement in recognition of Quality performance achievement" from Toyota Motor Engineering & Manufacturing North America, Inc. Received a "Quality Award" from Nissin Brake Ohio, Inc. and Nissin Brake Georgia, Inc.
Saeron Automotive (Beijing) Co., Ltd.
<ul style="list-style-type: none"> Received the top rank "Special" in SQ-MARK, a partner quality certification system sponsored by Hyundai Mobis Co., Ltd. Received an "Outstanding Suppliers Award" from Mando (Beijing) Automotive Chassis System Co., Ltd.
Saeron Automotive Corporation
<ul style="list-style-type: none"> Received an "Outstanding Suppliers Award" from the Mando Corporation. Received a "Zero Defects Award" from Halla Visteon Climate Control Corp.

Precision Instruments
Nisshinbo Mechatronics Inc.
<ul style="list-style-type: none"> Received a certificate of appreciation for improvements in quality from Mitsubishi Heavy Industries, Ltd.
Nisshinbo Mechatronics (Thailand) Ltd.
<ul style="list-style-type: none"> Received "Customer Awards" from T. RAD (Thailand) Co., Ltd.
Nisshinbo Mechatronics (Shanghai) Co., Ltd.
<ul style="list-style-type: none"> Received an "Outstanding Supplier Award" from Panasonic Ecology Systems Guangdong Co., Ltd., Beijing Branch Received a "Production Cooperation Award" from Daikin Air Conditioning (Shanghai) Co., Ltd. and Daikin Air Conditioning (Suzhou) Co., Ltd. Awarded as one of "Ten Outstanding Companies" by the New Town, Pudong New Area, Shanghai Municipal Government
Electronics
Japan Radio Co., Ltd.
<ul style="list-style-type: none"> Received the "Ministry of Land, Infrastructure and Transport Kanto Regional Development Director Award" Received successive "Samsung-Q Gold Mark" awards from Samsung Heavy Industries Co., Ltd.
Others
Iwao & Co., Ltd.
<ul style="list-style-type: none"> Received a "Leadership Award" from Adidas Japan K.K.

Appropriate Distribution of Information and Returns to Shareholders

Basic Stance

The Nisshinbo Group makes every effort to disclose information to shareholders and investors in a timely manner. In this regard, and based on statutory and regulatory requirements, the Nisshinbo Group complies with the “timely disclosure rules and regulations for issuers of listed negotiable securities or valuable instruments” of the Tokyo Stock Exchange and laws related to financial instruments and exchange, and provides information that may impact investment decisions.

IR Policy

The Nisshinbo Group posts notices on our website, including information about the convening of, and resolutions from, regular general shareholders meetings, financial results, business reports, annual securities reports, annual reports, press releases, etc., in a timely manner, always striving to provide comprehensive content as a part of efforts to bolster accountability.

IR Schedule

Recent major IR events conducted from fiscal 2013 are presented in the following table.

2013	
May 10	Announcement of financial results for the fiscal year ended March 31, 2013
May 16	Financial results briefing for the fiscal year ended March 31, 2013
Aug. 7	Announcement of financial results for the first quarter of the fiscal year ended March 31, 2014
Oct. 7-11	Visit to European institutional investors
Nov. 7	Announcement of financial results for the second quarter of the fiscal year ended March 31, 2014
Nov. 14	Financial results briefing for the second quarter of the fiscal year ended March 31, 2014
2014	
Feb. 6	Announcement of financial results for the third quarter of the fiscal year ended March 31, 2014
Mar. 4	Participation in an international investment conference
May 8	Announcement of financial results for the fiscal year ended March 31, 2014
May 15	Financial results briefing for the fiscal year ended March 31, 2014

Status of IR Activities

Conducted by the president, the Nisshinbo Group holds presentations of our financial results for the benefit of investors twice each year (report on the Company’s interim and full fiscal year results). This is an invaluable forum to obtain comments and opinions on the Company’s management through a Q&A session.

In addition to regular announcements, in fiscal 2013 we visited 18 institutional investors in Europe, and presented information regarding our management structure.



Briefing on financial results for the second quarter of the year ended March 31, 2014

Status of Returns to Shareholders

The Nisshinbo Group maintains the fundamental policy of paying an annual cash dividend of ¥15 per share in order to ensure the stable return of profits to shareholders. At the same time, the Company takes steps to increase this annual cash dividend in line with our performance each year.

Based on this policy, the Company decided to pay a period-end cash dividend of ¥7.50 per share for fiscal 2014 following a resolution of our Board of Directors at a meeting held on May 8, 2014. Together with the interim cash dividend, this brought the annual cash dividend to ¥15 per share for the fiscal year under review.

A Fair and Healthy Partnership

Basic Stance

The Nisshinbo Group has established standards for procurement in the "Business Conduct Guidelines of the Nisshinbo Group", and we work with our suppliers to conduct "green procurement" and "CSR procurement" to fulfill our social responsibility in our value chain as a materials manufacturer.

- We offer equal opportunity to all companies in our home country and overseas and engage in fair and transparent transactions.
- We respect our business counterparts as equal partners and aim to achieve mutual growth and development through solid business relations.
- We comply with laws, regulations, and social norms and engage in procurement activities with full consideration to our social responsibilities, including compliance, environmental preservation, human rights, workplace safety, and control of the quality and safety of our products and services.

(From the Business Conduct Guidelines of the Nisshinbo Group)

Adhering Strictly to a Policy of Confidentiality

Turning to information concerning intellectual property, technology and know-how that is shared during collaborative discussions with suppliers and buyers from the design and development stages, steps are taken to conclude confidentiality agreements and to prevent any leakage of information.

Yearly internal audits of trade secret management are carried out to ensure that proper confidentiality is maintained.

Fair Procurement

Strategies of Nisshinbo Brake

Nisshinbo Brake Inc. has been promoting various activities both in Japan and overseas for fair purchasing. For example, at its Toyota Plant, in order to prevent any actions leading to abuse of its dominant bargaining position, the company regularly conducts training about the Subcontract Act (Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors), a legal regulation related to antitrust law.

The company also works on green purchasing by conducting appropriate investigations based on the laws and each customer's specific requirements in order to solve any problems resulting from material substitution or other factors.

Initiatives at Japan Radio

Japan Radio Co., Ltd. enters into procurement basic agreements with its suppliers and also enters into individual non-disclosure agreements as necessary. To improve compliance with the Subcontract Act, its Procurement Department and Legal Department also take

regular in-house training on the subject together. The company is working to give priority to environmentally friendly parts and products, following the "Green Procurement Guidelines" laid out in 1998.

In September 2013, the company held a partners meeting with 77 suppliers. At the meeting, it reported on the progress of its business structure reforms, its business plans, and its basic procurement policy and gained a better understanding from its suppliers. In the future, it will continue to hold partners meetings on a regular basis and strengthen the bond of mutual trust between it and its suppliers.

Response to Conflict Minerals

Conflict minerals refer to four minerals (tin, tantalum, tungsten, and gold) mined in the Democratic Republic of the Congo and its nine neighboring countries that are sold to fund armed insurgents. Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which became law in July 2010, mandates that companies listed on equity markets in the United States disclose whether conflict minerals are used in their products starting in May 2014.

Nagano Japan Radio Co., Ltd. does not have a direct obligation to disclose its suppliers under this law, but it received requests for investigation from 30 customers last year. In cooperation with its suppliers, the company conducted an investigation of smelters and the use of conflict minerals, and reported its findings using the Conflict Minerals Disclosure Template (EICC/GeSI* Format). In total, it investigated over 43,000 items in fiscal 2013. The company is making continuous efforts in cooperation with its suppliers to clarify whether or not conflict minerals are being used and eliminate conflict minerals from its supply chain.

* Electronics Industry Citizenship Coalition (EICC)/Global e-Sustainability Initiative (GeSI)

A Vibrant Workplace that Respects Human Rights and Diversity

Basic Stance

Human resources, encompassing each and every member of a company, are the real basis on which a company can continue to prosper. By respecting the character of each employee and by aiming to use him or her in the most suitable position for the most suitable tasks, a satisfying workplace can be created.

To this end, we are committed to observing all relevant aspects including human rights and labor conditions, and to facilitate the establishment of a proper work-life balance for each individual. In addition, and in order to ensure a safe and healthy workplace environment, we engage in activities that promote occupational safety and health with the aim of eliminating workplace accidents.

The Nisshinbo Group has codified our stance with regard to human rights in the "Business Conduct Guidelines of the Nisshinbo Group". We are committed to ensuring a safe and agreeable workplace environment that fosters respect for the diversity, character, and individuality of employees.

- We respect the diversity, character, and individuality of each person and do not discriminate based on birth, nationality, creed, religion, gender, race, ethnicity, age, disability, health history, academic background, or social status.
- We engage in nondiscriminatory practices regarding opportunity and treatment in employment, thereby creating a dynamic workplace environment where a diverse range of people can flourish.
- We do not engage in harassment, bullying, or any other action that violates human rights.
- We do not tolerate forced labor, child labor, or any other inhumane treatment of any form whatsoever.
- We comply with regulations and standards in our home country and overseas related to occupational safety and health and place top priority on safety in our business activities.
- We implement systematic industrial accident prevention activities throughout the entire Nisshinbo Group, promote the mental and physical health maintenance of each employee, and create a safe and pleasant workplace environment.
- We follow established work procedures and always pay meticulous attention to ensure that we do not cause accidents.
- When an accident or disaster occurs, we do our best to minimize damage while placing maximum priority on human life, and we endeavor to prevent recurrence.

(From the Business Conduct Guidelines of the Nisshinbo Group)

Toward Increased Respect for Human Rights

The Nisshinbo Group engages in wide-ranging human rights education and training activities in an effort to promote respect for human rights and put in place an increasingly comfortable workplace.

With respect to the Group's internal education and training, we conduct a variety of systematic programs, including training for new employees and training for all employees throughout the year.

List of Human Rights Training Programs

Training Program Name	Target Participants	Training Details
New employee training	New employees	Basic issues relating to human rights
Recruitment staff training	Recruitment staff and human rights staff	Participation in external training and seminars
All employee training	All employees	View and discuss DVDs on specific human rights themes
Harassment advisor training	Harassment advisors	Training for staff involved in consultation services

Harassment Advisor

The Nisshinbo Group has established designated harassment advisors, who advise on solutions regarding sexual and power harassment, at each of our domestic Group companies. In principle, two or more men and women are designated advisors, making it a system that provides easy access to consultation. Furthermore, we provide training for newly appointed harassment advisors, in which they study the basic skills, and also follow-up training sessions at regular intervals to ensure that skills are continuously improved.

Slogan for Promoting Human Rights

Coinciding with Human Rights Week in December each year, the Nisshinbo Group invites all employees and their families to submit human rights slogans in order to promote awareness of human rights consciousness.

Each year, numerous entries are received detailing each individual's everyday thoughts and experiences with respect to human rights. These entries invariably help in ensuring a brighter society free from discrimination and an appealing workplace environment. In fiscal 2013, 3,246 entries were received. One was awarded the top prize, with two runner-ups, and 10 special commendations.

A large number of entries are also received from overseas employees and their families. In fiscal 2013, the top prize went to an entrant at one of our overseas subsidiaries for the first time.

