

Environment

Efforts to Prevent Global Warming

Environmental activity targets and results

The Group promotes activities to reduce energy consumption by setting environmental goals with the aims of addressing global warming and making the most efficient use of natural resources.

Category	Scope	Environmental target (for FY2019)	Primary activities (FY2019)	Result of activities (FY2019)	Reduction percentage
Global warming prevention and energy reduction	Daido Metal Group (Japan)	Reduce CO ₂ emissions to below FY2018 levels by the end of FY2019. ●CO ₂ emissions: Less than 70,057t	<ul style="list-style-type: none"> ●Tracking progress in achieving goals of medium- to long-term plans for energy conservation ●Considering options for adoption of energy-saving equipment ●Rolling out successful environmental improvements across the organization 	●CO ₂ emissions (actual result) 62,939t	10.2%
	DAIDO METAL CO., LTD.	Reduce CO ₂ emissions to below FY2018 levels by the end of FY2019. ●CO ₂ emissions: Less than 37,193t		●CO ₂ emissions (actual result) 33,107t	11.0%
		<ul style="list-style-type: none"> ●Target for energy/1000JPY of sales Reduce CO₂/1000JPY of sales by 6% when compared to FY2013 by the end of FY2019. ●CO₂/1000JPY of sales: 595.35g Reduce energy/1000JPY of sales for each form of energy by 6% when compared to FY2013 by the end of FY2019. ●Electricity/1000JPY of sales: 0.8448kwh ●Fuel/1000JPY of sales: 159.33g 		<ul style="list-style-type: none"> ●Energy/1000JPY of sales ●CO₂/1000JPY of sales: 559.05g ●Electricity/1000JPY of sales: 0.8684kwh ●Fuel/1000JPY of sales: 162.17g 	6.1% (2.8%) (1.8%)

* Fuel mainly encompasses heavy fuel oil, kerosene, diesel fuel, LP gas, and natural gas. CO₂ emissions, electricity consumption, and fuel consumption are stated in terms of a production value equating to 1000JPY of sales.

Energy Reduction Activities at the Company's Site Offices

Lower air conditioning power consumption achieved by applying thermal insulation coating to rooftops

We have applied a thermal insulation coating to the rooftop of No. 2 Facility of Gifu Plant. By keeping roof temperatures down, the coating results in cooler temperatures inside the facility, which in turn enables us to achieve lower consumption of electric power for operating air conditioning units. The facility feels cooler as a result of there being less far-infrared heat radiated from the area below the roof, which helps prevent incidents of heat stroke.

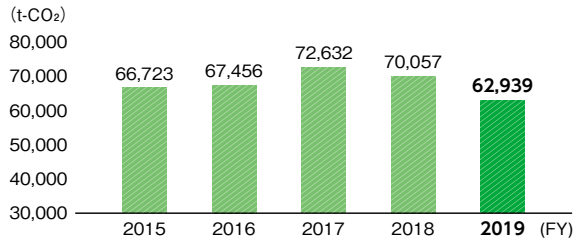


No. 2 Facility of Gifu Plant after application of the rooftop coating

Optimization of compressor usage methods

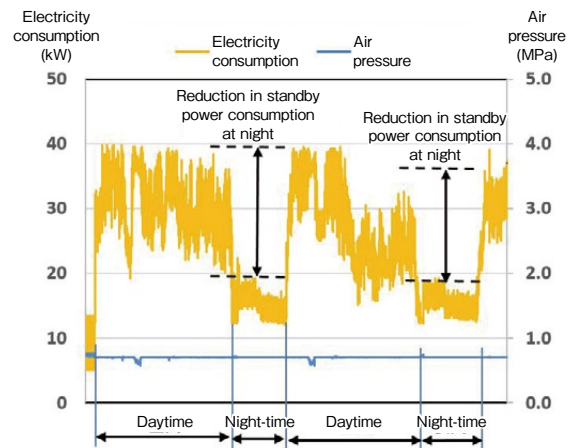
The TMBS Plant located within the Company's Inuyama Site Office grounds manufactures products using compressed air generated by a combination of multiple compressors. At night we achieve lower consumption of compressed air in the plant by running only those machines equipped for unattended operation. We have also cut back on redundant compressed air supply by shifting to more optimal compressor operations involving multiple units running continuously throughout the night. Standby power consumption has also decreased

Trends in CO₂ emissions (DAIDO METAL GROUP in Japan)



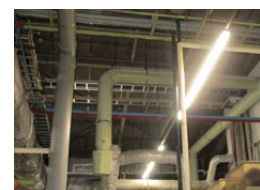
* CO₂ conversion coefficients are calculated using conversion coefficients pursuant to the Energy Saving Act.

as a result of this improvement having culminated in less compressor operating time.



