



Nakanishi Metal Works Co., Ltd.

www.nkc-j.co.jp

WAKU² DOKI²

In producing and publishing this Future Co-Creation Report, we have taken another look at the origins of the NKC Group's business activities. In addition, we have focused particularly on how we deal with society, which we have continued to value since our founding in 1924. Society is constantly moving, and global-scale issues are piling up. Against this backdrop, as a responsible member of society and a corporate group whose employees can be proud to work with the NKC Group, we will continue contributing to creating a sustainable society with the NKC Group's stakeholders.

— Future Co-Creation Department,
Sustainability Strategy Division



Kurumin Mark (one star)
Obtained in April 2016.



Fun to Share
We support the activities promoted by the Ministry of
the Environment to combat climate change.



Nakanishi Metal Works Co., Ltd.

2 Future
0 Co-Creation
2
3 WAKU² DOKI²

Nakanishi Metal Works Co., Ltd.

Future Co-Creation 2023

We believe that the future pursued by the NKC Group must be exciting and thrilling.

At the same time, the NKC Group must act with an awareness of its role as a corporate citizen and build a prosperous, safe, and reliable society.

As a concrete guideline to realize these goals, we have set sustainable development goals (SDGs) targets for each of our divisions, and we will continue working toward realizing these targets.

We aim for the sustainable development of the entire group.

That is the ideal future of the NKC Group.

We present the Future Co-Creation Report with the hope that we can work together to create it.

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Public Administration × Company × Society, Shape of the Future

Masanori Maeda

Mayor of Kita Ward, Osaka City

(hereinafter referred to as "Mayor")

Public Administration × Company × Past

President: NKC will celebrate its 100th anniversary in 2024. Looking back, we have always been mindful of contributing to the local community since our founding. The Nakanishi Scholarship Foundation, established by our second president, has provided approximately 1.2 billion yen to more than 5,000 students over the past 50 years. With the partnership agreements signed last year with Osaka Prefecture and Osaka City's Kita Ward, we expect that public administrations and businesses will collaborate to contribute further to society.

Mayor: I remember that the first step was the Osaka City Kita Ward Disaster Prevention Partnership Agreement which we registered in 2014. Since then, we have received numerous donations of supplies and crime prevention goods in the disaster prevention and crime prevention areas.

President: Yes, we did. We want to continue this agreement to improve the disaster preparedness of the community as well as to protect our future children from crime. We feel that we can carry out activities truly needed by society, which is only possible through the cooperation of the public administration that understands the issues facing the local community and has strong aspirations for the local community.

Mayor: Mayor: I don't believe that companies' thoughts can be understood from within the public administrative office or that the public administration's thoughts can be properly conveyed to the companies. I think it is necessary to meet and make real contacts this way, and this is how your company's and the public administration's thoughts are connected to the local community.

Public Administration × Company × Present

Mayor: In October 2022, you opened NKC Nakaniwa, a facility combining a welfare cafe and a children's cafeteria in Tenjinbashisuji Shopping Arcade (in Osaka's Kita Ward), the longest shopping arcade in Japan. I believe that it is the role of public administration to connect the points you have invested in society to even larger points and lines in the form of shopping arcades.

President: Thank you very much for not only participating in the opening event as the centerpiece of our cooperation agreement with Osaka's Kita Ward but also for your cooperation in disseminating information to the community.

Mayor: I had lunch yesterday at Nakaniwa Welfare Cafe of NKC Nakaniwa. I found that the greengrocer across the street donated vegetables at that time. It seems that you have already created a connection with the community in that way.

President: Being able to experience the local people's warmth and directly see our customers' happy faces is a valuable opportunity for the NKC Group, mainly engaged in the B to B. I expect that the various stimulations our employees receive through NKC Nakaniwa will positively impact their daily work and the company's business.

Mayor: Recently, child poverty and eating alone have become social issues. I look forward to seeing the NKC Nakaniwa Children's Cafeteria approach these social issues in a way that teachers cannot.

NKC Group, which will mark the 100th anniversary of its founding in 2024, has set the goal of developing a company culture that creates a positive impact on society in 2024 and over the next 100 years. To achieve sustainable development for society, we concluded a comprehensive partnership agreement with Osaka Prefecture in March 2022 and a cooperation agreement with Osaka's Kita Ward in September of the same year.

Now we have asked Mr. Maeda, the Mayor of Kita Ward, and President Nakanishi of Nakanishi Metal Works Co., Ltd. (also known as "NKC") to talk about the shape of the future they envision from the respective perspectives of public administration and the company.

Tatsuo Nakanishi

President Nakanishi Metal Works Co., Ltd.

(hereinafter referred to as "President")

Public Administration × Company × Future

President: I joined the steering committee of the Common Ground Living Lab, a collaborative effort by several companies to prepare for the Osaka-Kansai Expo in 2025, offering one part of the NKC Group headquarters for the development and testing of augmented reality and virtual reality (AR/VR) services, mobility, and so forth, utilizing a digital twin.

Mayor: The Osaka Chamber of Commerce and Industry was looking for a place to conduct experiments, and you gladly accepted the offer. Participating companies can also use the cafeteria at our headquarters, which I think is an ideal environment.

President: As a long-established manufacturer, I would like to support advanced technology because it will benefit many people. On the other hand, people have begun to lament the declining population of developed countries, including Japan. Because of this situation, I would like to see public administrations and businesses cooperate and focus on educating children, who will be responsible for the future, and the development of the local community.

Mayor: Mayor: With the decline of the population, human resources from overseas, including those from Asian countries in a period of rapid economic growth, are beginning to flow into Japan. Our efforts also focus on preparing Japanese children to play an active role in society.

President: As I always tell NKC employees, to broaden their perspective on such global affairs and social issues, they need to look outside their jobs, departments, and the company. It is essential to connect with the local community through volunteer activities; these connections will color their long life with a life expectancy of 100 years. Just think of having nothing to do when you are 60 or 70 years old (laughs).

Mayor: I am horrified (laughs). If that is the case, I would like to break down more barriers between public administrations and businesses to connect with communities.

President: You are right. Creating a sustainable society through cooperation between public administrations and companies and giving back to local communities is what public administrations and companies of the future should do. We aim to be a company that the public administration and the local community will consider: "First, let's ask NKC!"

Mayor: Let's continue holding many exciting projects for the community. I think we can say that our efforts were a success if, at a future coming-of-age ceremony, someone says, "I remember participating in a so-and-so project when I was a child!"

Masanori Maeda × Tatsuo Nakanishi
CROSS TALK

WAKU²DOKI²

Shape of the Future.

What is the future vision of the NKC Group that you want to leave to the next generation?

The NKC Group will mark the 100th anniversary of its founding in 2024.

What goal should the group set to build a company culture that addresses social issues in 2024 and over the next 100 years?

Company Policy for Promoting Corporate Social Responsibility (CSR) Activities

We have always developed together with society.

We believe that the shape of the future will emerge from the clarification of the thoughts and feelings we cherish.

