



NITTO KOHKI CO., LTD.

# Social & Environmental REPORT 2022

日東工器 2022年 社会・環境報告書 (ダイジェスト版)  
(Digest Version)



Fulfilling social responsibilities  
and creating a sustainable society  
through environmental initiatives

## Top Message

Becoming a business that contributes to the development of the industry, abundant lives, and society



Representative Director, President  
Nitto Kohki Co., Ltd.

As the effects of the COVID-19 pandemic continued to be felt in FY2021, the economies of countries with high vaccination rates started to recover. Although the spread of infections in Japan was severe, the economy showed signs of recovery, with businesses resuming capital investments and productive activities. Despite this, the increase in rates of infection due to new strains of the virus has put us in a challenging situation as we struggle to find ways to move on with our lives. Russia's recent invasion of Ukraine has made the situation even more chaotic. It is impossible to predict what the future holds. That is why we need to be attentive and prepared to swiftly respond to change.

### Adapting to the COVID-19 pandemic

At the Nitto Kohki Group, we have continuously been practicing sales activities utilizing IT tools and promoting staggered commuting and working from home ever since the start of the pandemic, regardless of whether a state of emergency is declared or not.

Last fiscal year, as the municipality was struggling to get hold of a sufficient number of vaccines, we cooperated with entities such as the local commerce and industry promotion association to turn our head office into a vaccination site and had employees handle tasks such as reception on a voluntary basis, conducting workplace vaccination programs twice. In addition to our own employees, we also provided vaccinations to around 1,100 people from around 100 local shops and businesses, receiving gratitude from Ota Ward and the Commerce and Industry Promotion Association. Although nobody knows how the pandemic will develop from here on out, we will continue to prioritize the prevention of infections among our staff and everyone else involved in the business.

One of the pillars of our sales activities is having customers actually see, feel, and try our products to deepen knowledge of their functionality. With the restrictions imposed by the COVID-19 pandemic, we have been proactively utilizing IT tools in our sales activities. Thus far, we have created and uploaded over 500 YouTube videos introducing our products. They are available not just in Japanese, but in a total of 10 languages including English, German, Spanish, Chinese, etc. We also held virtual exhibitions in



Southeast Asia. While looking toward the post-COVID 19 society, we will continue to improve our work efficiency and rationalize our production via automation and labor saving.

### Global warming countermeasures/ CO<sub>2</sub> emissions reduction

Global warming is also a pressing issue. A consensus to pursue efforts to prevent global warming of more than 1.5°C was reached at COP26 in 2021, and governments must now take even more proactive measures. The road to carbon neutrality is certainly a difficult one, but we have a shared responsibility to realize this goal. Ever since our founding, we have been meeting the needs of the times by realizing labor reductions with the development of innovative products. I believe our production efficiency-improving technologies will also contribute in various ways to the realization of a decarbonized society.

We will develop and provide next generation hydrogen fueling couplers beginning with the "HHV CUPLA" used in the Toyota MIRAI fuel cell vehicles, which do not emit CO<sub>2</sub>. Through the widespread use of hydrogen, our technologies will contribute to the reduction of CO<sub>2</sub> emissions and the realization of an environmentally friendly hydrogen society.

### Developing environmentally friendly products

We have implemented the DfE (Design for Environment) design approach into our product development. We check how environmentally friendly the design is at each step, from conception to disposal, and consider ways to reduce the environmental burden as much as possible.

In addition to environmental conservation-related initiatives centered around our products, we at Nitto Kohki also recognize the importance of improving customer satisfaction and lowering the environmental burden through our business activities. We will continue to fulfill our various social responsibilities while contributing to society and the lives of local residents.

Part  
1

We will continue to serve our stakeholders with complete sincerity and accumulate confidence.

## Corporate Governance / Internal Controls

### Corporate motto

#### Development provides corporate insurance.

The word "development" in the corporate motto carries four meanings.

1. Development of products that contribute to society.
2. Development of sales markets.
3. Development of human resources.
4. Development of a system for organization management.

Striving to realize these objectives energizes the company's management culture and ensures ongoing development of the business. In other words, such endeavors constitute "insurance".

### Action principles

- Mobilize creativity and accumulate technology.
- Cultivate morale and accumulate vitality.
- Act with complete sincerity and accumulate people's confidence.

### Management policy

- Contribution to society
- Employees' wellbeing
- Corporate development

### Roles of the board of directors and internal controls

The board of directors currently consists among five directors (as of March 2022) and holds monthly regular meetings. Among the five directors, two are outside directors who have no vested interest in the company.

At the board of directors meeting, directors who execute operations proactively make proposals necessary for the company to grow. The outside directors express their opinions on these proposals from the perspective of improving corporate value over the medium to long term, and they fully discuss and make decisions on these proposals. The board of directors also discusses the development of systems to ensure proper business execution in accordance with the Companies Act.

The basic policy on internal control is disclosed in the "Report on Corporate Governance" on our website. By developing and properly managing our internal control system, we aim to fulfill our social responsibilities.