Top Prize for Fiscal 2013

Mesh the gears of your heart together and never let the lubricant oil run out

Increasing Employment of Persons with Disabilities

The Nisshinbo Group endeavors to increase the employment of persons with disabilities. There are employees with disabilities working in various positions, at the Nisshinbo Holdings Inc. Head Office, and in 2013, we invited high school students with disabilities to tour the Company. There they saw employees with disabilities working together with other employees, and asked them directly about their jobs.

Initiatives at Nisshinbo Do Brasil Industria Textil LTDA.

Companies in Brazil have an obligation to hire employees with disabilities based on the size of the company, and those that do not meet a certain percentage can be punished with a fine. In the case of Nisshinbo Do Brasil Industria Textil LTDA., at least 3% of its employees must have a disability.

As of January 2014, the company has 15 employees with disabilities on staff, meaning the company exceeds the minimum requirement with a total of 3.1%.

Reemploying Retired Employees

The Nisshinbo Group previously provided a system for former employees who reached mandatory retirement age to re-enter the company (the Senior Employee System). However, in response to The Amended Act on Stabilization of Employment of Elderly Persons, from April 1, 2013 we revised our system to base senior employee's pay salary on their position grade before mandatory retirement. This gives our senior employees greater motivation to continue with their work, as the details of their job and their experience are properly reflected in their salary.

Internships

The Nisshinbo Group has an internship program, giving students the opportunity to learn the significance of work through hands-on experience, deepen their understanding of societies and corporations. In fiscal 2013, the Group accepted a total of 273 interns (53 at Japanese offices, and 220 overseas). In the future, we will continue to promote internships as a part of next-generation education.

Training and Training System

The Nisshinbo Group concentrates its effort on personnel training based on the belief that "good people make for a good business". We are systematically upgrading our training for new employees, mid-level executives, managers and senior managers alike. This includes training by position level and skill set; general education on safety, human rights, and the environment; and specialized technical, accounting, and intellectual property training by department and function. We are working to diversify the range of our training and enhance the contents with the purpose of developing human resources that can function globally and our next generation of leaders. We also provide financial assistance for training at schools outside the company, correspondence courses, and preparations for qualifications as a way to support employee's self improvement.

Primary Training and Training System

Education and Training by Position
Training for new hires, training to develop candidates for middle management, training for newly appointed senior managers and managers.
Training for Leaders
Logical thinking improvement training, coaching training, management strategy basic training, corporate strategy training
Global Training for Employees Being Reassigned Overseas
Overseas education in English and Chinese, global human resource training, overseas pre-departure training program, overseas experience promotional programs for young employees, language training before and after overseas trips, overseas subsidiary top management training, compensation for TOEIC fees, etc.
Self-Improvement and Career Support
Young employee follow-up system, N-OJT, Goal Management System, New Challenge System (internal job openings), assistance for external training, correspondence courses, qualification preparation, etc.
General Education and Training
Education and training in philosophy, human rights, safety, occupational health, compliance, the environment, accounting, etc.
Other Specialized Training
Training specialized by business operations, such as specialized technical training, manager and supervisor training, technical education, and intellectual property training, etc.

Human Resource Development to Support Our Global Business

As of March 2014, half of the Nisshinbo Group's 22,000 employees are foreign nationals. The Company hires and trains personnel regardless of nationality or their career. Since 2011, the Company has hired foreign bachelor's degree and master's degree holders for positions with a prospect of promotion every year. Last year, our regular employees expanded to include Chinese, Korean and Vietnamese employees, and this year has seen the addition of Indonesian employees as well. Due to the fact that students of foreign universities typically graduate at a different time of year than Japanese university students, hiring of foreigners for regular positions has also been held in October since fiscal 2013. This allows foreign employees to start working immediately after graduation, which is advantageous both to them and the Group.

The number of Japanese employees dispatched to foreign subsidiaries and our opportunities for consultation and negotiation with foreign companies have both increased over the years, requiring that we put more energy into training our employees for global business. We have conducted conventional overseas pre-departure training programs on how to adapt to foreign cultures and stay safe abroad. In fiscal 2012, we formulated a policy to promote overseas experience for employees less than 35 years of age. Furthermore, to promote global response capabilities of our personnel, we initiated training for employees dispatched to our overseas subsidiaries as top management in fiscal 2013. The curriculum includes accounting, finance, legal, labor and other practical knowledge, as well as guidance regarding conditions of the country each employee is assigned to.

The Company has also provided tuition assistance for classes at language schools to employees going abroad. This assistance has also been provided for 2 to 6 month language courses and correspondence courses taken by young employees for personal development in America and China. To raise a wider range of language skills in our employees, a new tuition assistance system has been instituted for online English conversation lessons and

language skill tests that can be taken on the web. In the future, we plan to enrich not only our language training, but training for logical thinking, communication and effective presentations as well.

Promoting Diversity: Initiatives at TMD

For TMD, diversity is a core aspect of its PASSION (Profit/Ambition/Sincerity/Strength/Innovation/Optimism/ Never give up) management philosophy. The company believes diversity to be the main driver for innovation and cultural change. Specifically, the company is currently working hard to integrate minorities, disabled employees, women after maternity leave, or employees after longer absence caused by sickness. Also, the company is analyzing how to generate an international standard on "Working with Children".

Comments from Foreign Employee



Nisshinbo Holdings Inc.
Business Support Center
Finance & Accounting Group

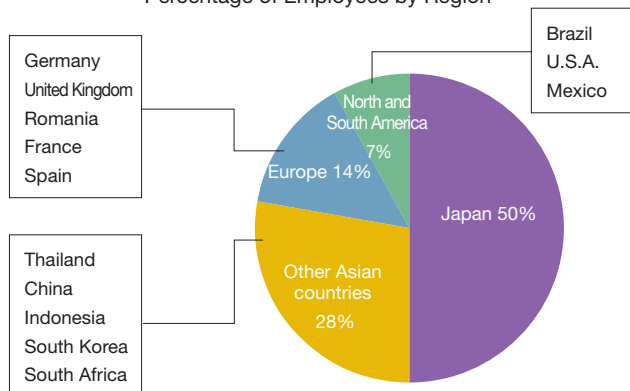
Ji-soo Kim

I applied to the Nisshinbo Holdings recruitment campaign which was conducted in Asian countries and joined the company in October 2013.

To adapt to the changing times, the Nisshinbo Group is working hard to contribute to the solution of environmental problems. In order to respond to the era of globalization as well, it is expanding its overseas business. To this end, the Group conducts language training for its employees and operational training at its overseas offices, while also taking steps to bring in a wide range of human resources by hiring foreign employees. The difficulty of keeping pace with these radical changes cannot simply be summed up with the phrase "respecting diversity". However, regular employees, not just management, join together to approach problems and work hard to create a company where each and every employee can enjoy peace of mind. I believe this is the true strength of the Nisshinbo Group.

I take pride as a member of the Nisshinbo Group and will do my best to become an employee who can play an active part on the global stage.

Percentage of Employees by Region



Work-Life Balance

The Nisshinbo Group offers a variety of programs for supporting female employees experiencing life-changing events, such as pregnancy, childbirth, and child rearing. These programs include maternity leave before and after childbirth, infant leave, shorter working hours for raising children, leave for taking care of children, and support for returning to work after taking leave to raise children. In fiscal 2013, leave to care for sick or injured children who have not yet started at elementary school was partially converted from unpaid leave to paid leave, making working with children easier for parents. We will continue to revise various systems to improve the work-life balance of our employees.

New Japan Radio Co., Ltd. - A Variety of Support Systems that Exceed the Legal Standard

New Japan Radio Co. Ltd. has independently introduced a support system that exceeds the legal standard for employees due to give birth, care for children or provide nursing.

The company introduced shorter working hours for childcare, childcare leave, and nursing leave in April 1992, and a multi-purpose leave system in April 1996.

The outline and status of these programs are as follows.

Work-Life Balance Systems

System	Details
Shorter Working Hours for Childcare	Employees may opt for 6-hour workdays until the end of March of their child's third year of elementary school.
Childcare Leave	Employees may take temporary leave until their child's third birthday
Nursing Leave	Employees may take leave for up to 365 consecutive days to care for someone who needs nursing
Multipurpose Leave	Employees may take up to 3 days of paid leave per year for volunteer activities, self-improvement or health care, or to care for someone who needs nursing or their children up until they finish junior high school.

Usage of Shorter Working Hours for Childcare, Childcare leave and Multipurpose Leave

	FY 2011	FY 2012	FY 2013
Number of employees who used Shorter Working Hours for Childcare system (number of male employees)	29 (0)	33 (1)	35 (2)
Number of employees who used Childcare Leave (number of male employees)	23 (0)	27 (0)	24 (0)
Number of days used for Multipurpose Leave (number of leave takers)	201.0 (105)	166.5 (81)	195.5 (89)

Occupational Safety Activities

Occurrence of Occupational Injuries

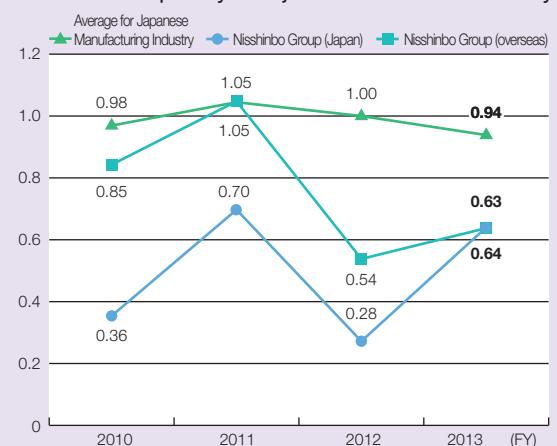
The Nisshinbo Group firmly believes that "safety takes first priority in all endeavors" and has continuously labored to make a safer workplace for all our employees. But in spite of these efforts, one fatal accident and several accidents that could have been quite serious occurred in fiscal 2013. We are handling this situation very seriously. In addition to guidance for the subsidiaries concerned, the president has made two personal messages to all subsidiaries, led by the commitment of our executives, we are working to promote safety awareness and strengthen our occupational injury avoidance policies. Specifically, we are revising rules and working standards, conducting simultaneous inspections of safety facilities and equipment, and instructing in rules and working standard compliance in hazardous locations at all of our business sites.

Although the frequency of injuries with lost work days*1 at our domestic business sites was lower than the industry average (0.94), it has become worse from fiscal 2012 (0.28) to fiscal 2013 (0.64). Our overseas business sites (excluding the TMD Group*2) followed a similar trend, with the frequency of injuries with lost work days worsened from 2012 (0.54) to 2013 (0.63).

*1 Frequency of injuries with lost work days: An index that indicates the frequency of accidents resulting in lost work days determined according to the number of work-related injuries per one million working hours.

*2 TMD Group uses a different standard for measuring the frequency of occupational injuries, so this is dealt with separately.

Trends in Frequency of Injuries with Lost Work Days



Working in Overseas Sites

As the Nisshinbo Group moves towards globalization, our overseas sites have grown to outnumber our domestic ones. However, at present there is still much room for improvement in the facility, operation, and management of these overseas sites. Accordingly, the management and safety officers of each subsidiary are providing on-site guidance on the implementation of policies to prevent the recurrence of serious accidents at overseas sites as well as those in Japan.