Conversion to LED lighting in factories and offices, and implementation of inspections for pinpointing air and steam leakage

Our activities to reduce energy consumption have involved converting our factories and offices to LED lighting. We have also been inspecting factory pipes and eliminating leakages of air, steam, and other substances in order to reduce loads imposed on boilers and other equipment and to reduce energy consumption.



Conversion of factories to LED lighting

Efforts to Reduce Industrial Waste

The industrial waste generated by the plating and machining plants accounts for a large proportion of the Group's total waste. As such, we have been taking steps to reduce such waste by generating less plating wastewater volume and reusing lubricants and solvents.

We will continue seeking opportunities to reduce waste and emissions at "Environment Meetings" and implement plans that can make even minor reductions to the amount of waste generated.

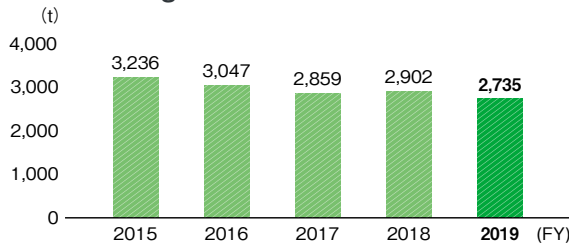
■ Scope of data

DAIDO METAL CO., LTD., Daido Plain Bearings Co., Ltd., Daido Industrial Bearings Japan Co., Ltd., DAIDO METAL SAGA CO., LTD., NDC Co., Ltd., and Iino Manufacturing Co., Ltd.

■ Period under review

FY2019 (1 April 2019 - 31 March 2020)

■ Trends in generation of industrial waste



Centrifugal separator for removing oil from cleaning solution



Environmental Education and Training

Environmental education (training of auditors for internal environmental audits)

Our efforts to promote environmental activities have involved arranging for guest lecturers to carry out training of auditors who are to perform internal environmental audits pursuant to the ISO 14001 standard. This serves as a portion of the environmental education offered to our employees who implement the ISO 14001 standard. Through such training we are striving to help employees develop a deeper understanding and increased competence when it comes to environmental management systems.



Auditors learning to perform internal environmental audits (8 October 2019)

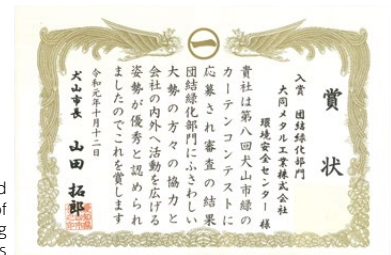
Other Environmental Activities

● Installation of green wall panels (Recipient of award in green wall panel contest held by Inuyama City)

The site offices of the Company have been setting up green wall panels as part of its annual greening campaigns. Given that these greening campaigns double as environmental education, we have new employees take part by sowing seeds for saplings and trainees from the EUROPEAN TECHNICAL CENTER (ETC) participate by planting the saplings. Over the last three years since FY2017 we have been recognized by Inuyama City with awards for such initiatives carried out within and outside the Company.



Company employees pictured with trainees from overseas



Certificate of award in the category of Group Project greening initiatives

● Taking part in river cleanup activities

The Company's Inuyama Site Office carries out river cleanup activities with members of the local community every April, which is the time of the year when farmers begin planting the rice crops prevalent in the vicinity of the office. The cleanup activities involve clearing large stones and algae from river beds, trimming weeds, and other such tasks.

We will take ongoing action to improve the environment in a manner that involves looking toward our community surroundings in carrying out environmental activities that extend beyond our Company grounds.



Employees taking part in river cleanup activity (22 April 2019)