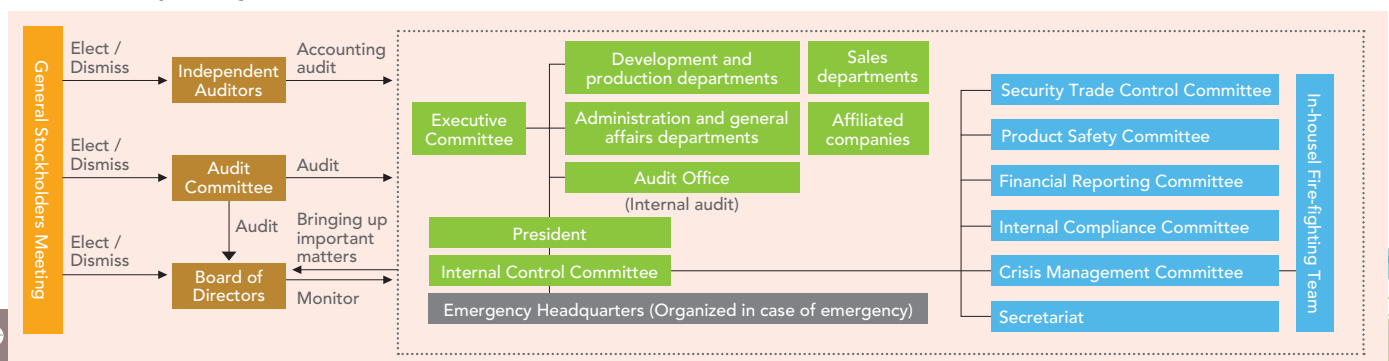
As an independent internal audit department, our audit office contributes to sound and rational management by objectively

assessing control activities, risk analysis, communication of information, business improvements, and compliance with laws and regulations, based on comprehensive planning by all internal divisions. In FY2021, a violation of EU chemical regulations for one of our products was discovered and reported to the EU. There have been no reports of requests or complaints from stakeholders.

The audit committee currently consists of three auditors (as of March 2022), two of which are outside auditors. Auditors attend meetings of the board of directors and other important meetings to strictly monitor and appropriately express opinions on directors' execution of duties.

The audit committee collaborates with and gathers information from individual directors, independent auditors, and the audit office. A regular audit committee meeting is held every month, where the committee members deliberate on the information gathered and take necessary measures such as making recommendations to management.

#### Internal control system organization chart





Topics | COVID-19

# COVID-19 Workplace Vaccination



We held workplace vaccinations for COVID-19 in the main conference room at Nitto Kohki Headquarters.

**Date** [1st Session] September 2 (Thursday) — September 4 (Saturday)  
[2nd Session] September 30 (Thursday) — October 2 (Saturday)

**Venue** Main conference room in the Nitto Kohki Headquarters  
Number of vaccinations: approx. 1,100

## About the Workplace Vaccinations

### Comments from the director

In response to a request for cooperation from the Naka-kegami Commerce and Industry Promotion Association, we provided COVID-19 vaccination venues twice to a total of approximately 1,100 people from our company and 100 local stores and businesses for six days between September and October. We made every effort to provide vaccinations

to everyone in the local community as quickly as possible with the support of the original reservation system of the management company and assistance from many health care workers and members of the medical community. Despite the difficulties of managing the venue, we felt the joy of contributing to the community, having received words of gratitude from local residents.



Mr. Asakura, General Affairs Department

### Comments from the organizer

In preparation for the implementation of the workplace vaccinations, we had difficulty in confirming and securing the number of applicants (at least 1,000) necessary to apply for registration. In addition, the scheduled vaccination start date was delayed due to a delay in the acceptance of the application by the Ministry of Health, Labour and Welfare. This made it difficult to report the progress to related parties, coordinate the number of applicants, and count the number of applicants.

Furthermore, due to reports of foreign matter contamination of the vaccines a few days before the scheduled vaccinations, we had to make various adjustments right up to the vaccinations, such as confirming

lots and contacting applicants. We welcomed more than 1,000 people, including foreign residents and children over 12 years old, to the venue. For this reason, we tried to make the bulletin board easy for everyone to understand by adding illustrations and photos to the instructions, explanations, and infection prevention measures. We felt a great sense of accomplishment in contributing to society when the people who received vaccinations complimented us on our smooth venue management.

\*The third round of workplace vaccinations was administered in April 2022.



Ms. Imai, General Affairs Department

Mr. Kaneko, General Affairs Department





## Awarded a Certificate of Gratitude from Ota Ward, the Local Chamber of Commerce and Regional Entities

We received the following comments and were awarded a certificate of gratitude from Ota Ward, the local Chamber of Commerce and regional entities for providing workplace vaccination venues for approximately 1,100 people from 100 local stores and businesses as well as our company.

### Comments from the mayor of Ota ward

"We are grateful to your company's contribution for providing workplace vaccination venues as the government alone was unable to do enough to help."

### Comments from the Commerce and Industry Promotion Association

"It was really encouraging that Nitto Kohki provided an environment where our employees and their families can work safely even amid the COVID-19 pandemic."

In accepting the letter of appreciation, Nitto Kohki introduced our products and social contribution activities. Nitto Kohki will continue to practice its corporate philosophy of "Contribution to society" and contribute to the development of local communities.



Part  
**2**

Creating the future of the industry, based on energy- and labor-saving technology  
**Business Fields / Financial Situation**

Based on our corporate motto of “Development provides corporate insurance,” we conduct business activities based on unique technologies.

We have been operating our business over half a century as a company pursuing high-quality manufacturing.

Our business is divided into four fields:

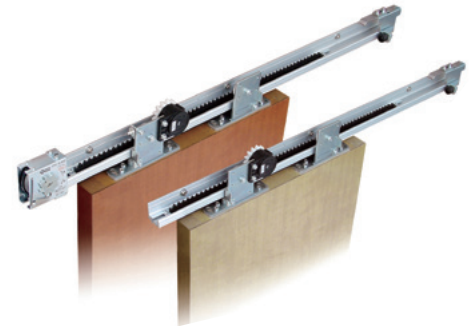
1. CUPLA Quick Connect Couplings, which includes a range of over 25,000 products.
2. Labor-saving tools and “delvo” electric screwdrivers.
3. Compressors and pumps, including linear motor driven free piston type pumps and other products.
4. Door closers that don’t require power sources.

The word “development” in our corporate motto not only refers to technology and products, but also innovations in marketing and human resource development. Nitto Kohki will continue to strive for further growth and development through management centered on development.