CSR Management Map

[For the next 100 years]

Developing a company culture that creates a positive impact on society

Supporting the UN Global Compact
 NKC Group Vision, NKC Group Code of Conduct, and NKC Standards

Reinforce business foundation

CSR 3Step Project



Nakanishi Scholarship Foundation
 NKC Nakaniva
 (Welfare Cafe and Children's Cafeteria)
 Kita Ward Disaster Prevention Partners
 Volunteer activities

NKC Group CSR Mission

We build a relationship of trust with our stakeholders by resolving social issues through our technology.
We contribute to the realization of a sustainable society by working together.

NKC manufactures and sells the following products:
 Bearing Retainers,
 Conveyor Systems and Automatic Controlling Equipment, Sash Rollers, Residential Housing Related Products, Rubber Seals, Precision Tooling, Automatic Guided Vehicles (AGV), Various Metal Press Products, Various Plastic Injection-molded Articles, Cold-rolled Products

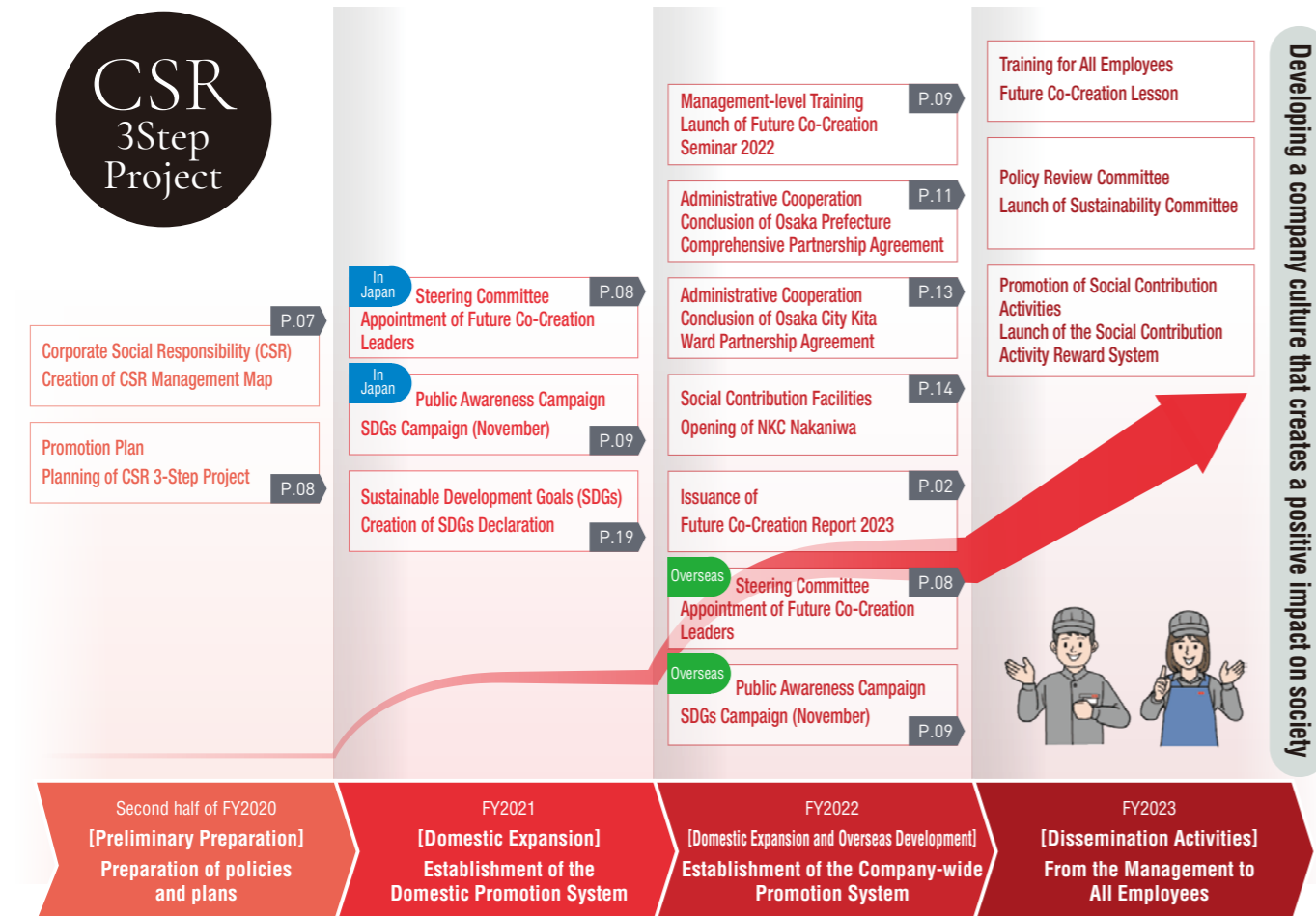
Contribute to achieving the SDGs by 2030



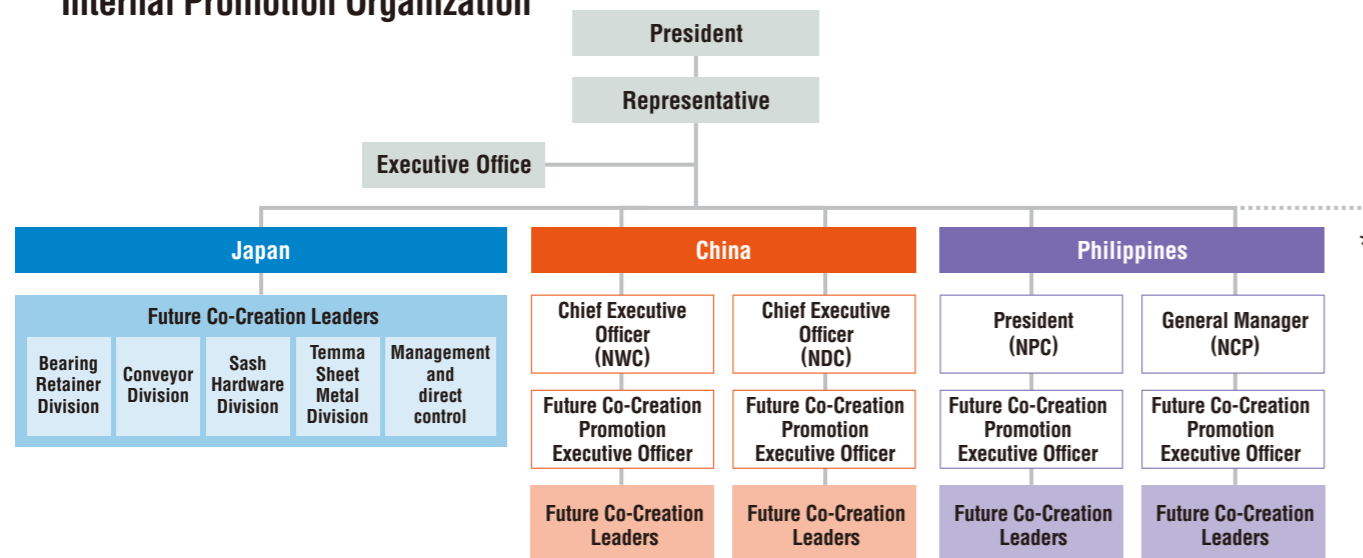
Establishment of a Promotion System, Internal Awareness-raising, and Awareness-building

We are making steady progress toward the future we should aim for.