In 2014, we will take steps both in Japan and overseas to "remove workplace hazards, improve safety awareness, and rule compliance of each and every employee" and "eliminate unsafe situations and behavior". We will continue risk assessment of chemicals, and work to eliminate health problems.

Health and Safety Audits

The Nisshinbo Group conducts regular occupational health and safety audits of our domestic manufacturing sites. A monitoring team composed of the Health & Safety Group from Nisshinbo Holdings Inc., and labor unions, health and safety management staff representing each site, and safety and health managers of other business sites checks the state of safety and health management at the targeted business sites. In fiscal 2013, regular occupational health and safety audits were conducted at 26 business sites.

Activities in Nisshinbo Automotive Manufacturing

Nisshinbo Automotive Manufacturing Inc. (NAMI) has had many positive results from the Safety program started in fiscal 2011. The hard work and dedication that the safety department has done has resulted in success in 2013.

A comprehensive safety management system was established, with procedures, rules, and accident report flowcharts to create the basis for safety requirements in its facilities.

The details of its monthly activities are set forth in the annual occupational health and safety activities plan created at the beginning of every year. In 2013, the company began doing risk assessment and pre-work stretching. Ideas which are submitted using the near-miss form are discussed at the Zero Accident Group (ZAG) meeting, which investigates and reports on the progress of improving equipment safety. The 5S & Safety Audits are done in every factory area four times per year. The total score at the end of the year reflects on the performance evaluations. To this end, improvement activities are conducted as a competition between groups. A video safety training program was established to ensure each and every employee has the same level of effective training.

The final results of training and improvements were an 80% decrease in the number of injuries with lost work days in 2013 when compared to 2011. NAMI has been transformed into a highly visible safety minded facility.



Morning Stretches

Mental Health

The Health Care Group was created within the Nisshinbo Group in 2012 as a specialized organization to manage the health of our employees. We are implementing various measures that aim to reduce the risk of mental health problems through mental illness prevention while continuing a management system that centers on following up thoroughly after health checkups.

More specifically, the main duties performed in cooperation by an industrial physician, public health nurse, registered nurses, and clinical psychologist are to: (1) plan and implement programs for illness prevention; (2) perform health diagnosis outcome follow ups, which have been combined with our health support services, and; (3) prevent and take remedial action for mental health deterioration.

We have enhanced our responsiveness to mental health issues, with a clinical psychologist at the center of such programs as: (1) mental health training by level according to the needs of each business site (creating a comfortable workplace, reducing stress, self-analyzing personality), and; (2) proper individual feedback following simple diagnosis of occupational stress.

Response to Singapore Haze

In June 2013, haze from burning fields and forest fires on the Indonesian island Sumatra thickened in Singapore, and the air pollution, which was defined as being "hazardous to human health", was recorded as the worst levels ever in Singaporean history.

As an emergency countermeasure, Nisshinbo Singapore Pte. Ltd. (NSG) distributed masks to its employees. It also developed an emergency response manual (NSG Emergency Response) in anticipation of future emergencies and circulated this around the company.

Local Community Interaction and Contribution Activities

Japan Radio Kendo Tournament

Since 1980, the Japan Radio Co., Ltd. Kendo Club has invited kendo fans from around its Mitaka factory to enter their Japan Radio Kendo tournament with the dual purposes of showing their appreciation and enjoying kendo.

At the 34th annual tournament held in March this year, 23 individual competitors and 110 team competitors on 22 teams from local dojos, schools, and business groups participated with several 7-dan kendo players among them. The Mitaka factory will move to Nagano City next year, making this the last tournament to be held in Mitaka. Kendo club members plan to continue their activities in Nagano as a means of reaching out to their new community.



34th Annual Japan Radio Kendo Tournament

Automobile Brake Factory Tour

Saeron Automotive Corporation (SAC) was founded as Daedong Brakes in 1999. In 2003 it established Saeron Automotive (Beijing) Co., Ltd. as its subsidiary in China, and in 2011, it merged with Nisshinbo Brake Inc. to form Nisshinbo Saeron (Changshu) Automotive co., Ltd. in China.

SAC eagerly accepts requests for educational tours from local universities. In December of 2013, 43 students from Chungbuk University of Industrial Chemistry toured the SAC factory. After hearing an overview of the company, the students witnessed the manufacturing process of brake pads and linings and deepened their understanding of all the parts that keep automobiles safe. Graduates of Chungbuk University are now working hard in its Financial Division, Development Division, and Production Division.

Offering for Idul Adha

Idul Adha is a major Islamic religious function and a national holiday in Muslim majority Indonesia. A sacred ceremony is held on the final day of the pilgrimage to Mecca (December 10th on the Hijra Calendar), wherein a cow or goat is sacrificed to show gratitude to Allah.

PT. Nisshinbo Indonesia sends goats to its neighbors every year as a part of its local contribution activities. Last year it sent a total of 17 goats.



Giving goats on Idul Adha

Football Club Support

Ueda Japan Radio Co., Ltd. is an official sponsor of the Artista Tomi Football Club based in neighboring Tomi City, Nagano Prefecture.

Artista Tomi's NPO, Artista Dream Project, has stated their key concept is to "Promote soccer in East Shinshu, provide coaching in sports for the health and welfare of local youth, build a lively community, and contribute to exchange with neighboring communities." The company approves this concept, and has sponsored the team's upper ware and banners since 2011. Since 2012, it has also employed one player from the team as a temporary worker.

In June 2013, the Artista Tomi Football Club took first place in the Nagano tournament of the All Japan Adult Soccer Championship.



Artista Tomi Football Club

Junior Tennis Support

To achieve its goal of "raising junior leaders of the next generation", the Nisshinbo Group has provided special sponsorship to the Japan Tennis Association's "All Japan Junior Tennis Championship" since 2005.

The Nisshinbo Group also selects four hopeful young players who prove their worth at this tournament and supports them as members of the "South American Junior Tennis Circuit Campaign". By letting these players experience a high level international tournament in which the top junior players throughout the world participate we are improving their skills.

This program has turned out such great players as Kurumi Nara and Misaki Doi in the women's division, and Yasutaka Uchiyama in the men's division.



2014 South American Junior Tennis Circuit Expedition members (players and coach)

Basic Stance

The Nisshinbo Group recognizes that working to solve environmental issues is a challenge common to all of humanity and that it is an absolute necessity for the existence and activity of a corporation. As such, we are working proactively to solve these issues according to the following policies:

- We comply with the regulations and standards in our home country and overseas related to environmental preservation, and we proactively set voluntary control standards for our business activities.
- We assess the environmental impact of our products over their entire lifecycle and create technologies, products, and services that contribute to the creation of a sustainable society.
- We set up environmental management systems throughout the entire Nisshinbo Group and endeavor to preserve the global environment by conserving energy and resources, promoting the reduction and recycling of waste, decreasing the emission of substances that cause global warming or environmental pollution, and taking biodiversity measures.
- We raise the environmental awareness of all members of the Nisshinbo Group through environmental education and consciousness-building activities.
- We take measures to preserve ecosystems, including activities to enhance the environment around our plants and offices and to add greenery that complements the local environment.

(From the Business Conduct Guidelines of the Nisshinbo Group)

Medium-Term Environmental Targets and Results

The Nisshinbo Group has set medium-term environmental targets to be achieved in 3 years and is expanding a multi-faceted PDCA cycle.

In 2013, the 2nd year of the Group's second environmental goals period, we succeeded in marketing "products that contribute to a sustainable society" and reduced our energy use, greenhouse gas emission, and PRTR substance emission per unit of sales. The Nisshinbo Group is gradually aligning its environmental targets with our new member, TMD, and improving our recycling rate will be the next big challenge.

Medium-Term Environmental Targets (from FY 2012 to FY 2014)

Qualitative Target	Fiscal 2014 Numerical Target	Fiscal 2013 Results	Assessment
Reinforcement of the maintenance of Biodiversity	-	Distributed biodiversity education materials	○
Expand and encourage the use of environmental management systems (ISO 14001, etc.)	-	One TMD Group company was certified Nisshinbo Brake Inc. acquired integrated certification	○
Improvement of environmental education	-	Conducted ISO 14001 education activities as required	○
Promotion of CSR procurement (green procurement)	-	Continued to promote CSR (green) procurement (survey of suppliers, etc.)	△
Promotion of "Life cycle assessment" ^{*1} (LCA)	15% or more of total sales	Pushing forward with LCA focused on our electronics business 6.3% of total sales	△
Improvement of the sales percentage by the products that contribute to the development of the sustainable society	25% or more of total sales	23.0% of total sales (6.8% up from 16.2% in fiscal 2012)	○
Reduction of the energy consumption per unit of sales	At least 5% compared to FY 2010	Reduced by 16% compared to fiscal 2010	○
Reduction of greenhouse gas emissions per unit of sales	At least 5% compared to FY 2010	Reduced by 21% compared to fiscal 2010	○
Reduction of the volume of PRTR ^{*2} substance emissions per unit of sales	At least 10% compared to FY 2010	Reduced by 50% compared to fiscal 2010	○
Improvement of recycling rate (Recycling rate is calculated dividing by "the amount of total waste generation including the amount of recycling" to "the amount of recycling".)	95% or more	86.0% (1.3% worse compared to 87.3% in fiscal 2012)	×

*1: Understanding of environmental load, through the life cycle of a product, from raw materials, to production, use, and finally to disposal

*2: Pollutant Release and Transfer Register

Assessment criteria: ○ Achieved △ Partially achieved × Not achieved

CONTENTS

35 ENVIRONMENTAL REPORT

36	Fiscal 2013 Material Balance	42	Resource Conservation	48	Environmental Contribution Activities
38	Environmental Management	44	Chemical Substance Management	49	Environmental Accounting
39	Energy Conservation	46	Biodiversity		
40	Preventing Global Warming	47	Transport Volume		

The Nisshinbo Group's Business Activities and Environmental Impact

Inputs

Energy Usage		11.1	Million GJ*¹	(0%)
Breakdown	Electricity	765.5	Thousand MWh	(+1%)
	Solar power (included in Electricity) * ²	2.90	Thousand MWh	(+154%)
	Coal	77.2	Thousand t	(-3%)
	Heavy oil	9.68	Thousand kL	(-1%)
	Town gas (including natural gas)	31.1	Million m ³	(-1%)
Water Usage		29,603	Thousand m³	(+1%)
Breakdown	Groundwater	15,355	Thousand m ³	(+3%)
	Industrial water	13,650	Thousand m ³	(-1%)
Total Raw Materials Used		383.6	Thousand t	(-1%)
Breakdown	Raw cotton, cotton fiber	30.3	Thousand t	(-3%)
	Pulp (including recycled paper pulp)	63.4	Thousand t	(+4%)
	Steel	85.8	Thousand t	(-8%)
	Brake friction materials	72.9	Thousand t	(0%)
	Chemical substances	63.9	Thousand t	(0%)
	Packaging materials	25.4	Thousand t	(+13%)
Volume of PRTR substances* ³		3,284	t	(+101%)
Office paper usage* ⁴		76,862	Thousand sheets	(-9%)

Figures in parentheses indicate change from the previous fiscal year.