**Door Closers**

The AUTO-HINGE series of door closers are eco-friendly products that quietly close doors using hydraulics and springs, providing safe and more comfortable living space.

Door closers, which allow doors to be opened safely, are attracting attention for their accessibility. They are used in a wide range of fields, including residences, schools, and medical facilities. We are developing products suitable for various customer needs.



**Quick Connect Couplings (CUPLA)**

Quick connect couplings CUPLA can be used to quickly and securely connect/disconnect various fluid lines such as air, water, oil and chemicals. One of the world’s top coupling brands, the CUPLA series is used in a wide variety of industries.

With a line-up that now exceeds 25,000 products, we have one of the largest market shares in the industry. We can propose and provide eco-friendly products and products for unconventional applications.

We are developing high-quality functional products of the new era to meet various demands.

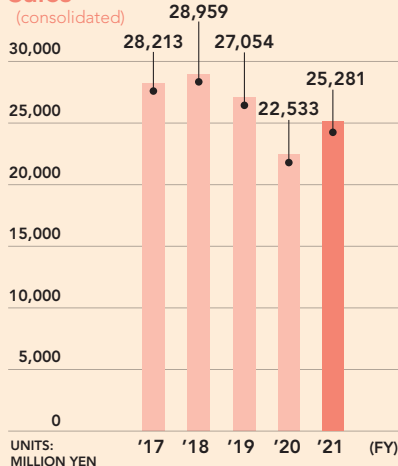


CUPLA  
**45.3%**

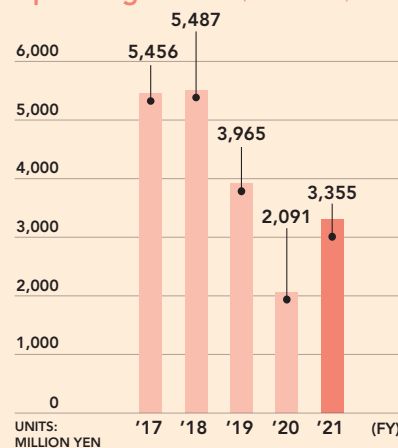
**Financial data**

Please see our website for more detailed financial data. <http://www.nitto-kohki.co.jp/e/ir/>

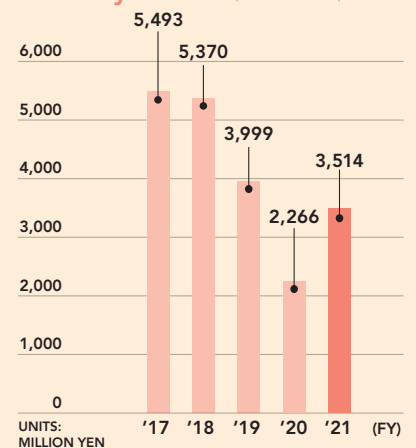
**Sales**



**Operating income**



**Ordinary income**





### Compressors and Pumps

In addition to our core line-up of linear motor driven free piston type pumps, we offer various vacuum pumps and compressors.

We also have a range of unique applied products for medical and home use based on these technologies.

Its applications are expanding into a variety of fields, including industrial equipment.



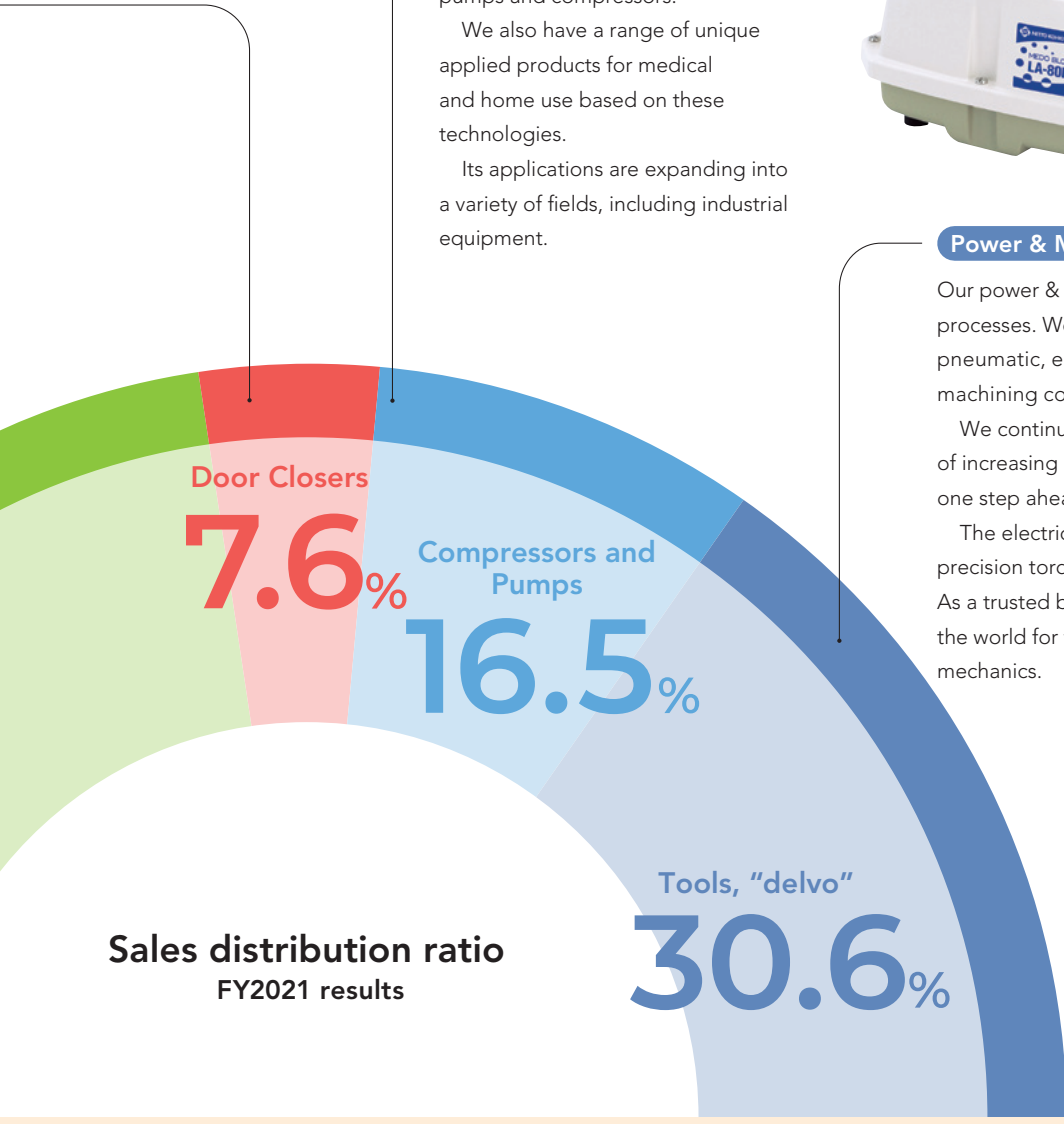
### Power & Machine Tools (Tools, "delvo")