■ Planning of CSR 3-Step Project



■ Appointment of Future Co-Creation Leaders and Development of Internal Promotion Organization



* Scheduled to expand to Sweden and the United States from FY2023 onward.

■ SDGs Campaign (November)

To promote the SDGs, which are being addressed globally, we have designated November of every year as SDGs Campaign since FY2021 to enable the company and employees to work side by side to promote SDG activities.

In FY2021, the commemorative first year of the program, the content to promote the understanding of the basic meaning of the SDGs and the company's direction was sent out to the domestic bases. In addition, SDG slogan contest was held. In FY2022, the program was expanded to overseas bases.

In addition to sending out SDG declarations by divisions, original activities were developed at each of our bases.



Initiatives at Overseas Base (China)



Initiatives at Domestic Bases



Initiatives at Overseas Site (Philippines)

■ Launch of Future Co-Creation Seminar 2022

Awareness raising of social issues among Future Co-Creation Leaders (management level)

In the global community, the SDGs were adopted by the United Nations in 2015. For the NKC Group, it became imperative to organize social issues from a managerial perspective and establish a system that can change the company culture through prompt decision-making and implementation. That is why we established the Future Co-Creation Department at the Sustainability Strategy Division.

At the same time, we appointed Future Co-Creation Leaders at the management level. We began to study and work with the divisions on social issues and organizational structures that we should address to be a sustainable company continuously beyond our 100th anniversary in 2024.

As the first step of this initiative, we conducted an awareness survey on Future Co-Creation Leaders. The survey included questions on solving social issues through business, supply chain management, and others. We compiled the management's thoughts on various social and management issues.

As a result, many participants voiced the need

for change for the NKC Group to achieve sustainable management in the future by addressing these issues. In light of this, we held the Future Co-Creation Seminar to help the NKC Group transform itself for the future.

The ultimate goal of the Future Co-Creation Seminar is to incorporate social issues into business strategies. The plan is to steadily increase awareness of social issues among Future Co-Creation Leaders over three years.



WAKU²DOKI²

A Company Established to Pioneer the Future

Since its establishment, the NKC Group has been involved in activities contributing to the local community.

The scope of our activities is wide-ranging, and we have many records of support for children, who are the future leaders of our society.

In addition, our activities in cooperation with the Osaka prefectural, municipal, and ward offices are the cornerstone of our efforts to provide more comprehensive and effective support and to create a prosperous future for the local community.

Resolving Social Issues through Public Administrative Collaboration and Projects

We value our connections with the local public administration and always keep an eye on social issues.



■ Osaka Prefecture Comprehensive Partnership Agreement ¹

Developing a company culture that creates a positive impact on society, we will actively engage in new social contribution activities in cooperation and collaboration with Osaka Prefecture, based on the activities we have been engaged in over the years.



Children and Education

- Operation of the Children's Cafeteria at NKC Nakaniwa
- Holding artwork judging sessions at schools for the disabled
- Career education support at technical high schools
- Supporting career education at engineering high schools
- Traveling to elementary and junior high schools to provide SDGs education



Environment

- Plastic waste reduction activities
- Introduction of eco-cars and practice of eco-driving
- Community beautification activities



Community Revitalization

- Raising awareness of animal welfare through the animacolle brand
- Donation of Catroad+ products to animal welfare centers
- Participation and cooperation in events sponsored by Osaka Prefecture



NKC
×
大阪府

NKC and Osaka Prefectural Government to Work on Social Issues

Employment and Industry Promotion

- Cooperation in the sales of products from welfare facilities for persons with disabilities
- Employment promotion for people with disabilities
- Supporting the growth of entrepreneurs (business plan contests)
- Registration as a business with the Declaration of Lively and Vigorous Men and Women
- Operation of welfare cafe at NKC Nakaniwa
- Holding a welfare bazaar



Health

- Introduction of a healthy vegetable, oil, and salt-conscious menu (VOS menu) in the company cafeteria
- Infection prevention measures and awareness
- Promotion of health management initiatives



Safety and Security

- Providing temporary accommodation space for tourists in times of disaster (Sakura Garden Hotel)
- Disaster prevention activities (Osaka 8.8 Million People Drill)



Publicity for the Prefectural Government

- LED signage on the roof of our head office
- In-house advertising space at JR Temma Station



Osaka Prefecture Comprehensive Partnership Agreement 2

The NKC Group is working to solve social issues through its business and corporate facilities, utilizing the know-how and expertise it has accumulated over the years as a manufacturer. By doing so, the NKC Group will contribute to Osaka Prefecture's development and NKC's SDGs achievement. Here are five activities we will focus on in the future.

Prefectural Technical High School × NKC Career education support



As a corporate manufacturing group, we will cooperate in supporting students' career education and increasing their motivation to work. Special classes and factory tours can be offered to students at prefectural engineering high schools. We also support students who will lead the next generation to become interested in the SDGs and learn about the efforts of companies to achieve the SDGs.



Prefectural special needs school × NKC Artwork judging contest Monozukuri Manufacturing Challenge Cup



We will utilize our know-how and expertise as a manufacturer and hold judging sessions for works conceived and created by students of prefectural special needs school. Through these activities, we will increase the motivation and interest of the students of the prefectural special needs school in manufacturing. We also support the development of their ability to think, express, and take on challenges.



Disaster Prevention × NKC Conclusion of an agreement with the Sakura Garden Hotel regarding the acceptance of travelers in times of disaster



In the event of a natural disaster, such as a major earthquake, the Sakura Garden Hotel will be offered as temporary accommodation space for travelers (including foreigners) who have difficulty getting around. By doing so, we will cooperate in creating an environment where travelers can enjoy travel and sightseeing in Osaka safely and securely.



Animal Protection × NKC Animal welfare awareness and donation activities through animacolle brand



We are engaged in animal welfare awareness activities through the animacolle brand of the Sash Hardware Division. In addition, we donate Catroad+ products to the Animal Protection and Management Center (Animal Harmony Osaka) and cooperate with events hosted by the center. We cooperate with animal protection efforts promoted by the prefectural government.



Prefectural Government × NKC PR for prefectural government using LED signage at our head office

We utilize LED signage on the roof of our head office and the advertising space in the JR Temma Station, owned by the NKC Group. Through these media, we cooperate with prefectural PR activities, such as measures against the COVID-19 pandemic and the Osaka 8.8 Million People Drill. By doing so, we will cooperate in activities to disseminate information to prefectural residents.