Use

*1 Gigajoules (GJ): A unit of energy. One gigajoule (10⁹J) is approximately 240,000 kilocalories.

*2 Excluding the 200Kw from the exchangeable for green certificates generated by the Nisshinbo Mechatronics Inc. Miai Machinery Plant photovoltaic modules.

*3 PRTR (Pollutant Release and Transfer Register) substances: Substances subject to the PRTR (Pollutant Release and Transfer Register) system pursuant to the "Act on the Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof."

*4 Documents for facilities delivered have been submitted on a paper basis at Japan Radio Co., Ltd. at the request of customers. (38.1 million sheets used at one company)

Business Processes

Emission

Cyclical use of water
1,306 Thousand m³ (0%)

Logistics

Outputs

Greenhouse gas emissions		707.5	Thousand t-CO₂	(0%)
Breakdown	Energy-derived ^{*5}	669.5	Thousand t-CO ₂	(0%)
	Non-energy-derived ^{*6}	38.0	Thousand t-CO ₂	(+9%)
Released into the atmosphere				
Breakdown	NOx	342	t	(+26%)
	SOx	266	t	(-38%)
	VOC ^{*7}	132	t	(+21%)
	Dust and soot	117	t	(+299%)
Released into water systems				
Breakdown	Wastewater	28,361	Thousand m ³	(+2%)
	COD ^{*8}	407	t	(-20%)
	SS ^{*9}	178	t	(+6%)
PRTR substances				
Breakdown	Released amounts	37.8	t	(-3%)
	Transferred amounts	187.4	t	(+26%)
Total waste volume		62.2	Thousand t	(+41%)
Recycled waste		53.5	Thousand t	(+39%)
Products		344.8	Thousand t	(+39%)
Transport volume ^{*10}		80.1	Million t-km	(+2%)

^{*5} Energy-derived greenhouse gases: Greenhouse gases produced from the consumption of fuel.

^{*6} Non-energy-derived greenhouse gases: Greenhouse gases produced from sources other than the consumption of fuel, such as from manufacturing processes and waste material.

^{*7} VOC (Volatile Organic Compounds): Volatile organic compounds such as toluene.

^{*8} COD (Chemical Oxygen Demand): An index of water contamination expressed as the volume of oxygen chemically required or chemically consumed.

^{*9} SS (Suspended Solid): The amount of substances suspended in water.

^{*10} Transport volume does not include marine transport in international waters.

Promoting Environmental Awareness across the Entire Group

Environmental Management Promotion Structure

In order to contribute as an environmental and energy company to the sustainable development of society on a global scale, the Nisshinbo Group has established environmental management promotion regulations applicable to the entire group.

All sites that have acquired ISO 14001 certification are following these standards by developing PDCA cycles and promoting environmental management. Also, even the sites that have not been certified are building management systems based on these standards and are engaging in related activities. Every subsidiary conducts a yearly management review overseen by its executives. An environmental management review for the entire Nisshinbo Group is implemented at the Nisshinbo Holdings Inc. Corporate Strategy Conference held in June; if necessary, the system allows for instructions by the Company president, the highest ranking executive in the Company.

Environmental Audits and Environmental Education

ISO 14001-certified companies and business sites follow those rules and implement internal auditing and education. Even bases that are not certified conduct environmental auditing at least once per year and give reports at the environmental management review. Also, auditing is not only conducted by the Environmental Group; a system has also been built allowing for extraordinary auditing and special auditing by the Internal Audit Department that is independent of the operations execution line.

The Status of Environmental Management Systems

The Nisshinbo Group is proactively working to promote our environmental management systems in accordance with the "Business Conduct Guidelines of the Nisshinbo Group", which state, "We set up environmental management systems throughout the entire Nisshinbo Group and endeavor to preserve the global environment by conserving energy and resources, promoting the reduction and recycling of waste, decreasing the emission of substances that cause global warming or environmental pollution, and taking biodiversity measures." Taking that policy to heart, We work proactively to promote environmental management systems.

A total of 46 Nisshinbo Group organizations had acquired certification by the end of 2013. We promote integrating certification to better combine business operations and environmental activities in some of our sites. In fiscal 2013, Nisshinbo Brake Inc. achieved integrated certification at its Head Office, Tatebayashi Plant, Toyota Plant and Asahi Office.

Organizations with ISO 14001 Certification

In Japan (24 organizations)		
Nisshinbo Holdings Inc.		(Chuo-ku, Tokyo)
Nisshinbo Holdings Inc.	R&D Center	(Chiba City, Chiba)
Nisshinbo Textile Inc.	Osaka Branch	(Osaka City, Osaka)
Nisshinbo Textile Inc.	Miai Plant	(Okazaki City, Aichi)
Nisshinbo Brake Inc.	Office & Main Plant (integrated authentication)	(Chuo-ku, Tokyo)
Nisshinbo Paper Products Inc.	Shimada Plant	(Shimada City, Shizuoka)
Nisshinbo Paper Products Inc.	Tokushima Plant	(Tokushima City, Tokushima)
Nisshinbo Paper Products Inc.	Fuji Plant	(Fuji City, Shizuoka)
Nisshinbo Paper Products Inc.	Adachi Office	(Adachi-ku, Tokyo)
Tokai Seishi Kogyo Co., Ltd.		(Fuji City, Shizuoka)
Nisshinbo Mechatronics Inc.	Miai Machinery Plant	(Okazaki City, Aichi)
Nisshinbo Mechatronics Inc.	Hamakita Plant	(Hamamatsu City, Shizuoka)
Nisshinbo Precision Instrument & Machinery Hiroshima Corporation		(Higashi-Hiroshima City, Hiroshima)
Nisshinbo Chemical Inc.	Asahi Plant	(Asahi City, Chiba)
Nisshinbo Chemical Inc.	Chiba Plant	(Chiba City, Chiba)
Nisshin Environmental Planning Inc.		(Adachi-ku, Tokyo)
Japan Radio Co., Ltd.		(Mitaka City, Tokyo)
New Japan Radio Co., Ltd.		(Chuo-ku, Tokyo)
Nagano Japan Radio Co., Ltd.		(Nagano City, Nagano)
Ueda Japan Radio Co., Ltd.		(Ueda City, Nagano)
JRC Tokki Co., Ltd.		(Yokohama City, Kanagawa)
Japan Radio Glass Co., Ltd.		(Fujimino City, Saitama)
Saga Electronics Co., Ltd.	Saga Works	(Kanzaki-gun, Saga)
NJR FUKUOKA CO., LTD.		(Fukuoka City, Fukuoka)
Overseas (9 organizations)		
Shanghai Choya Fashion Co., Ltd.		(China)
Nisshinbo Automotive Manufacturing Inc.		(U.S.A.)
Nisshinbo Somboon Automotive Co., Ltd.		(Thailand)
Saeron Automotive Corporation		(South Korea)
Saeron Automotive (Beijing) Co., Ltd.		(China)
Nisshinbo Mechatronics (Thailand) Ltd.		(Thailand)
Nisshinbo Mechatronics (Shanghai) Co., Ltd.		(China)
THAI NJR CO., LTD.		(Thailand)
Shenzhen NJRC Technology Co., Ltd.		(China)
TMD Group (13 organizations)		
Essen & Leverkusen*		(Germany)
Hamm & Coswig*		(Germany)
Hartlepool*		(U.K.)
Manchester		(U.K.)
Kilmarnock		(U.K.)
Creutzwald		(France)
Valencia		(Spain)
Caransebes		(Romania)
Querétaro		(Mexico)
Indaiatuba		(Brazil)
Hangzhou		(China)
Shijiazhuang		(China)
Troy		(U.S.A.)

* Has also received energy management system (ISO 50001) certification

Details of related affiliated companies and business sites within each plant included in the scope of registration have been omitted.

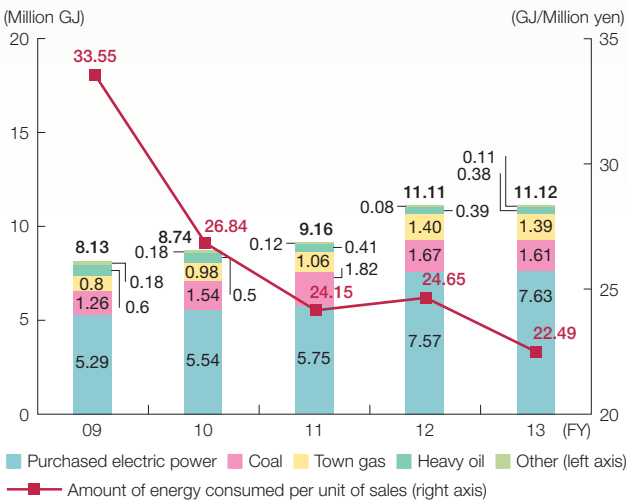
The Effective Use of Energy

Amount of Energy Consumption

In fiscal 2013, the Nisshinbo Group used 11.12 million GJ, up 0.1% from the previous year. On the other hand, energy use per sales unit was reduced by 9% from the previous year. We exceeded our goal of reducing energy used per unit of sales by 5% from 2010 to 2014, managing to reduce the ratio by 16% from 2010 to 2013.

Looking at energy usage categorized by type, purchased electric power comprised 2/3 of total energy used. In our attempt to reduce output of greenhouse gases, we are smoothly transitioning from heavy oil to town gas.

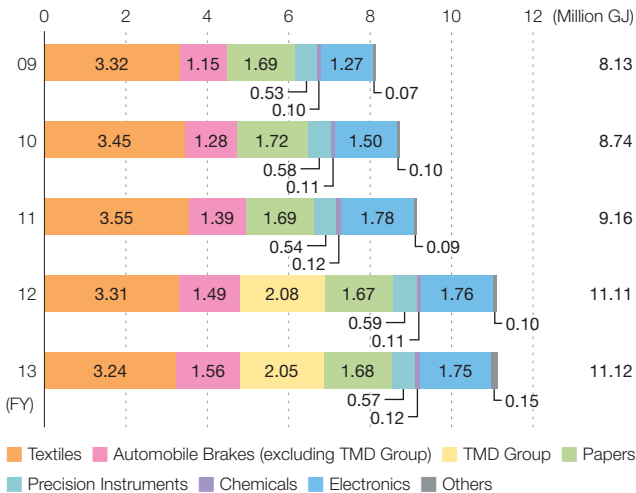
- Trends in the Amount of Energy Consumed and the Amount of Energy Consumed per Unit of Sales



Textiles consumed the most energy out of any of our operations, 29% of our total consumption.

Automobile Brakes energy consumption is in an upward trend. Not even counting the TMD Group, it increased by 36% from 2009 to 2013.

- Amount of Energy Consumed by Business



Introduction of Energy Monitoring System

In fiscal 2013, the Nisshinbo Brake Inc. Tatebayashi Plant implemented 135 plans to reduce energy use in its factories. As a result, it beat its goal of reducing power consumption by 450MWh/year, successfully reducing consumption by a total of 796MWh/year.