Our power & machine tools are used for a variety of processes. We have a lineup of products driven by pneumatic, electric, or hydraulic sources to suit various machining configurations and work situations.

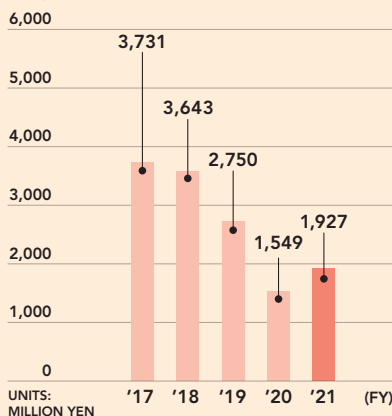
We continue to challenge the eternal theme of increasing power and miniaturization, staying one step ahead of our customer's needs.

The electric screwdriver "delvo" realizes high-precision torque control and user-friendliness.

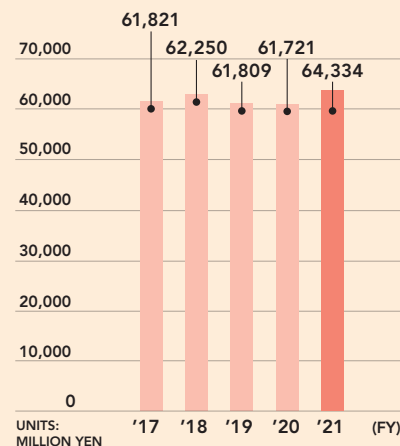
As a trusted brand, "delvo" is used all over the world for the assembly of precision mechanics.



### Profit attributable to owners of parent (consolidated)



### Total assets (consolidated)



### Corporate Outline

<b>Trade name</b>	NITTO KOHKI CO., LTD.
<b>Founded</b>	October 22, 1956
<b>Headquarters</b>	9-4, Nakaikegami 2-chome, Ohta-ku, Tokyo 146-8555, Japan
<b>Capital</b>	1,850 million yen (Common Stocks are traded in Tokyo Stock Exchange, First Section: Machinery)
<b>Number of employees</b>	Consolidated 1,023 /Non-Consolidated 466
<b>Date of acquisition of ISO9001</b>	December 1997
<b>Date of acquisition of ISO14001</b>	May 2004
<b>Group companies in Japan:</b>	3 TOCHIGI NITTO KOHKI CO., LTD. SHIRAKAWA NITTO KOHKI CO., LTD. MEDOTECH CO., LTD.
<b>Group companies overseas:</b>	6* U.S.A. , Germany, Thailand, Australia (2 companies), China (as of March 31, 2022)

\*We now have 5 overseas group companies because NITTO KOHKI AUSTRALIA MFG. PTY LTD. was dissolved in July 2022.

Conserving the environment through proposal-based sales activities

## Together with the Customer

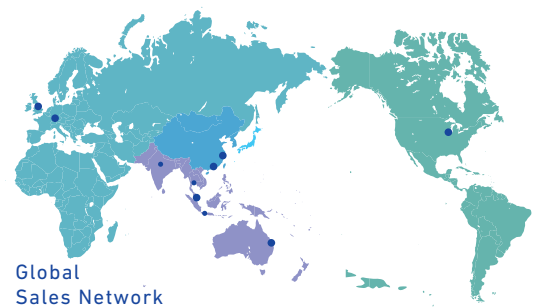


The Nitto Kohki Group seeks to contribute to the conservation of the environment by promoting proposal-based sales including eco-friendly products.

### Global sales office expansion

Nitto Kohki is now applying its philosophy of “contributing to society by realizing labor-saving products and improving working conditions in industrial circles” all over the world. Currently, we have ten subsidiaries in nine different countries and are continuing our global expansion by establishing agency networks

and representative offices around the world. As Japanese companies attempt to enter global markets, new growth strategies are required. For this reason, we are focusing on developing the global market under our strong group ties. As with our domestic businesses, we seek to provide high quality products to satisfy customers all over the world.



Global Sales Network

### Staying close to customers in the midst of the pandemic

Due to the COVID-19 pandemic, in FY2021, it has become difficult to conduct traditional proposal-based activities such as visiting customers, having them see, feel, and try out our products, and finding solutions together. Therefore, we are implementing new measures to be useful to our customers without actually visiting them.

#### 1. Uploading videos on YouTube

Since it is difficult to meet with customers, we are uploading more videos on YouTube instead of having customers see and experience our products in person.

As of the end of March 2022, there are 771 videos (214 in Japanese and 557 in other languages).