Conclusion of Osaka City Kita Ward Partnership Agreement

Contributing to local communities is a prerequisite for any company oriented toward sustainable development. When tackling social issues, organic collaboration with public administration is the best way to maximize the effectiveness of such efforts. The NKC Group forms like-minded partnerships with local government leaders of Osaka Prefecture, Osaka City, and Osaka City's wards. By doing so, the NKC Group aims to revitalize the local community and become a true corporate citizen.



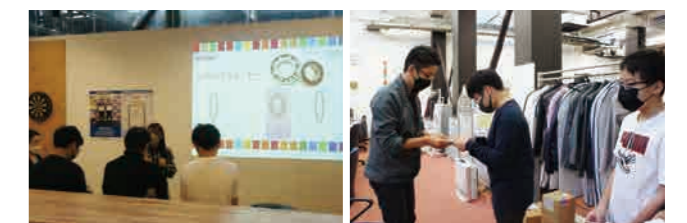
Welfare

- Operation of welfare cafes and Children's Cafeteria at NKC Nakaniwa
- Purchasing products made at facilities that support the employment of people with disabilities and providing a place to sell them
- Conducting food drive activities within the company and in cooperation with local organizations



Children and Education

- Acceptance of junior high school students for work experience study
- Visiting lectures for junior high school students
- Hands-on workshops (cooking, crafts, etc.) at NKC Nakaniwa.



Safety and Security

- Donation of goods to be distributed for disaster prevention stockpiles and community evacuation drills
- Donation of goods to be distributed for children's crime prevention awareness



Community Revitalization

- Sponsorship of local events (e.g., Tenma Music Festival)
- Providing the NKC Nakaniwa facility as a venue for welfare activities organized by the Kita Ward Office or other administrative agencies
- Holding events at NKC Nakaniwa



PR for Ward Administration

- LED signage on the roof of our head office
- In-house advertising space at JR Temma Station



Social Contribution Activities

We want to provide support for children's future.

We are committed to doing what we can do as a corporate group.

■ Opening of NKC Nakaniwa

Since its establishment in 1924, the NKC Group has been involved in various social contribution activities, including environmental initiatives, crime prevention, and disaster prevention activities. Among these, we have focused on welfare for children and people with disabilities.

Welfare Cafe × Children's Cafeteria

In 2018, Nakaniwa Children's Cafeteria started its activities in Miyakojima Ward, Osaka City, for the sake of children with a great future. In addition to providing free meals to children, we have developed workshops to expose them to various cultures and programs for parents and children to participate in.

In 2022, to further deepen ties with the local community and further revitalize its activities, we planned to relocate Nakaniwa Children's Cafeteria to the Tenjinbashisuji Shopping Arcade, the longest in Japan, in Osaka's Kita Ward, where our head office is located. Since the cafeteria was based on a store built in the Showa period, it was a fundamental and major renovation project. However, a bright and sophisticated space was born by utilizing internal and external networks and incorporating a variety of advice.

The interior was designed with children's health and safety as the top priority, using natural wood as an allergy countermeasure.

An event to mark the completion of the facility was held in October. Invited to the event were officials of the Osaka Prefectural Government's Private-Public Strategic Collaboration Desk, the ward mayor and deputy ward mayor from Osaka's Kita Ward Office,

stakeholders of the Kita Ward Council of Social Welfare, representatives of local elementary schools, and other related parties. The event was a great start to a new chapter in Osaka City's history. Many people congratulated us on the new facility. They voiced, "We want to work together to make the community livelier," and "We are glad to have such a wonderful place to eat and drink while the restaurants that used to run the children's cafeteria in the area are being closed down in the COVID-19 pandemic."

NKC Nakaniwa is based on partnerships with local NPOs and conducts activities tailored to local issues and needs based on the two main activities of Nakaniwa Children's Cafeteria and Nakaniwa Welfare Cafe.

In addition to providing free meals to children, NKC Nakaniwa practices workshops to expose them to various cultures and fun programs for parents and children to participate in. Furthermore, in cooperation with welfare service offices for people with disabilities, NKC Nakaniwa is planning and operating a place for job training for people with disabilities. This way, we explore ways to create a complex welfare business.



Nakaniwa Children's Cafeteria and Nakaniwa Welfare Cafe's logo and illustration are completed!



なかにわカフェ

Nakaniwa Welfare Cafe

A single dandelion is a group of small flowers with stamens and pistils, each of which looks like a petal.

Nakaniwa Welfare Cafe is a place for diverse people to gather and co-create the future together, from children to adults. Each small flower eventually makes a fluffy white ball of seeds, sending out seeds and inheriting life. In the same way, we aim to create a place where the community can watch over children and be close to their upbringing so that they will become bearers of the next generation.

We have created this logo that expresses these thoughts.



People are waiting for children. Children will want to come again.

Nakaniwa Children's Cafeteria was established to create a place with such warmth.

We are waiting for local children with delicious food and lots of smiles so they can go to school with peace of mind.

This illustration conveys our feelings.

■ Nakanishi Scholarship Foundation

The Nakanishi Scholarship Foundation was established in 1971 by Yoshio Nakanishi, the second president of Nakanishi Metal Works. Since then, the foundation has been providing scholarships to students with outstanding academic achievements who cannot attend school due to financial difficulties. Also, the foundation has been providing grants to research institutes engaged in surveys and studies related to industrial science and technology.

The number of recipients has reached approximately 5,000, and the total amount of scholarships has reached approximately 1.2 billion yen. Through these scholarship programs, we will improve Japan's industrial science and technology standards by nurturing useful human resources who can contribute to society in the future.



Work-style Reform

We aim to create an environment where all employees can continue working with vitality and enthusiasm.

Health Management

We are fast approaching an age in which people living to 100 or more will be the norm; being able to live a full, healthy life will become our highest priority.

The NKC Group declares its intention to work proactively to create an environment where all employees want to work—a comfortable environment where employees can work in safety and with peace of mind and can display their individuality and abilities.



Our Basic Approach

Providing employees with a comfortable, appealing work environment

We will strive to provide employees with a safe, secure environment where they would wish to work, and to cultivate a company culture that allows employees to smoothly communicate with one another. We will also promote a full range of flexible working styles that meet the needs of employees.

Supporting employees to improve their health themselves

We will promote a good life-work balance for employees so that they can keep a healthy balance of the three factors vital to health: rest, nutrition, and exercise.



Employee awareness and actions

Health is the basis for a fulfilling life

We must all acknowledge that health is both an individual thing to be treasured and is connected to improving productivity in society. Therefore, we should all endeavor to take planned rest periods, improve our diets, and take part in company-organized events.

Health for life

So that people can remain healthy for life, we need to raise everyone's awareness of mental and physical health and work to promote health.



Diversity in the work of a long-established manufacturing company

The NKC Group values the individuality of each employee and strives to create an environment where everyone, regardless of gender, age, or position, can continue to work in their way and thrive.

A cross-departmental diversity project launched!