Just adjusting the pressure settings of air compressors in the Disc Pad factory (DP1) contributed 32%, or 252 MWh/year, of the total reduction. By installing an energy monitoring system in the same factory in April 2012, the company was able to monitor energy use by application. It was able to find not only the source pressure, but the terminal pressure of the manufacturing equipment inlet. While it had previously set the source pressure on the safe side (higher), it was able to lower the pressure that allowed energy saving and stable operation of the compressors.

It will continue to seek out and reduce energy waste in its system using its energy monitoring system.



Energy monitoring

Friction Materials Factory Converted to LED Lighting

In response to the Chinese government's 12th 5 year plan, which demands reduced energy use, Saeron Automotive (Beijing) Co., Ltd. has introduced new energy saving policies every year, and carefully managed its own performance. In fiscal 2013, the company converted all 210 ceiling lights in its 13,000 m² factory, and all 1,641 other lights to LED lights, reducing electricity consumption for lighting by 75%.

Initiatives Aimed at Realizing a Low-Carbon Society

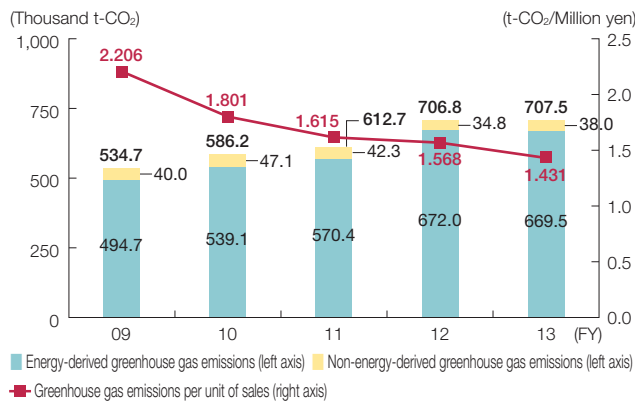
Emissions of Greenhouse Gases

In fiscal 2013 the amount of the Nisshinbo Group's greenhouse gas emissions were 707,500 tons of CO₂, virtually the same as in 2012. The increase from fiscal 2012 was due to the inclusion of the TMD Group in the total.

The amount of energy consumed per unit of sales was reduced by 9% from the previous year. The ratio of greenhouse gas emissions per sales unit was set to be reduced by 5% from 2010 to 2014. However, we managed to reduce this ratio by 21% from 2010 to 2013 (For conversion factors for greenhouse gas emissions due to power generation, applied retroactively to the past, we are using the values indicated in the appendix marked with an asterisk.)

Over 80% of non-energy derived greenhouse gases are PFC (perfluorocarbon), which is used in New Japan Radio Co., Ltd.'s IC manufacturing process. The ratio of non-energy derived greenhouse gas emissions to total emissions is showing a steady decline.

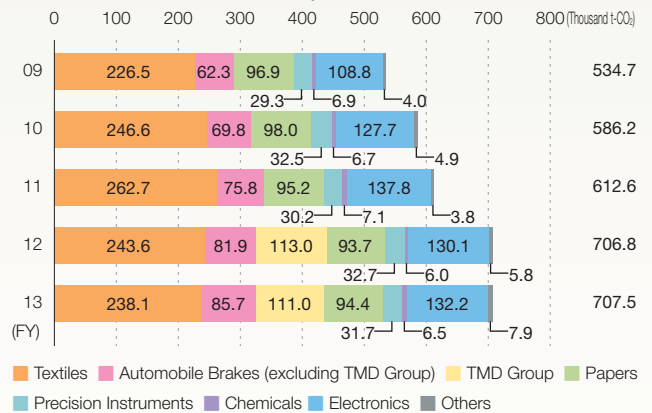
Trends in Greenhouse Gas Emissions and Greenhouse Gas Emissions per Unit of Sales



Greenhouse Gas Emissions by Business

In a breakdown by business segment, Textiles produced 34% of our total greenhouse gas emissions. Automobile Brakes including the TMD Group produced 28% of our total emissions. The reasons for Textiles' high emissions are its nature as an energy-intensive industry and the relatively high use of coal power in that industry.

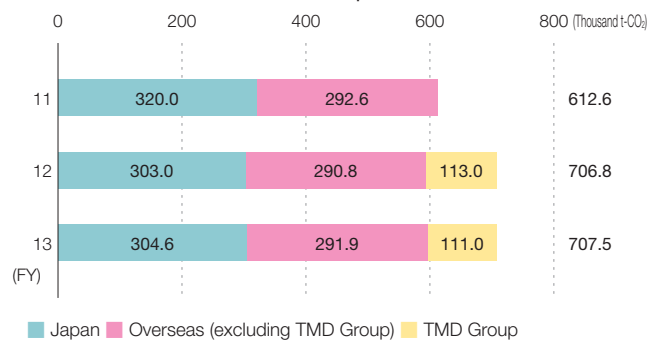
Greenhouse Gas Emissions by Business



Greenhouse Gas Emissions in Japan and Overseas

Greenhouse gas emissions in Japan as a percentage of total greenhouse gas emissions was 43%. The greenhouse gas emission proportions for Japan and overseas were nearly the same with the TMD Group's emissions omitted.

Greenhouse Gas Emissions in Japan and Overseas



*Appendix

For calculating greenhouse gas emission volumes, the CO₂ emission conversion factors as defined in the "List of Calculation Methods and Emission Factors for Calculation, Reporting, and Publication" published by the Ministry of the Environment and based on the "Law Concerning the Promotion of the Measures to Cope with Global Warming" are used. We also use the coefficients provided by the producer for coal.

Conversion Factors for CO₂ Emission Conversion

Electric Power	0.550 t-CO ₂ /MWh
Coal	1.89 t-CO ₂ /t
A-fuel oil	2.710 t-CO ₂ /KL
Gasoline	2.322 t-CO ₂ /KL
Diesel oil	2.585 t-CO ₂ /KL
Town gas	2.234 t-CO ₂ /Thousand m ³

Introduction of Photovoltaic Modules

In fiscal 2013, our Tokushima Plant's newly built 1.75 MW Mega Solar facility (opened in July) and Nagano Japan Radio Co., Ltd. Head Office Factory's 110kW power plant both started operations, boosting the Nisshinbo Group's power capacity to 3MW (electric power generation 2,899 MWh).



Tokushima Plant 1.75 MW Mega Solar Power Facility

Consuming CO₂ at the plant factory

Our Tokushima Plant and Fujieda Plant both use CO₂ gas produced as a byproduct at oil refineries and chemical plants to promote photosynthesis in their plant factories. CO₂ gas that was formerly released into the atmosphere and contributed to global warming is now consumed by photosynthesis, and converted into harmless oxygen. In fiscal 2013, approximately 13 tons of CO₂ was consumed at the Tokushima Plant, and 6 tons at the Fujieda plant.

TMD: Expanding ISO50001 Certification to the Whole Group

The TMD Group promotes the standard international energy management system certification ISO 50001 as a means of combating rising energy costs and solving the climate change problem. Starting with the U.K. and Germany, the company is promoting these certifications at its plants around the world. At its Hartlepool factory in the U.K., it has started monitoring energy consumption by individual production line. This allowed them to cut the unnecessary energy supply to equipment not used on weekends. It was further able to conserve energy in lighting by 60% and in dust collection systems by 75%.

Introduction of Ammonia Cooling System

Nisshinbo Do Brasil Industria Textil LTDA. previously used chlorofluorocarbon (CFC) refrigerating equipment, but in 2012, the company introduced an ammonia cooling system in its Factory No. 3 and have maintained stable operations for a year. After CFCs were designated as substances harmful to the ozone layer, CFC substitutes were developed and gained popularity. However, it was found that even CFC substitutes contribute to global warming, and countries around the world are considering whether to limit their use. In response to this dilemma, the company chose early adoption of ammonia cooling systems. It is now considering whether to introduce ammonia cooling systems in its other facilities.



Ammonia cooling system



Ammonia cooling system in Factory No. 3

LCA Supervisor Meeting

The Nisshinbo Group has until now made efforts to integrate LCA*1 analysis at each business. Through deciding on greenhouse gas emissions (Scope3) in our supply chains in the near future, it's become important to standardize our analysis methods. For this purpose, The Nisshinbo Group held an LCA supervisor meeting to decide the LCA supervisors and work on the theme of their analysis.

*1: Life Cycle Assessment: Understanding the strain on the environment caused by a product from its start as a material, through production, use, and finally disposal



LCA Supervisor Meeting

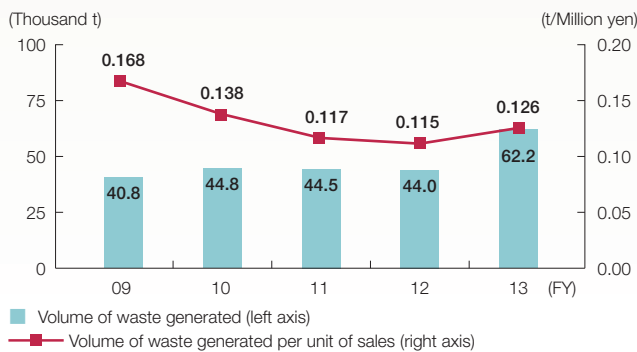
Initiatives Aimed at Realizing a Recycling-Oriented Society

Volume of Waste Generated

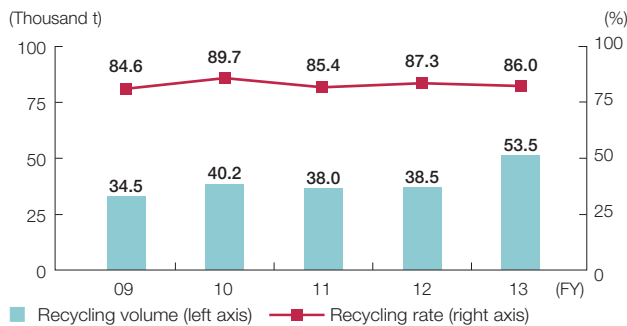
Total waste output was 62,200 tons, up 41% from 2013 due to the inclusion of TMD Group's waste. However, the amount of waste per unit of sales increased by 10%.

Our recycling rate dropped approximately 1% down to 86%. We are still far from our goal of reaching over 95% in 2014, but we are working to improve this disparity.