#### 2. Virtual Exhibition

As it is also difficult to hold real-style exhibitions in the world due to the pandemic, we held a total of 16 online exhibitions (Virtual Exhibition) in Indonesia, Malaysia, and the Philippines.





Part  
**2**

Contributing to society and building good relations with local communities

## Our Bond with Local Communities and Society

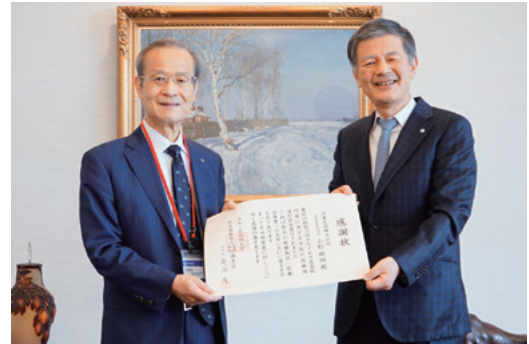


Nitto Kohki seeks to build bridges and grow together with local communities.

In addition to business activities, we will also contribute to society and local communities through a wide range of activities in the future.

### Donation of the "Qtum" portable phlegm aspirator

Due to the COVID-19 pandemic, the number of cases of pneumonia requiring phlegm suction has been increasing. Under these circumstances, we donated our portable phlegm aspirator "Qtum" QT-500A to 36 hospitals of the Social Welfare Organization Saiseikai Imperial Gift Foundation and other hospitals nationwide. In April 2021, Mr. Sumitani, Chairman of the Saiseikai, visited our company and presented us with a letter of appreciation.



### Inviting people with disabilities to basketball games

Nitto Kohki's management policy includes "Contribution to society." As part of our social contribution activities through sports, in January 2022, we invited approximately 100 people with disabilities living in Ota-ku, Tokyo, their attendants, and our employees to a game of the "Tokyo Haneda Vickies,"\* a team in the national women's basketball top league "W League."

Invitees commented, "I was glad to be able to watch a game in person for the first time in a while, as I have been going out less than before due to the pandemic," and "I really enjoyed the excitement of the shots and the tension of the game." We will continue to engage in such social contribution activities.

\*As an official partner of the Tokyo Haneda Vickies, Nitto Kohki provides the team with the "Medomer" massage device to support their activities.



### Donation of cardboard for temporary beds

NITTO KOHKI INDUSTRY (THAILAND) CO., LTD. (NKIT) supports activities to provide temporary beds for patients with COVID-19. In May 2021, NKIT donated cardboard to Ayutthaya City Park, a shopping center in Ayutthaya District of Thailand, which were made into beds and provided to temporary hospitals in the country.

Ayutthaya City Park presented us with a letter of certification for this donation. NKIT will continue such efforts as part of its social contribution and environmental safety activities.



# Environmental Policy

## Part 1

Dedicated to realizing sustainable management that is both people- and eco-friendly

## Nitto Kohki's Ideal Environmental Management



Based on ISO14001, Nitto Kohki promotes sustainable management that takes the environment and people into consideration across all business activities, including the development of environmentally friendly, labor-saving and energy-saving products, production optimization and energy conservation, waste reduction, sales activities, and product distribution.

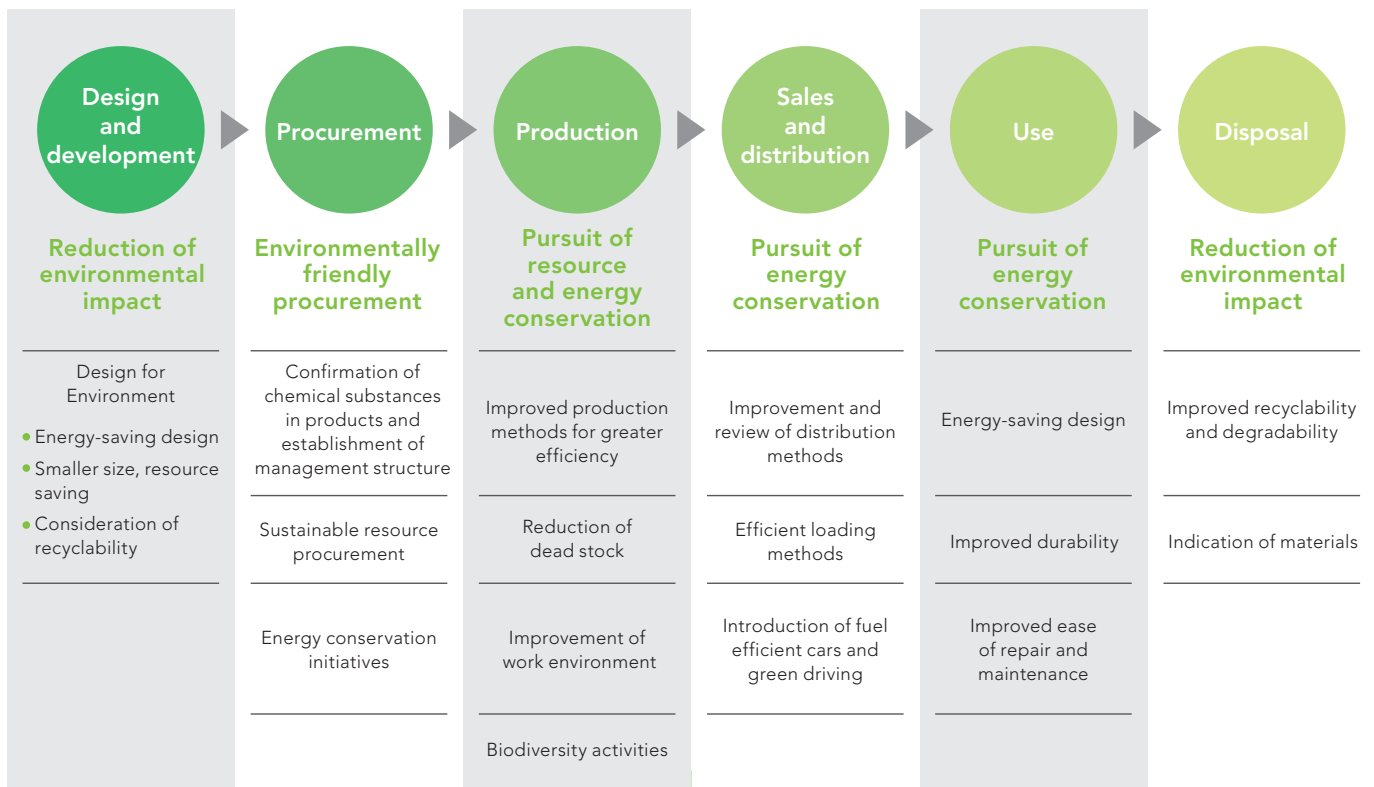
### Nitto Kohki's material environmental issues