The program was launched at the head office in April 2022 to recognize, accept, and make the most of employees' diversity in terms of gender, age, disabilities, and other factors.

The members participating in the program crossed departmental boundaries, and in the first half of the year, the program was led mainly by female members. However, from the viewpoint of diversity, male members also joined in the year's second half.



Themes and results of initiatives in the first half of 2022

Comfortable workplace from a diversity and inclusion (D&I) perspective

- Sanitary boxes installed in men's restrooms (head office)
- Sanitary napkins for emergency use installed in women's restrooms (head office)

Formation of an internal consultation community

- Planning and holding roundtable discussions (online lunch exchange meetings) that transcend departmental boundaries

Promotion of male childcare leave

- We conducted a questionnaire on barriers to promoting the use of the system (based on the survey results, the company decided on a policy for male employees to take at least one month of childcare leave).

Harassment questionnaire

- We conducted a questionnaire survey on the actual situation of harassment (469 out of 682 people responded).

Each factory promotes unique initiatives!

As a long-established manufacturing company, the NKC Group aims to promote diversity in its manufacturing sites. Each factory has set up a unique work group following the head office.

In addition to monthly review meetings attended by each factory manager, a project consisting of employees appointed within each

factory is underway simultaneously.

To create a workplace where all kinds of people can work comfortably, we are working to create a better environment by examining points for improvement in factory facilities and equipment.

Environmental Initiatives

We will do what we can to leave a better global environment for our children.

Efforts to Reduce Emissions

To prevent global warming, the NKC Group promotes 3R (reduce, reuse, and recycle) activities to mitigate emissions at each of its business and production sites.

In FY2022, we achieved zero emissions for 16 consecutive years, with no emissions going directly to landfills.



Promoting the introduction of eco-cars

As with the reduction of emissions, we are promoting the introduction of eco-cars as an activity that can be undertaken in our daily business activities to reduce environmental impact.

At our headquarters, 100% of company vehicles are eco-cars with less impact on the natural environment, and we are also actively introducing electric vehicles and hydrogen vehicles. Except for freight vehicles for business use, our production sites have a unified policy of introducing eco-cars as a basic rule for passenger cars. These efforts have been highly evaluated and introduced as a case study in an educational booklet published by the Osaka Prefectural Government.



Woody biomass power generation business

The NKC Group is engaged in wood biomass and photovoltaic power generation projects to realize a resource-recycling society.

In the woody biomass power generation business, we use 100% domestically produced thinned wood from Yamagata Prefecture (a prefecture with abundant natural resources) and neighboring prefectures, making it possible to generate power while reducing CO₂ emissions.

Using domestically produced thinned wood contributes to Japan's environment, forest maintenance, and disaster mitigation.

CO₂ reduction (annual) : 7,610.39 tons (2019 results)

Amount of electricity generated : Approx. 13 million kWh (equivalent to approximately the consumption of 3,400 average households*)

* Calculated on the assumption that each household consumes approximately 3,800 kWh per year.



WAKU²DOKI²

Division Top Talks about the Future

For many years, the NKC Group has been creating and supplying products demanded that society needs by utilizing its unique technologies.

By doing so, we have contributed to retaining the safe and reliable society.

While continuing our history, we will further deepen our ties with society in the future.

In doing so, we will more actively promote Corporate Social Responsibility (CSR) activities led by the company and Creating Shared Value (CSV) activities led by our divisions.

We contribute to the realization of a sustainable society by working together.



SDGs Declaration of the NKC Group

The NKC Group will contribute to the achievement of the sustainable development goals (SDGs) by developing a company culture that creates a positive impact on society, helps to maintain the safety and security of society through both our business operations along with our social contributions.



We support the Sustainable Development Goals

Relevant SDGs of the NKC Group

- 
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
 Through our technological capabilities and product development expertise, NKC is contributing to the **maintenance and further development of the industrial base** while remaining largely invisible to the end user.
- 
7 AFFORDABLE AND CLEAN ENERGY
 Products incorporating NKC technologies contribute to improving **energy efficiency around the world**.
- 
8 DECENT WORK AND ECONOMIC GROWTH
 We are proud of our rewarding work of developing and manufacturing products and supplying them worldwide; moreover, through our technological innovations, we are contributing to ongoing **productivity improvements**.
- 
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
 Through our technological innovations, we are contributing to proper management of product lifecycles while **minimizing negative impacts on the environment**.
- 
11 SUSTAINABLE CITIES AND COMMUNITIES
 The many different mobility solutions incorporating NKC components have contributed to **the emergence of safe and readily accessible transport systems**. In addition, they contribute to **greater comfort** through windows incorporating sliding door mechanisms.

Relevant SDGs of Each NKC Group Division

Bearing Retainer Division
 Manufacture of metal and plastic retainers, rubber products, and automobile parts



Conveyor Division
 Conveyor systems, logistics and material-handling equipment, and service robots



Sash Hardware Division
 Residential housing components, renovations, and lifestyle design



Temma Sheet Metal Division
 Cold-rolled steel products



Bearing Retainer Division × SDGs

Keeping everything moving with dependable technologies and a confident approach

The Bearing Retainer Division has been the company's backbone since its foundation and now has a unique strength as a market leader.

Our production technology, cultivated through tireless research and history, has enabled us to improve the efficiency of all the "rotations" in society and reduce environmental impact and burdens.



9

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



INDUSTRY, INNOVATION AND INFRASTRUCTURE

We support the development of all industries in two ways: through our research and development of environment-friendly components, and through the pursuit of initiatives targeting basic technologies that serve as the foundation of society. This also encompasses production technologies aimed at achieving outstanding production efficiency.



12

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



RESPONSIBLE CONSUMPTION AND PRODUCTION

With the goal of using resources efficiently and minimizing the impact on the environment throughout the entire product life cycle, we will continue to supply society with safe and secure components renowned for having the best quality on the market.



13

13 CLIMATE ACTION



CLIMATE ACTION

By acquiring comprehensive technological capabilities and an effective development system, we will increase the efficiency of "the rotation that drive society" while helping to reduce the burden on the global environment.



8

8 DECENT WORK AND ECONOMIC GROWTH



DECENT WORK AND ECONOMIC GROWTH

Every one of our employees is committed to absorbing new knowledge, systematically and continuously implementing an effective training system, operating the business with pride, and remaining a company committed to growth while contributing to society.

Supporting the NKC Group and every "rotation" of society



Kawakami,
Deputy Division Manager,
Bearing Retainer Division



Kawatake,
Manager, Bearing Retainer Division

What is the Bearing Retainer Division?

Kawakami: The Bearing Retainer Division develops, manufactures, and sells bearing retainers (parts that hold rolling elements between the inner and outer rings of bearings) and other parts used in a wide range of fields, including automobiles, precision equipment, and aircraft. Bearing retainers, in particular, are widely supported as environmentally friendly parts with the top share in the industry.

Kawatake: Bearings are said to be the "staple food of industry," and bearings of all sizes are used in all kinds of equipment. Our division makes me feel that I am contributing to society every time I see equipment moving in society.