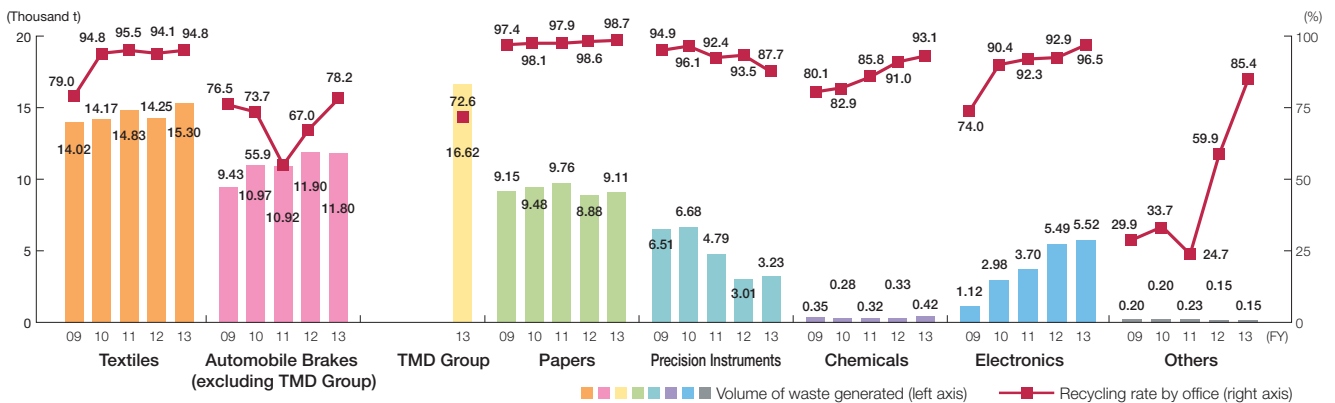
Trends in the Volume of Waste Generated and the Volume of Waste Generated per Unit of Sales



Trends in the Recycling Volume and Recycling Rates



Trends in volume of waste generated by business and recycling rate by business



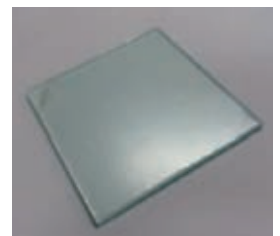
The Nisshinbo Group is conducting zero emission activities (recycling rate of more than 99%). In fiscal 2013, we achieved zero emissions at 17 of our sites. The Nisshinbo Brake Inc. Tatebayashi Plant was unable to achieve zero emissions in fiscal 2012 due to the effects of the Great East Japan Earthquake, but it recovered from this in fiscal 2013.

Sites that have Achieved Zero Emissions

- Nisshinbo Holdings Inc. R&D Center
- Nisshinbo Holdings Inc. Tokushima Office
- Nisshinbo Holdings Inc. Fujieda Office
- Nisshinbo Do Brasil Industria Textil LTDA.
- PT. Naigai Shirts Indonesia
- Nisshinbo Brake Inc. Tatebayashi Plant
- Nisshinbo Brake Inc. Toyota Plant
- Nisshinbo Paper Products Inc. Tokushima Plant
- Nisshinbo Paper Products Inc. Fuji Plant
- Daiwa Shiko Co., Ltd.
- Nisshinbo Chemical Inc. Toke Plant
- Nisshinbo Chemical Inc. Tokushima Plant
- Nisshinbo Chemical Inc. Chiba Plant
- JRC Tokki Co., Ltd.
- New Japan Radio Co., Ltd.
- Saga Electronics Co., Ltd.
- NJR FUKUOKA CO., LTD.

Initiatives at Iwao, a "Proposal Based Company That Has the Capacity for Both Production and Processing"

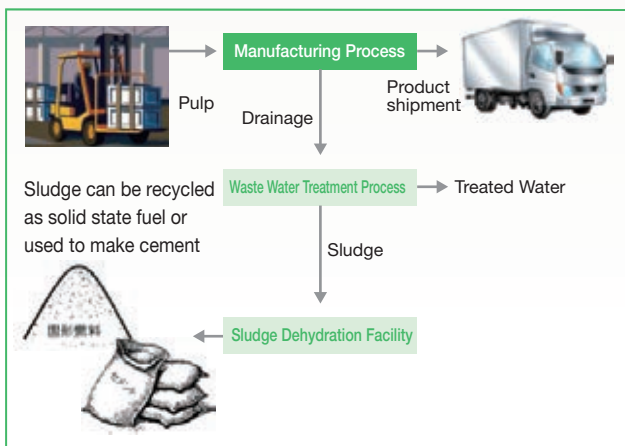
Iwao & Co., Ltd. delivers interior panels (acrylic panels) to several powerful construction material manufacturers. Customers would order the panels cut into certain dimensions, but the scraps were simply thrown away. The company worked with manufacturers of these materials to reuse the scraps for new products. While testing for strength and transparency, the company now supplies products made with 5% recycled scraps. In the future, the company will develop products that use up to 15% recycled scraps and will contribute to a recycling-oriented society.



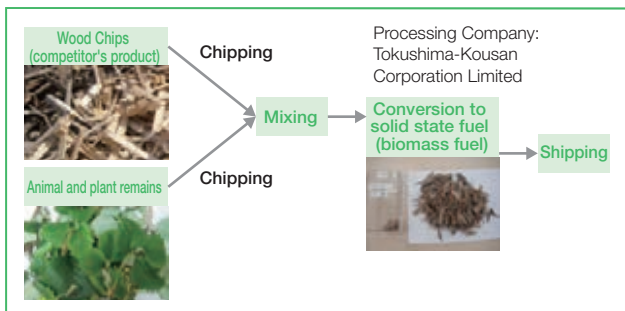
Cut scraps to be remanufactured

Registering with the Tokushima Recycling Certification System

Nisshinbo Paper Products Inc. Tokushima Plant is working to recycle sludge produced as a byproduct of the paper manufacturing process. Similarly, Nisshinbo Holdings Inc. Tokushima Office is working to recycle animal and plant remains produced at its plant factory. These activities were evaluated in October 2013, and the plants were certified as Tokushima Prefecture 3R (Reduce, Reuse, Recycle) model plants.



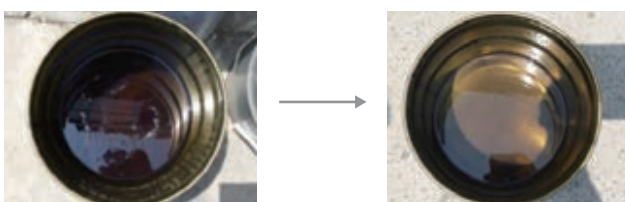
Recycling at the Nisshinbo Paper Products Inc. Tokushima Plant
Achieved a recycling rate of 99.8% by converting sludge to fuel and thoroughly sorting waste (fiscal 2012)



Conversion to biomass solid state fuel at the Nisshinbo Holdings Inc. Tokushima Office

Reuse of Press Hydraulic Oil

At Saeron Automotive Corporation (SAC), filtration devices are used to recycle hydraulic oil from presses after use. This oil is used to replenish the hydraulic oil when there is insufficient oil left. SAC reuses about 700 liters of hydraulic oil each month.



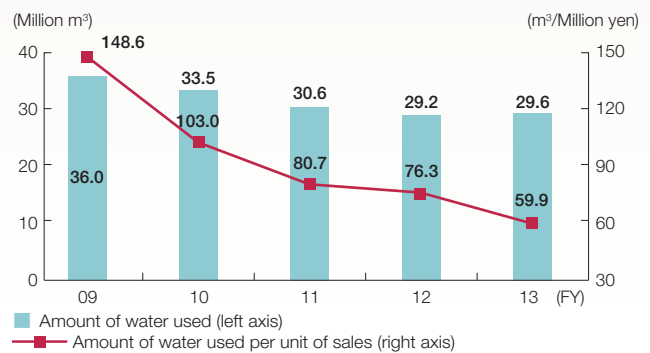
Hydraulic oil before and after filtration

Effective Use of Water Resources

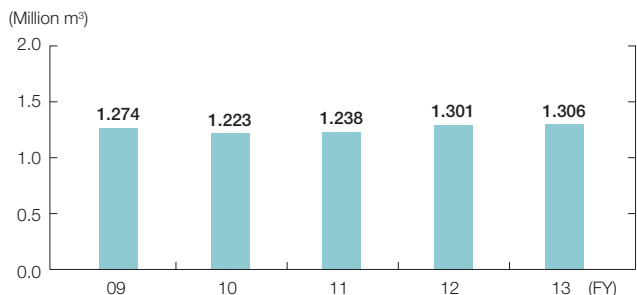
The Nisshinbo Group also promotes effective use of water resources. We used 29.6 million m³ in fiscal 2013, up 1% from the previous year. This increase in total consumption was caused by the TMD Group joining the group, but water used per unit of sales actually decreased by 21%.

Our amount of water recycled remained practically the same as the previous year.

Water usage and water usage per unit of sales

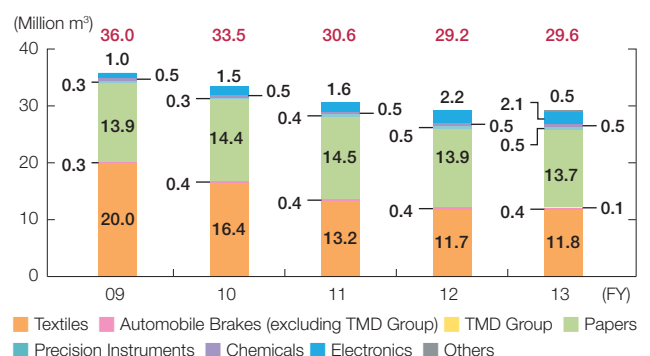


Trends of Water Recycled



In an analysis of water usage by business, Papers alone used 46% of our total water. The amount of water consumed by Textiles is decreasing, but it still made up 40% of the total. Just these two businesses combined are responsible for 86% of the Nisshinbo Group's total water consumption.

Trends in Volume of Water Used by Business



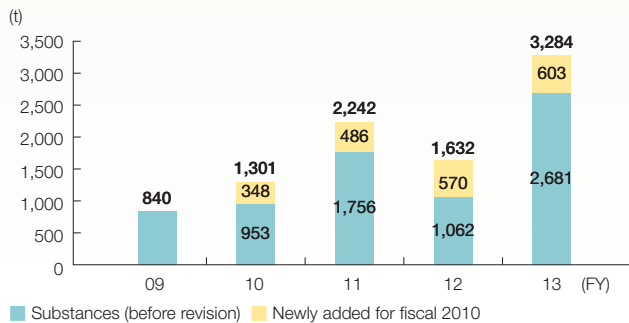
Initiatives Aimed at Protecting Health and the Global Environment

Volume of Chemical Substances Handled

The Nisshinbo Group's PRTR substances volume was 3,284 tons, up 101% from the previous year. This is due to the inclusion of TMD Group's volume handled (1,302 tons for brake materials) starting in fiscal 2013.

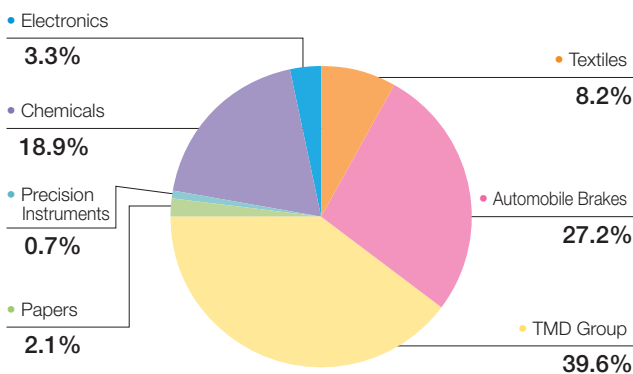
Primary substances were antimony (967 tons) and phenol (399 tons) for brake materials, and methylenebis (4,1-phenylene) = diisocyanate (458 tons) for urethane materials.

Trends in the Volume of PRTR Substances Handled



In a breakdown by business, Automobile Brakes including TMD Group accounts for 67% of the PRTR substances handled by all of the Nisshinbo Group.