Nitto Kohki is a manufacturer that develops, produces, and sells labor-saving and energy-saving products. The major environmental issues that affect the environment in our business activities are listed on the right. We consider these as material environmental issues and are working on them based on ISO14001 and ISO9001.

- ① Reduction of environmental impact of developed products (Design for Environment)
- ② Management of chemical substances in products and establishment of management system
- ③ Pursuit of efficient production
- ④ Reduction of CO<sub>2</sub> emissions in normal operations such as development, production, and sales (Electricity and gasoline consumption, waste emissions, paper recycling, etc.)

### Nitto Kohki's Value Chain

Nitto Kohki is working to reduce environmental impact at every stage of our operations: design and development, procurement, production, sales and distribution, use, and disposal.



Part  
**2**

We consider conserving the environment and improving customer satisfaction to be top priorities



# Quality/Environmental Management Policy

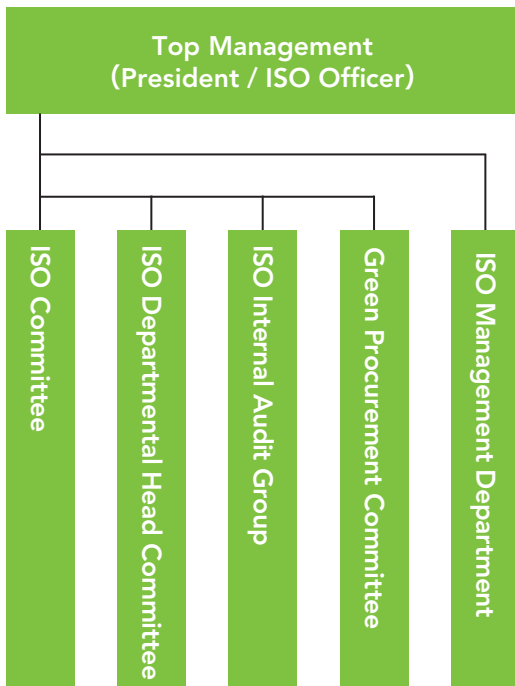
## Quality/Environmental Management System

Based on ISO9001 and ISO14001, Nitto Kohki gives ample consideration to the environment and people, strives to enhance customer satisfaction, and promotes sustainable management across all business activities, including product development, manufacturing, sales, marketing, logistics, and services.

### Quality/Environmental Management Policy (ISO9001/ISO14001)

- 1 At Nitto Kohki, every employee efficiently utilizes ISO in all business processes, including design, development, manufacturing, and marketing of quick-connecting couplings, machine tools (pneumatic/hydraulic/electric), air compressors and pumps, and door closers. In this way, we seek to maintain quality, improve customer satisfaction, and conserve the environment.
- 2 We strive to prevent pollution through eco-friendly products, green procurement, green purchasing, resource and energy conservation, recycling/reuse programs, and waste reduction.
- 3 We will comply with all environmental regulations in our business activities.
- 4 We set quality and environmental targets and periodically conduct internal audits and management reviews to improve our quality and environmental management systems.
- 5 We aim to clarify and improve business processes.
- 6 We will document this policy, keep employees informed about it, and disclose it at the request of stakeholders.

### Quality/Environment Management System



### Operation of Quality/Environment Management System

- ① ISO Departmental Head Committee meetings: Once a year  
Reporting on the year's activities and the results of ISO internal audits, and communicating the activities for the following year
- ② ISO Committee meetings: Once a month  
Based on each department's achievement results, checking progress against targets, formulating annual plans, and communicating information to each department
- ③ ISO Internal Audits: Twice a year  
Identifying and improving the status of compliance with ISO9001/14001 standards, effectiveness in operations, and the efficiency, weaknesses, and strengths of the operations themselves
- ④ Management Review: Twice a year  
The Corporate Planning Department and the ISO Management Manager prepare an "ISO Management Review Report" and report a summary of activities to top management. Top management periodically review ISO activities based on this report.





Part  
3

Nurturing awareness of the environment at headquarters and research center surrounded by lush greenery

## Efforts by Offices



The headquarters' offices employ energy-saving technologies for air conditioning. We use the power of nature to keep our offices comfortable throughout the year without placing additional burdens on the environment.

### Nitto Kohki headquarters



Nitto Kohki's headquarters buildings are environmentally friendly in many ways.

For example, the offices have large double glazed glass windows that bring in natural daylight and prevent heat from entering and leaving the building. This saves electricity.

Our buildings are particularly distinctive for the louvers (motor-driven external blinds). They can cut radiant heat from the walls by approximately 90%, thereby contributing to energy saving.