Bearing Retainer Division and SDGs

Kawakami: Thinking again about the SDGs is a good opportunity to reaffirm our societal contribution. Since we live in an era in which society demands SDGs from companies, the Bearing Retainer Division is also researching to contribute to society by improving the performance of a bearing retainer component, thereby increasing the efficiency of rotation in the world.

Position within NKC

Kawakami: We know that the Bearing Retainer Division supports the NKC Group as the backbone of the group, which will celebrate its 100th anniversary in 2024. Many of our customers have entrusted us with their manufacturing since our founding. A period of 100 years we have walked with our customers has served as a foundation for us to expand our business into other areas.



How is the atmosphere in the division?

Kawakami: In a word, we are "agricultural people."

Kawatake: Kawatake: As a manufacturer of retainers that quietly support the function of bearings, which are said to be the "staple food of industry," our division has many serious people, just like Japanese farmers who grow rice day and night. The collective efforts of our employees' steady accumulation of hard work support today's NKC Group.



Kawakami: If you look at the sales volume alone, it is large, but each component is inexpensive. Nevertheless, they are sometimes used as automobile parts, so our mistakes could lead to a horrific accident. We use tens of thousands of model numbers and carefully accumulate many results in this department, which is why we attract serious and honest employees.

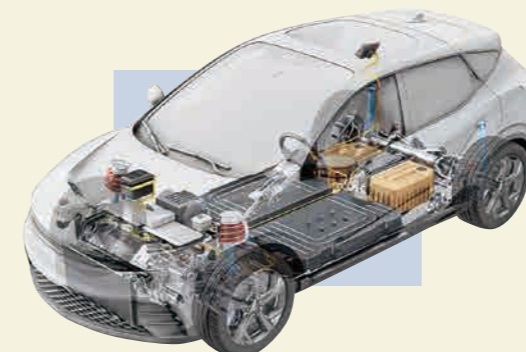
Human resource development initiatives

Kawatake: Currently, we are placing particular emphasis on technical succession. After all, we are engaged in manufacturing, so it is necessary to pass on the techniques of skilled workers to their successors. To this end, we have newly formulated a human resource development and technology transfer project and established a

sustainable education system. When you hear the word "manufacturing," you may be under the impression that you should watch and learn from skilled workers. Through this project, we have documented our know-how, and then we are implementing a system allowing anyone in any department to see these documents. I always tell everyone that the company will not grow unless we surpass the technologies of our predecessors. Without technological improvement through generational change, it is merely the metabolism of human resources. I expect our young employees to innovate by combining the new knowledge of the younger generation with the skills handed down from generation to generation.

Interesting and rewarding only in the Bearing Retainer Division

Kawakami: We manage our work thoroughly to gain the trust of our customers. On the other hand, we have an open atmosphere where everyone can say what they want to say. The NKC Group is a large corporate group, but the way we work is not much like a large corporation and is based on each person in charge. I believe that our employees will find it interesting and rewarding to either focus on the work in front of them or take ownership of it.



Kawatake: New things can only be created in an environment where people can express their opinions without hesitation. And when I receive a suggestion, "I would like to try something like this," and I say, "Well, go ahead and try it," the responsibility falls on me. So, I want everyone to make suggestions without hesitation. However, when I say, "Try it," I want them to work on it until they finish it. The coexistence of freedom and strictness has supported the backbone of the NKC Group for 100 years.



For the next 100 years

Kawatake: First of all, in terms of technology, the NKC Group has overwhelming production engineering capabilities, as evidenced by the fact that it has been in existence for 100 years. These capabilities result from our predecessors' repeated attempts without fear of failure. Our mission is to continue to create new products that are indispensable to the world while maintaining our production technology capabilities.



Kawakami: As is widely lamented, the working population will continue declining rapidly, and production costs will rise as prices soar. We must not be complacent about the joy of 100 years of continuous business but must continue thinking about how we can compete for the next 100 years. However, the NKC Group has faced and overcome many difficulties over the past 100 years. The NKC Group has the industry's top product market share and a strong sense of unity. We will continue to win in the years to come, and we are confident that we can grow beyond expectations.



Conveyor Division × SDGs

Contributing to society by providing customers with security, comfort, and high productivity through technology for conveying goods

The Conveyor Division employs a diverse range of human resources to improve the efficiency and productivity of transportation in the world.

We are building an environment where all employees can exercise their initiative and take on challenges, including implementing a Teal organization and formulating a credo.



9

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



INDUSTRY, INNOVATION AND INFRASTRUCTURE

We are supporting industrial development with our technical capabilities related to the conveyance of products indispensable to industrial processes. Moreover, we offer innovative products and services that provide automation and reduce labor through novel technologies both in Japan and around the world.



12

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



RESPONSIBLE CONSUMPTION AND PRODUCTION

While providing products and services that convey goods safely and securely, we aim to do more and better with less by consuming resources at a reduced rate in our production processes.



13

13 CLIMATE ACTION



CLIMATE ACTION

We will work to reduce greenhouse gas emissions by making conveyance more efficient and productive around the world, reducing environmental impacts, and incorporating environment-friendly technologies and production methods.



8

8 DECENT WORK AND ECONOMIC GROWTH



DECENT WORK AND ECONOMIC GROWTH

By building a culture and creating an environment in which employees can demonstrate their individual abilities and work with pride, we are improving their technical capabilities and motivation. Through this effort, we will contribute to economic growth and the emergence of society committed to sustainability.

If people change, organizations and society will change.

Sato,
Division Manager,
Conveyor Division



What is the Conveyor Division?

Sato: The Conveyor Division began producing conveyors in 1952. We have expanded our business from conveyors to conveyor systems to total factory automation. One factor that has made this growth possible is the diversity of our workers. Some are craftworker-like and love to work quietly, while others come up with many new ideas. We have teams mainly composed of female employees and those mainly composed of young employees. Some people are physical workers in the field. The technology and pride we have cultivated over the years and the synergy of our diverse employees have brought a lot of profit and added value to industries worldwide from the Conveyor Division.



To make our products last as long as possible

Sato: Sato: The NKC Group has many divisions that manufacture parts. However, our division is unique in that we deliver products, and the products we make are related to factory equipment. So, our products have been used for more than 40 years at the most. To ensure that our products can be used for as long as possible, we communicate closely with the customer staff in charge in anticipation of a decades-long relationship. What is required is ever-changing with the times. By responding



sensitively to these ever-changing needs, we have gained the support of many customers to this day.

New challenges in the logistics business

Sato: We have recently begun to enter the logistics business in earnest. The word "logistics" may conjure up images of trucking, but sorting and loading goods onto trucks is also logistics. The NKC Group is working to contribute to the logistics business from areas in which it excels, such as forklifts, and make it another pillar of its operations alongside the conveyor business. The manufacturing industry is often associated with a male-dominated workforce. Still, NKC Group is taking initiatives from various perspectives, including sales strategies from the perspective of females, and seeking new approaches to logistics by communicating through social networking services.