Volume of PRTR Substances Handled by Business



Textiles	270
Automobile Brakes (excluding TMD Group)	893
TMD Group	1,302
Papers	68
Precision Instruments	23
Chemicals	620
Electronics	109

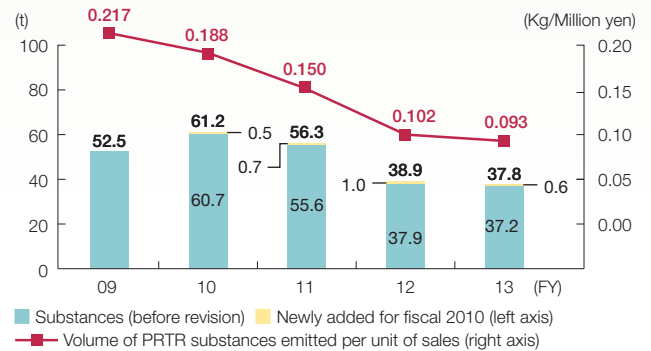
Volume of Chemical Substance Emissions

The Nisshinbo Group's amount of PRTR substances emitted into the environment was 38 tons, down 3% from the previous year. The emission amount per unit of sales decreased by 8%.

We exceeded our goal of reducing the amount of PRTR substances emitted per unit of sales (excluding TMD Group's emission volume) by 10% from 2010 to 2014, reducing the it by 50% from 2010 to 2013.

In amount discharged by substance, dichloromethane accounted for the most with 42% of the total.

Volume of PRTR Substance emissions and trends in PRTR Substances emissions per sales

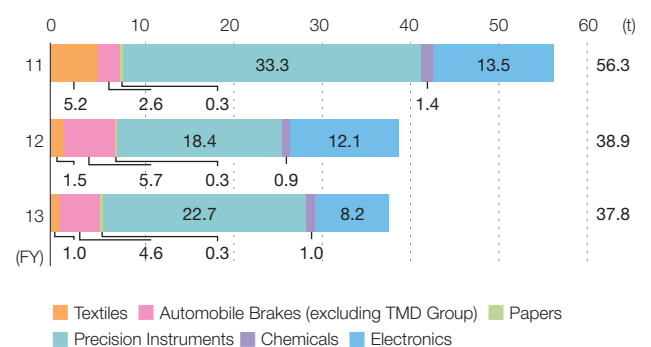


Emission Breakdown by Chemical Substance

Substance Name	Discharge Volume (t)	Ratio (%)
Dichloromethane	16.0	42.3
Toluene	9.7	25.6
Xylene	5.2	13.7
Hexamethylenetetramine	2.0	5.4
Phenol	1.6	4.3
Polyoxyethylene alkyl ether	0.9	2.4
Methylnaphthalene	0.5	1.3
Antimony	0.5	1.2
Methylenebis (4,1-cyclohexylene) = isocyanate	0.4	1.1
Tetrachlorethylene	0.3	0.9
Others	0.7	1.8

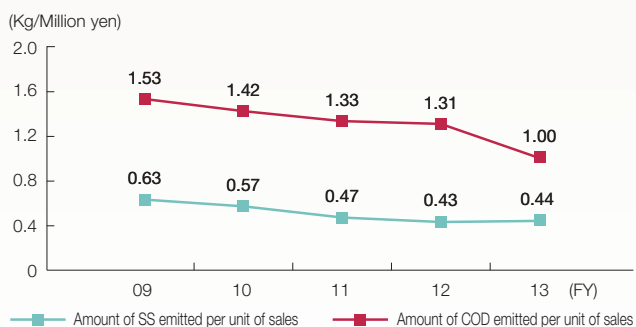
In the breakdown by business, Precision Instruments accounted for 60% of total dichloromethane emitted. Precision Instruments is continuously investigating the potential of viable substitutes.

Volume of PRTR Substances Emitted by Business



Treating Wastewater

The Nisshinbo Group purifies water emitted from the production process before returning it to nature. Volume of SS (suspended substances in water) emitted per unit of sales increased 2% from the previous year. The amount of COD emissions per unit of sales decreased by 24% from the previous year. This is the result of investing in PT. Nisshinbo Indonesia's waste water treatment facility.



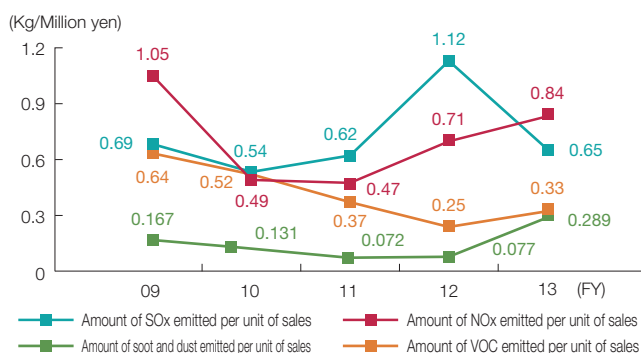
Atmospheric Releases

The Nisshinbo Group's volume of SO_x (sulfur oxide) emitted per unit of sales decreased by 42% from the previous year. Nisshinbo Textile Inc.'s subsidiary PT. Nikawa Textile Industry used coal with a high sulfur oxide content in fiscal 2012. In fiscal 2013, the sulfur oxide content was lower, resulting in decreased volume of SO_x emission per unit of sales.

The volume of NO_x (nitrogen oxide) emitted per unit of sales increased by 18%. This was mostly due to PT. Nikawa Textile Industry's use of coal fuel, specifically because the average concentration of NO_x emission rose to 449 ppm.

The volume of VOC emitted per unit of sales increased by 32%.

The amount of soot and dust released per unit of sales increased by 275%. This is because the discharge voltage of the electrostatic precipitator was reduced due to reduced insulation of power receiving equipment at PT. Nikawa Textile Industry, causing dust collection efficiency to decrease temporarily.



Chemical Spill Drill and Training at the R&D Center

At Nisshinbo Holdings Inc. R&D Center and the Nisshinbo Chemical Inc. Toke Plant, the weight of chemicals before and after are checked in the presence of a witness and strictly managed. Measurement data is entered into a database and a system is in place to constantly monitor the storage and usage of reagents on premises.

Countermeasures have also been planned in case of a chemical spill. Employees participate in a chemical spill drill every year to raise awareness and revise old policies. In the scenario for fiscal 2013's drill and training, an employee reached for a can of toluene on the shelf of their indoor depot only to drop the can on the floor, spreading toluene everywhere.



Chemical spill drill and training

Creating a "Serious Chemical Accidents Manual"

Nisshin Environmental Planning Inc. uses chemicals in its analysis operations. Because of the potential hazard from heat or poison gas generated by chemicals mixing when liquid waste is processed after analysis, the company color codes all of its liquid waste containers to prevent mixing.

Over 500 chemicals are used for a wide variety of analysis, but the company thoroughly inventories and manages its chemical stocks every month. The company has also created a "Serious Chemical Accidents Manual" and requires all employees to participate in safety drills.

Improvement of Wrinkle-Resistant Technology

Nisshinbo Textile Inc.'s subsidiary PT. Nisshinbo Indonesia is operating with new processing conditions that reduce the amount of formaldehyde released from its wrinkle-resistant products. The company will continue to reduce the amount of formalin it uses.

Heightened awareness of environmental issues in Europe have also led to the restriction of APEO (alkylphenol ethoxylates). Consequently, customers with business interests in Europe and North America have requested APEO-free finishing. The company has successfully reduced the use of APEO by using alternative chemicals.

Coexistence with a Diversity of Living Organisms

The Nisshinbo Group participates in the Japan Business and Biodiversity Partnership, which is made up of business groups, businesses, NGOs and local governments, and engages in activities to protect species, ecosystems and genetics.

Environmental Volunteer Activities to Preserve Rivers and Streams

50 employees of Nisshinbo Mechatronics (Thailand) Ltd. participated in mangrove tree planting to create habitats for wild animals and preserve the Chao Phraya River in Samut Prakan Province. Starting in 2013, 15 employees from the company participated in flood protection support activities held by the Bangplee Industrial Park where its office is located.



Mangrove tree planting



Participating in flood protection support activities

Removing Burr Cucumber, an Invasive Alien Species

Ueda Japan Radio Co., Ltd. have started work to remove the burr cucumber, an invasive species, from the steep terrain in its area. Burr cucumber's strong fecundity enables it to wreak havoc on the environment, harming both plants and animals in its new habitat. Consequently, the Ministry of the Environment has labeled burr cucumber as an "invasive alien species" according to the "Invasive Alien Species Act". Following encouragement from Nagano Prefecture and Ueda city, where the company is located, employees succeeded in removing more than 300 m² of burr cucumber in June and July, right before the pollination season. The company will continue their activities in fiscal 2014.



Removing burr cucumber

Watarase Reservoir Excellent Construction Award

Japan Radio Co., Ltd., was awarded the Excellence in Construction Award and Excellent Civil Engineer Award by the Land, Infrastructure and Transport Kanto Regional Development Bureau for maintenance construction on the Watarase Reservoir management facilities in July 2013. Formally registered in 2012 as a Ramsar site, Watarase Reservoir is the largest wetland in Honshu, with combined functions as Tokyo's water source and as a flood control pond. Construction was done on the Watarase Reservoir to renovate and enable remote data collection and control of several water level adjustment floodgates. Efforts made during construction to promote biodiversity and to use environmentally friendly materials and construction methods were highly praised.



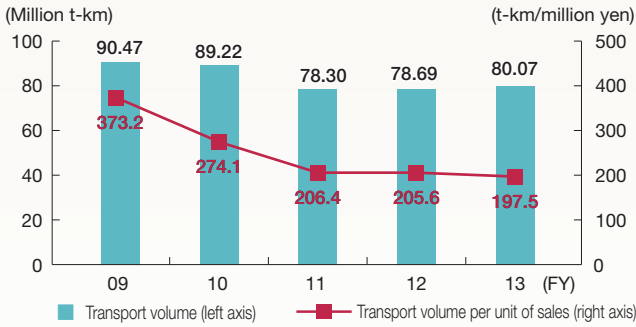
Award for Excellence in Construction Engineering

Toward Efficient Logistics

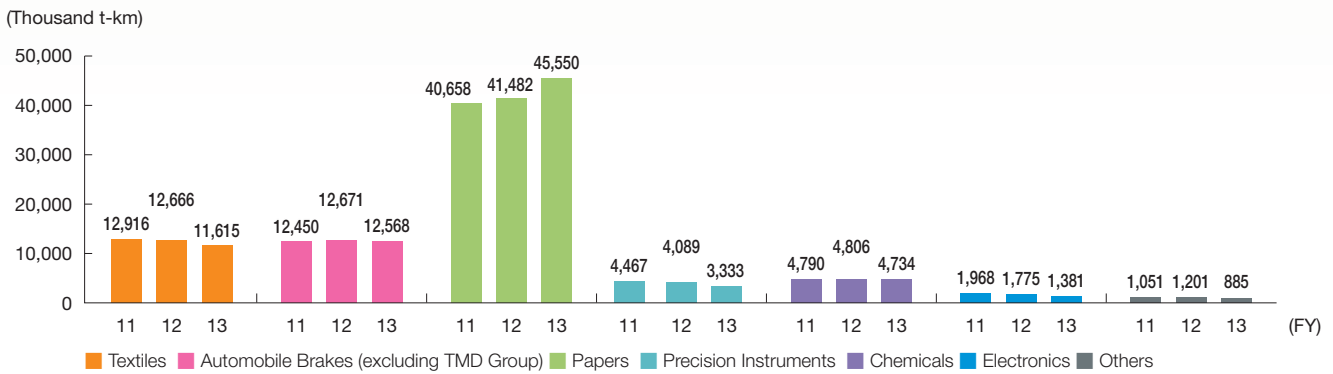
The amount of cargo shipped by the Nisshinbo Group went up by 2% from the previous year. The amount of cargo shipped per unit of sales fell by 4%.