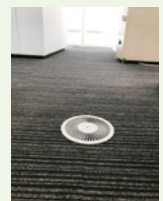
For air conditioning, aluminum radiation air conditioning panels are installed on the ceilings, and chilled water runs through them to keep our offices cool. We have also installed under-floor air conditioning to provide additional cooling. In the colder months, the air conditioning is turned off and natural ventilation is provided through the ceiling areas near the windows and screen doors. Compared to conventional air conditioning, these systems save about 30% energy.

The buildings' water supply system stores rainwater in underground tanks for toilet flushing use. As a result, water consumption at the headquarters is 40-50% less than that of a typical system.

### Ventilation by air conditioning

The air conditioning system at the headquarters, described on the left, is also effective in preventing the transmission of COVID-19. The system is installed on each floor of the headquarters office building. In addition to temperature, humidity control, and dust removal, the system also has an automatic ventilation function useful for preventing the spread of viruses.

As a measure against viruses, the Ministry of Health, Labour and Welfare recommends maintaining the required ventilation volume (30m<sup>3</sup> per hour per person), temperature of at least 18°C, and humidity of at least 40%. This system can maintain conditions in line with these standards. As there is no need to open or close windows in the work area for ventilation (except in meeting rooms), this prevents drops in temperature and humidity. This system is essential for better air quality.



# Part 4

## Contributing to environmental protection with unique technologies and design Product Development



Nitto Kohki prioritizes eco-friendliness during product development. An example of this is our use of Design for Environment (DfE) evaluation. We will continue to protect the environment through our proprietary technology developments.

### Concept of Nitto Kohki products

Since our foundation, we have conducted manufacturing with a focus on people and an emphasis on original technologies. Using these technologies, we aim to “contribute to society by realizing labor-saving products and improving working conditions in industrial circles.”

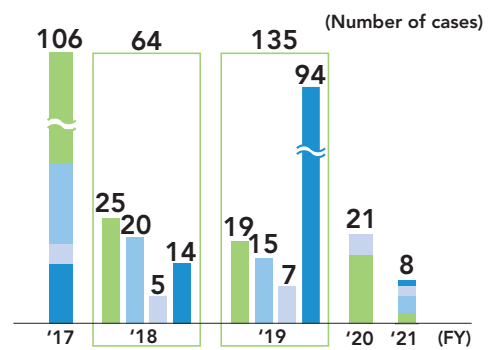
We currently offer a variety of products in our four business segments: Quick Connect Couplings, Power & Machine Tools, Compressors & Pumps, and Door Closers. All of these products have received positive evaluations.

### Design for Environment (DfE)

Nitto Kohki practices DfE in the design of new and improved products. DfE refers to design that reduces environmental impact as much as possible at each stage of a product’s life cycle, from development to disposal by the customer.

Since FY2016, we have been conducting DfE re-evaluations of existing products. Since the introduction of DfE in FY2004, we have developed, improved, and re-evaluated a total of 542 environmentally friendly products in the 18 years through FY2021.

- Quick Connect Couplings
- Power & Machine Tools
- Compressors & Pumps
- Door Closers



### Product Stories

## Optimization of existing hand tools to make them easier to apply to robots



Due to the labor shortage caused by the declining birthrate and aging population, there is a growing need for automation of deburring and sanding processes. There was a need to develop a simple, lightweight, and low-cost, small robot-specific tool that could be easily introduced to even a small factory in town.

Therefore, we identified the necessary functions for a robot-specific tool.

- ① The tool should be simple, lightweight, compact, and low-cost.
- ② The mounting position of the tool should be

easy to find and the working position should not change when the tool is removed and remounted.

- ③ The tool should be fixed in a floating unit to adapt to slight dimensional errors in the workpiece.
- ④ Its design should be differentiated from hand tools.

We faced difficulties in the performance evaluation method and inspection criteria for finished products as we had to establish a completely new method different from existing hand tools.

We developed our products primarily based on market research. In the future, we will utilize customer feedback to make these products easier to use.

#### ●“AIR SONIC” L-35C

Air die grinder for deburring narrow and deep areas



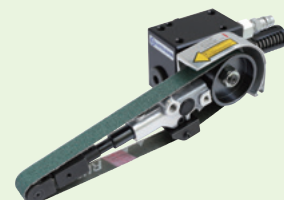
#### ●“ORBITAL SANDER” APS-125

Air sander with dual action for sanding wide flat surfaces without swirl patterns



#### ●“BELTON” B-20CL

Air belt sander for deburring relatively wide edges with a soft touch of the belt



# Part 5

Aiming for the most effective activities in consideration of safety, quality, and the environment

## Efforts by Manufacturing



Since Nitto Kohki is a manufacturer, improvement activities and environmental initiatives at the production site are extremely important. Here, we would like to introduce our efforts at domestic and overseas production sites where a variety of products are manufactured.

### TOCHIGI NITTO KOHKI CO., LTD.

#### Small-group improvement activities

Tochigi Nitto Kohki is working on the Production Innovation activities as part of its small-group improvement activities.

To achieve the plant's business plan, 60 themes for activities were selected, including quality and productivity improvement, cost reduction, and elimination of defective products. These themes are assigned to 13 small groups, and a presentation meeting is held for each theme.

As a result of these activities, many improvements are expected to be made this fiscal year.



#### Production improvement activities

Tochigi Nitto Kohki made significant improvements to its assembly facilities for HI CUPLA, its mainstay product.

Assembly equipment continuously consumes large

volumes of compressed air from a compressor. Also, if an assembly failure occurs, the equipment stops to prevent defective products from coming out.

The improved facilities use equipment that consumes less compressed air. In the event of an assembly failure, defective products are automatically discharged to a separate line, which eliminates the need for manual handling and allows production to continue without stopping the equipment. This enables continuous unmanned operation for a longer period of time.

A great deal of trial and error went into the planning of the facility specifications. The completed facility reduces compressed air consumption by 30%, eliminates the need for monitoring personnel to deal with failures, and achieves extended periods of completely unmanned operation.