The importance of basics the COVID-19 pandemic taught us

Sato: Due to the public's reaction to the COVID-19 pandemic, many companies suspended new factory expansions. The pandemic affected us as well. However, last year we recovered to pre-COVID-19 levels in Japan. This was because even in difficult times, we did not forget the basics, gathered maintenance, modification, and other work orders, responded to them in-house, and worked steadily to build our business. These experiences gave us a good opportunity to solidify our ground once again.

Teal organization and credo development

Sato: The Conveyor Division is characterized by the fact that it is an organization that requires particularly strict safety measures, as it has both field sites and factories. Our customers' or employees' safety cannot be protected without a strong commitment from the management in this area. However, if our employees only do what their supervisors tell them, they will not be able to respond quickly to any irregularities that may occur. Therefore, the Conveyor Division has formulated a credo (philosophy) so that all employees can aim high with a renewed focus on the same direction. We also introduced a Teal organization* as a structural reform.

* Teal organization: An organization in which all members are proactively engaged in the business in a flat environment where all members have responsibility and authority.



Feeling growing pains every day

Sato: The Teal organization is currently in its second year, and we are working hard to promote it. There is no right answer to this organization, and we are moving forward while searching for the best way to enable each employee to make decisions based on their own will and ideas. However, a Teal organization does not mean that "each employee must take responsibility." Do not

misunderstand this point, and we avoid such misunderstandings. Changing a conventional organization is difficult, and our challenge is building a system tailored to people. When our Teal organization takes root, everyone in each division should be able to act spontaneously with the interests of the department and the company in mind. And when everyone can say, "This is what we want to be," I believe we will see new possibilities for the Conveyor Division.

Realizing the future we envision

Sato: I think the NKC Group is an attractive company eager to provide a comfortable work environment. It has many initiatives that employees can boast about to their friends. I want to make NKC a company that fosters employee motivation and satisfaction by using these initiatives as a gateway. As the Conveyor Division, we need to contribute strongly to society through carbon neutrality and other initiatives to meet our customers' expectations regarding sustainable development. Our conveyors are needed around the world. The logistics business is also a growing market. So, we would like to double or triple its scale and make it a pillar of the NKC Group. Furthermore, with the know-how gained from growing this business, we will make it to the next 10 to 20 years to grow the next business. I am excited and looking forward to the Conveyor Division's future growth and our employees' growth.



Sash Hardware Division × SDGs

Taking pride in creating value that is unique in the world while growing as a business division admired by all

The Sash Hardware Division evolved from the production of door rollers by applying the rotation technology of bearing retainers and entered the renovation business and then the pet business.

Our emphasis on where relevant activities happen, relevant things, actual conditions, know-how, and rules, and our free and vigorous organizational culture contribute to the “rotation” of the life cycle of the local community.



9 INDUSTRY, INNOVATION, AND INFRASTRUCTURE



In addition to streamlining the manufacturing process by introducing automated equipment, we will strive to improve our productivity by training and allocating personnel capable of demonstrating their unique abilities.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



By strengthening our quality assurance system from the customer's perspective, we will fulfill our responsibilities as a manufacturer and provide safe and secure products and services.



8 DECENT WORK AND ECONOMIC GROWTH



We aim to create a sense of unity by assigning diverse personnel and encouraging the participation of all employees. In this way, we will create a strong yet flexible business division in an unrestricted and vigorous organizational culture.



11 SUSTAINABLE CITIES AND COMMUNITIES



We are contributing to the emergence of neighborhoods with heart by nurturing our communities and by strengthening the design and functionality of our products and constructing residential properties that can be enjoyed in comfort over many years.

Contribution to the "rotation" of life cycles



Nishigaki,
Division Manager,
Sash Hardware Division



Murano,
Manager,
Sash Hardware Division



Tsuji,
Manager,
Sash Hardware Division



Hiura,
Manager,
Sash Hardware Division

What is the Sash Hardware Division?

Nishigaki: The Sash Hardware Division was originally derived from the Bearing Retainer Division. We started manufacturing door rollers as an application of our rotation technology. Today, we have expanded the scope of our business to housing-related parts for windows, including door rollers. We are also expanding our renovation business and pet business.

Murano: People might say that the pet business is no longer rotation-related. But if you think about it in terms of lifecycle, it is "rotation" in the broadest sense.



Nishigaki: Nishigaki: Thank you for explaining it so well and simply (smiles). Unlike other divisions, the Sash Hardware Division does not have the names of the products and services it handles in the name of the division. The Sash Hardware Division is unique in that it takes "rotation" action in the broadest sense of the word.

Expansion from sash roller to renovation business

Nishigaki: Until decades ago, when a window sash was damaged, the only way to repair it was to remove the entire window frame from the wall. Then, the cover-up method was introduced. By covering the old sash with a new one, it is relatively easy to renew the sash. However, the cover construction method produces a large amount of waste material, which goes against the recent SDG trend. Therefore, we recommend replacing the door rollers before the sashes are damaged. If they are replaced at the right time, they can continue to be used for

the next 20 years.

Murano: Sash rollers are available at do-it-yourself stores. They can be replaced individually. However, if a stainless steel sash roller is attached to an aluminum sash, the sash roller will be too hard and damage the sash. This is not well known to the public. Therefore, we are appealing to the management associations of condominiums so that they can be aware of this at the appropriate time.

Animacolle, a new business

Hiura: The mission of the Sash Hardware Division is to take action in the housing environment. However, considering our next business, we turned our attention to the pet business, starting with the sash roller business and renovation business. Among them, we focused on the fact that in recent years the number of cats kept in households has exceeded the number of dogs, so we decided to develop a business targeting households with cats.

Tsuji: With the technology for metal fittings to support rotation that the NKC Group has cultivated over the years, we can contribute to pet safety. When we commercialized a cat step five years ago, we proved its safety by conducting a durability test more than 10,000 times, assuming a weight of 15 kg. Similar products have emerged. However, our quality, backed by our technology, is gaining support, and we are seeing an increasing number of repeat customers.



Hiura: In conjunction with the conclusion of a comprehensive partnership agreement with Osaka Prefecture, we are also involved in activities such as donating cat steps, cat hammocks, and pet supplements to the Animal Protection and Management Center (Animal Harmony Osaka). It is very encouraging for us to see the recipients' delight in our activities.



Enforcement of "5G methodology"

Nishigaki: One of the characteristics of the Sash Hardware Division within the NKC Group is that it is a collection of different business forms: Manufacturing, service, and electronic commerce (EC). I advocated for each business to create synergy without being disjointed. This is the "5G methodology"*, which is indispensable for a manufacturing company. We aimed to create an environment in which it is natural for everyone to be knowledgeable about the work site and products. The first sign that the "5G methodology" had taken root was when we won a competition and received an order for what we called a "next-generation operator" product. The atmosphere within the division changed, and excitement transcended the division.