In cargo divided by business, Papers accounted for 57% of the total. Papers ships a large amount of bulky products such as toilet paper, which increases the amount of energy used and greenhouse gases emitted in shipping.

• Trends in Transport Volume per Unit of Sales



• Trends in Transport Volume by Business



Promoting Drop Shipping of Semiconductors Produced Overseas

New Japan Radio Co., Ltd. is promoting drop shipping* for its products manufactured in Thailand for sale overseas. This allows them to reduce energy used on shipping.

The company increased its drop shipping rate from 69.7% in fiscal 2012 to 84.5% in fiscal 2013. From the calculation of packaged weight of products manufactured in Thailand, it can be determined that a 1% increase in the drop shipping rate saves 1.3 tons of aircraft fuel.

*Drop shipping = Shipping products directly from the manufacturer to the customer

Engaging with People in a Variety of Activities Together

Nisshinbo Brake's Community Cleaning Activities

Nisshinbo Brake Inc. Tatebayashi Plant, in cooperation with 13 other local businesses, honored Environment Month (June 2013) by cleaning the area around their plant. Every year about 800 people participate, gathering approximately 500 kg of garbage. They will continue to participating in this activity in the years to come.



Community Cleaning Activities

these activities and called on its employees to participate.



Eco Action Day
Certificate of Participation

World Environment Day Activities

In honor of World Environment Day on June 5th, The Singapore Environmental Congress and companies such as Ricoh Co., Ltd. cooperate to stage an "Eco Action Day". The goal of this campaign is to raise awareness of the environment, and they specifically target corporations with encouragement and examples of how to conserve energy in the workplace. Nisshinbo Singapore Pte. Ltd. approves of

Participating in the "Osaka Marathon Clean Up Campaign"

Nisshinbo Textile Inc. Osaka Branch and Naigai Shirts Co., Ltd. participated in the "Osaka Marathon Clean Up Campaign" in October 2013. In an effort to greet visitors to Osaka with a clean town, the city government joins forces with the marathon organizers prior to the marathon and calls on people to clean up the town. Both of these companies participate every year, with 20 employees helping to clean the surrounding roads and parks last year.



"Osaka Marathon Clean Up Campaign"

Environmental Measures Taken as Part of Preparation for Japan Radio's Move to Nagano

In July of 2014, Japan Radio Co., Ltd. will move its plant from Mitaka, Tokyo to Nagano Prefecture. The company has introduced environmental activities to mark the occasion.

5S Activities and Resource Recycling

The company reviewed its 5S activities in order to move effectively in a very limited space. Old documents that have outlasted their usefulness will be packed in special cardboard boxes and sent to a shredding company. Confidential documents will be liquefied in their boxes and finally recycled as cardboard or toilet paper. It will not be possible for confidential information to be leaked out because the boxes will not be opened again.

Waste Containing PCB (Polychlorinated Biphenyls)

6 machines containing high concentrations of PCB and several other objects at the Mitaka plant containing low concentrations of PCB were properly disposed of. The only remaining objects that contain PCB are ballast for fluorescent lamps, but these will be transferred to its subsidiary, Japan Radio Glass Co., Ltd.

Disposing of Equipment from the PC (Printed Circuit) Board Factory

It is said that "cleaning is an inspection". Similarly, keeping equipment as close as possible to mint condition is the first step to preventing breakdowns and other damage that reduces product quality. Although the equipment in the PC board factory due for closure was 10 to 20 years old at the time of the move, thorough day-to-day cleaning helped the company to sell most of it. Except for the piping, tanks, and plating tank which were disposed of normally, everything else was fit for reuse.

Environmental Conservation Costs

The Nisshinbo Group's total investment in the environment for fiscal 2013 was ¥898 million, down 10% from the previous year.

Major items for environmental investment included the construction fee of Mega Solar and research and development conducted for the future of environmentally friendly business.

The Nisshinbo Group's total spending on environmental conservation for fiscal 2013 was ¥2.748 billion, up 3% from the previous year.

Environmental Conservation Effects

The Nisshinbo Group's greenhouse gas emissions decreased by 13,390 tons due to our environmental conservation activities, thanks in large part to the reduction of CF₄ etc. emissions by NJR FUKUOKA CO., LTD.

Income from Environmental Conservation Measures

The Nisshinbo Group's total economic benefits from environmental conservation for fiscal 2013 was ¥495 million, up 44% from the previous year.

Environmental Accounting Spreadsheet for Fiscal 2013

Category		(1) Environmental Conservation Costs			
		Investment (million yen)	YOY Change (%)	Costs (million yen)	YOY Change (%)
On-site	Pollution prevention cost	49.0	-79.0	427.7	-24.2
	Environmental conservation costs	592.9	+185.2	201.0	-35.3
	Resource recycling costs	8.5	+189.3	386.5	-6.8
Upstream/downstream costs		0.0	-	41.7	+8.2
Management costs		0.5	-55.0	179.9	-13.4
R&D costs		247.5	-9.7	1,491.1	+39.4
Social activity costs		0.0	-	2.6	-56.0
Environmental remediation costs		0.0	-	9.8	-6.4
Other costs		0.0	-	7.6	-82.8
Total		898.4	-9.8%	2,747.9	+3.1

Category		(2) Environmental Conservation Effects		(3) Income from Environmental Conservation Measures	
		Greenhouse Gas Reduction (t-CO ₂)	YOY Change (%)	Income (million yen)	YOY Change (%)
On-site	Pollution prevention effects	327	+149.6	0.0	-
	Environmental conservation effects	13,060	-9.7	104.6	+58.1
	Resource recycling effects	3	-1.9	390.7	+42.3
Upstream/downstream effects		0	-	0	-100.0
Management effects		0	-	0	-
R&D effects		0	-	0	-100.0
Social activity effects		0	-	0	-
Environmental remediation effects		0	-	0	-
Other effects		0	-	0	-
Total		13,390	-8.2	495.4	+44.2

Note: "-" indicates that the amount in the previous fiscal year was zero



For the Group to continue growing globally, it must aim to be a CSR leader

CSR Consultant

Mitsuo Ogawa

Craig Consulting
President

Profile: Mr. Ogawa graduated from Waseda University and gained experience at a major automotive manufacturer before earning an MBA from University of Pittsburgh. He engaged in management consulting at Sanwa Research Institute, at PwC Consulting. He went independent in 2004 and remains independent today. Organizational Theory and Activation of Human Resources Theory are his fields of expertise. His significant articles include "How ISO26000 Will Change Management" and "How to Raise CSR Corporate Value" (Nihon Keizai Shimbun, Inc.). He is a visiting professor at Nagoya University of Commerce and Business Graduate School of Management.

Throughout the Nisshinbo Group's long history of more than a century in business, it has vigorously upheld its corporate philosophy that sees the Group as a "Public Entity" and holds an unwavering commitment to "Consistent Integrity". The idea that capital is something borrowed from stakeholders naturally means that value generated from capital must be distributed back to stakeholders in turn. Generally speaking, most Japanese companies have a corporate philosophy with some sense of social responsibility, but fulfilling that responsibility can be difficult indeed. This is because it is harder to balance business performance and social responsibility than it is to simply devote the company to earning profit. This year, the Nisshinbo Group has adjusted its corporate philosophy and policy and identified its goal to coexist and prosper with its stakeholders while balancing performance and responsibility as a matter of management principle. You can see this stance in the words "stakeholders' trust" repeated by President Kawata in his opening message.

I would like to point out a few challenges the Group will face if it wants to continue growing globally.

The Group's first challenge will be how to spread the corporate philosophy to all its subsidiaries around the globe. In order to gain practical understanding from its new members, as represented by TMD, the Group must emphasize coexistence and prosperity with stakeholders in its mid-term plan "NEXT 2015". I believe this is directly connected to strengthening the Group's management principles.

The second challenge faced by the Group will be getting their supply chain to join them in CSR procurement. This will

be a difficult challenge for the Group as a conglomerate but one that will attract a lot of attention on a global level. The Group must change CSR procurement in to a more effective process. For example, the "first floor" based on corporate policy would be procurement standards that must be met in all business fields; the "second floor" would be special standards that vary from one business field to another; and so on.

The third challenge is the Group's list of 12 critical activities established in its CSR goals last year. This list of 12 was highly praised, but it needs some polishing up before it is ready for the global stage. Specifically, including global standards such as ISO26000 as part of these global activities will make them easier to understand for a global audience. Similarly, setting key performance indicators and making the value and progress of each goal easily understood will help in achieving these goals.

The fourth challenge will be deeper research into information disclosure methods. For example, the Group has put its overseas members in charge of hiring new graduates, delegated the construction of internal training programs to female managers, and is otherwise working to promote diversity. Broadcasting this information louder and clearer will help in hiring superior personnel.

Finally, the Group must have great expectations for new social problem solving businesses based on innovation. For example, the Group possesses new technology to help solve the world's water shortage problems, such as urethane materials for water filtration. I expect the Group to assemble this technology and put it to use as a leader in CSR.

Accepting Third-Party Opinion

Keeping pace with progressive globalization and the expansion of our business interests, since its inception the Nisshinbo Group has strengthened our efforts to promote a corporate philosophy that sees the group as a "Public Entity" with unwavering commitment to "Consistent Integrity", and strives to achieve "Innovation". Under the direction of Mr. Ogawa, as we spread our corporate philosophy globally and further improve our CSR rating, we will make efforts towards realizing solutions to social problems and creating business that will contribute to a full and enriching future.

In addition, the Group aims to provide information on our CSR efforts to stakeholders in an easy to understand manner.



Managing Officer
Senior Manager of CSR Department,
Corporate Strategy Department

Masakazu Aitsuki

AN INTRODUCTION TO SPECIFIC SITES

Additional information regarding the Nisshinbo Group can also be found at the following sites.

The Nisshinbo Group's Corporate Site



<http://www.nisshinbo.co.jp/english>

Shareholders and Investor Information Site



<http://www.nisshinbo.co.jp/english/ir/>

The CSR Site



<http://www.nisshinbo.co.jp/english/csr/>

Special Site



<http://www.dog-theater.jp/>



Nisshinbo Holdings Inc.

2-31-11, Ningyo-cho, Nihonbashi, Chuo-ku, Tokyo 103-8650, JAPAN
Tel +81-3-5695-8833

■ **Please direct all inquiries concerning this report to:**

Investor Relations & Public Relations Group, CSR Department, Corporate Strategy Center
Tel +81-3-5695-8854
Fax +81-3-5695-8878

■ **Inquiries can also be made online using the contact form on the Nisshinbo Holdings web site.**
<http://www.nisshinbo.co.jp/english>