### SHIRAKAWA NITTO KOHKI CO., LTD.

#### Small group improvement activities and production improvement activities

To optimize production and reduce the environmental impact, Shirakawa Nitto Kohki has automated high-frequency welding machines and introduced a new NC lathe. High-frequency welding often results in variations in quality depending on the welding site, shape, and orientation of the workpiece, and until now this has been covered by the skills of veteran employees with a wealth of knowledge and experience. However, the automation of the transfer robot and the attaching process has led to a reduction in quality variation and shorter lead times.

In the aging facility, the NC lathe generated oily smoke when machining parts. The newly installed lathe not only improves machining performance, but also reduces the amount of oily smoke in the air, improving the work environment.

At the assembly site, we established a system for in-house production and mass production of DC motors for Power & Machine Tools. After the shift to in-house production, we improved work tables, changed the layout, and fabricated jigs and tools for the transition from sitting to standing work. We also performed maintenance on equipment relocated from an external plant and acquired new technologies for producing motors.

We will continue to engage in production improvement activities to enhance efficiency and our work environment.





## MEDOTECH CO., LTD.

### Small group improvement activities

In the small group improvement activities conducted by Medotech, each group used to set its own activity policy, but since FY2020, we have set themes based on the same company policy. By working toward the same goal throughout the company, we aim to achieve greater results.

In FY2021, we worked to revise basic maintenance rules, leading to stable production. In particular, the small group producing Jet broach cutters achieved significant results, improving the overall efficiency of their equipment by more than 15%.



### Production improvement

On the Jet broach cutter production line at Medotech, various production equipment is in operation.

As the condition of the equipment directly affects product quality and production efficiency, we conduct TPM activities\* based on the idea that equipment maintenance is the same as quality maintenance.

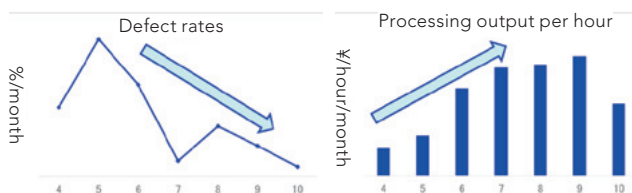
We made a list of unstable parts and conducted a risk analysis of their impact on non-defective rates and efficiency, referring to past case studies. We did not

immediately achieve significant improvements. However, as a result of perseverance and continued activities, the non-defective rates and production efficiency improved by 33% and 25%, respectively, compared with the beginning of the fiscal year.

Based on risk analysis results, we also reviewed the timing of maintenance for major equipment and created a maintenance calendar. This has allowed us to perform scheduled maintenance at the optimum time before problems occur, thereby contributing to improved productivity.

These initiatives help improve non-defective rates and production efficiency, eliminate waste by reducing losses, and reduce environmental impact.

\*TPM (Total Productive Maintenance) activities are activities to reduce downtime and improve productivity by comprehensively maintaining and managing companies' production facilities.



Improved runout accuracy with the chuck replaced



Overhaul according to the maintenance calendar

## NITTO KOHKI INDUSTRY (THAILAND) CO., LTD.

### Environmental activities

To continue to provide products that can be used with confidence.

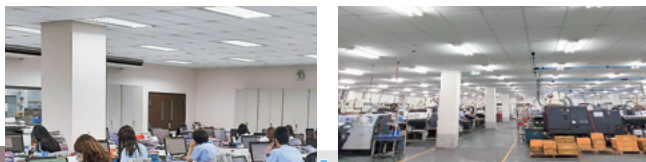
NITTO KOHKI INDUSTRY (THAILAND) carried out various activities in FY2021.

#### ① ISO14001: 2015

We obtained ISO14001 certification in 2009 and transitioned to ISO14001: 2015 in 2018.

#### ② Reduction of CO<sub>2</sub> emissions through electricity conservation

In November 2021, we replaced 1,239 fluorescent lamps in the plant with LED lamps. This will reduce power consumption by approximately 50% compared



to fluorescent lamps, as well as brighten the work environment and improve work efficiency.

#### ③ For the continuity of our business

In the midst of the COVID-19 pandemic, we made many efforts to ensure the continuity of our business, including health management and securing supply parts and materials that were difficult to procure.



NITTO KOHKI INDUSTRY (THAILAND) CO., LTD.

## Regarding the publication of this report

### Purpose of publication and editorial policy

Nitto Kohki has published this report with the goal of promoting understanding of our environmental initiatives among stakeholders, including stockholders and customers, and deepening our communication with all of you. Additionally, from 2015, we have also been publishing a Social and Environmental Report. For more detailed financial and corporate information, please see our website.

<https://www.nitto-kohki.co.jp/e/>

You can also use the QR code below.

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### Period

April 2021 – March 2022

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### Scope

In principle, the report covers Nitto Kohki Co., Ltd. We have also included some reports of environmental initiatives by Tochigi Nitto Kohki, Shirakawa Nitto Kohki, Medotech, and overseas group companies for reference.

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### Date of publication

September 8, 2022

Nitto Kohki has been publishing an Environmental Report (in Japanese) since 2010 and a Social & Environmental report since 2015.

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### Events after the reporting period

No relevant events have taken place since April 1, 2022.

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### About the SDGs

The SDGs (Sustainable Development Goals) are 17 goals meant to “change the world” by 2030, agreed upon by the 193 member states of the United Nations. Nitto Kohki will cooperate with various stakeholders and proactively contribute to these goals. We have listed the SDGs icons on the relevant pages.

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### Disclaimer

In addition to past and present facts about Nitto Kohki, this report also contains future plans, forecasts, and predictions. These are our assumptions based on the information we currently have available. However, future business activities may differ from the forecasts stated here due to changes in various conditions.

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▲ Our website



▲ Videos are available on YouTube