* The 5-gen principle is a concept used by manufacturers in Japan that stresses the importance of the place where relevant activities happen (genba), relevant things (genbutsu), actual conditions (genjitsu), know-how (genri), and rules (gensoku).
Tsuji: I remember those days well. The competition-winning order started a cycle that was better than ever. Communication with the production site became closer. But it wasn't just that; it was also how Mr. Nishigaki approached every aspect of our daily life, such as making sure that the annual activity policy was firmly rooted throughout the entire division and promoting a culture of greetings. It is now so commonplace that it has taken

root in the company. Mr. Nishigaki is truly the sun of the Sash Hardware Division (smiles).

Looking ahead to the future

Murano: We all felt this keenly after the recent COVID-19 pandemic. However, the world is "rotating" at a dizzying pace. As the external environment changes, we must become a division that can provide new value in response to these changes.

Hiura: To this end, human resource development must be planned from a long-term perspective. I want to pass on the skills and energy of veterans to the younger generation to nurture newcomers with endurance, not just rapid innovation.

Nishigaki: To reach out to the younger generation, we support career education at prefectural technical high schools through a comprehensive partnership agreement with Osaka Prefecture. If we can let students interested in manufacturing and the SDGs through special classes and factory tours, we may be able to say that it is a new value we offer to society.

Tsuji: The charm of the Sash Hardware Division is that we are not overly bound by restrictions and can take on various challenges. I can't wait to see the young, mature employees' actions.

Nishigaki: There are many social problems in the world. However, there are also a wide variety of actions we can take. All of us in the division will work together to take action so that we can be a division that the public can rely on for a long time.





Temma Sheet Metal Division ~~SDGs~~

Continuing to address the challenges of materials and our society

The Temma Sheet Metal Division supports society's safety by processing steel materials used for automobiles and housing with its unique rolling technology.

Japan's Shinkansen bullet trains would not be able to run without them.

Behind this success lies the development of human resources who can think and act independently.

9

9 産業と技術革新の基盤をつくろう



INDUSTRY, INNOVATION AND INFRASTRUCTURE

By providing durable materials that benefit from our rolling and annealing processes, we are contributing to the development of industry with the goal of developing adaptable, persistent, and flexible technological innovations.



12

12 つくる責任 つかう責任



RESPONSIBLE CONSUMPTION AND PRODUCTION

We will provide products that utilize resources efficiently through rolling processes requiring no polishing and by implementing waste reduction efforts in our production processes, thus employing resources in the most effective manner.



13

13 気候変動に具体的な対策を



CLIMATE ACTION

In addition to operating our facilities in the most efficient manner, we will reduce our global environmental impact by making environment-friendly capital investments.



8

8 働きがいも経済成長も



DECENT WORK AND ECONOMIC GROWTH

We intend to improve our operational efficiency by training personnel who can think and act independently while improving our employees' work-life balance. We will thus maintain a high growth rate while adding even greater value.

Improving individual strengths to become a team that can be proud to be a part of the world



Hagino,
Division Manager,
Temma Sheet Metal Division

What is the Temma Sheet Metal Division?

Hagino: Hagino: The Temma Sheet Metal Division is engaged in the cold rolling process of steel materials for metal products used in automobiles and housing. Our unique rolling technology enables us to process plates to the thickness requested by our customers. As we will introduce later, our work is indispensable for the safe operation of the Shinkansen bullet trains. We also have a new plant now under construction, and I can say that every one of our employees is proud of working in this division.

Position within NKC

Hagino: Originally, as the name implies, this division was located within the headquarters in Temma, Osaka, and was positioned as a subcontractor of the Bearing Retainer Division. Today, while maintaining close ties with the Bearing Retainer Division, it has become a long-established division with a venture spirit. As a small division, we cannot grow if we only protect it, and I believe it is important to be aggressive to make our presence felt within the NKC Group and society at large.

What are the selling points of Temma Sheet Metal Division's products? What are the selling points of your products?

Hagino: We are particular about materials and use our unique methods for rolling, heat treatment, and cutting. We are proud that many of our customers support us and say, "I prefer Temma Sheet Metal Division's products" because of our elaborate process.

We also have customers who have used products from other companies and come back to us. We feel that we have earned their trust and appreciation.



Relocation that was not straightforward

Hagino: In 2021, the entire division relocated to the current Kobe Plant. It was a major relocation that involved moving the entire division, so I think it was a pretty big event in terms of the history of the NKC Group. We brought the equipment used at the old plant directly to the Kobe Plant and were very surprised. The old equipment had become accustomed to the historical soil of Temma, and when we tried to operate it at the new, clean Kobe Plant, it did not work properly. We made adjustments in a panic, and now it is working properly, but at the time, we were really in a hurry, worried that the bullet train service would stop.

Commitment to human resource development

Hagino: The Temma Sheet Metal Division has about 50 members, including our group company NKC NASSH. These 50 people manufacture materials for bearing retainers used in almost all Shinkansen bullet trains. In other words, without us, the Shinkansen bullet train service would not run. I want everyone in the division to recognize again that we are doing something great. Once they gain confidence, the division will grow into a proactive organization where people can express their opinions about anything. On the other hand, I also believe that we must make our own choices in life. Ideally, I would like them to work with the awareness that they do not do things because I tell them to but



because they want to. To this end, I place importance on individuality. When I speak to them, I try to give them direction, but when they take action, I praise them and acknowledge them, even if it is a small action.

Expectations for division members

Hagino: Before I became a division manager, I worked as a sales representative for the Temma Sheet Metal Division. One of the



episodes I remember from that time was when I kept visiting a major automobile company for two months. At first, it wasn't easy to get a job offer. However, thanks to my persistent efforts, I became a candidate for a supplier of fuel cell automobile parts. What I want to say is not that you should go for it. I want to say that everyone has a chance, so don't be afraid to take on challenges. If everyone in the division takes pride and confidence in their work, I believe that this division will continue to make great strides.

Temma Sheet Metal Division's vision in 10 years

Hagino: Our products have been used since the 0 Series Shinkansen bullet train. We want to make sure that we can live

up to the trust and expectations for our existing products. Of course, we will go beyond that. We are always thinking about how to add new value to our products. One of our technologies was recently selected for A-STEP (Adaptable and Seamless Technology transfer Program through target-driven R&D). We are scheduled to make a presentation at an international conference to be held at the Vienna University of Technology in Austria. We believe that if we can use this as an opportunity to attract attention from around the world, the added value of our division will increase.

To fight through the new era

Hagino: President Nakanishi always keeps his perspective high and is moving forward with overwhelming speed toward the coming new era. We cannot simply try to keep up with his speed. What can we do to surpass President Nakanishi? Is there anything we can do to surprise him? Only by constantly looking for opportunities will we be able to build up the NKC Group with the same sense of speed. We will start by improving the factory environment and fostering human resources to solidify the groundwork. Shortly, we will lead innovations that will surprise society. We will be a one-of-a-kind team.

