

2015 Sustainability Report



*This photograph shows the Sakitama Ancient Tomb Park, the origin of the name of Saitama Prefecture, where our Headquarters is located.

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1. Editorial Policy

Calsonic Kansei has decided to establish a new department responsible for CSR in its Corporate Headquarters from the 2015 fiscal year, and is taking steps for full-scale activities with this as our “First Year of CSR”.

As part of the preparatory activities that we have been proceeding with since the previous year, we published our 2014 Sustainability Report at the end of the year, for the first time for us to publish such a report, to release information on our company’s activities to stakeholders in an organized format. From the 2015 fiscal year, we are promoting activities with plans that span across multiple fiscal years, centered on our new organization, and are beginning to take action toward achieving an even better society. We are also making efforts to enrich our activity policies that will be released publicly as well as various activity content, such as by clearly identifying our parameters.

The Environmental Report that was prepared separately in the past will be included as a part of the Sustainability Report starting from this edition.

With regard to our Financial Reports, they will be included only as general outlines, just as in the previous edition. For details, please refer to the Business Reports, Statements of Accounts, and Yearly Financial Statements on our homepage.

Since the previous fiscal year was considered to be our preparation period, we released the information in the Sustainability Report at the end of December, but from this fiscal year onward it will be released to coincide with the Business Report of the General Meeting of Stockholders.

Note that the Sustainability Report for this company is only available on our homepage.

The report has been prepared so that each item can also be downloaded separately in PDF format for your use.

Outline of Other Editorial Items

- Applicable scope

The applicable time period shall basically be the 2014 fiscal year (April 2014 to March 2015), with any exceptions clearly described in the text.

In terms of the organization, the content includes both the independent activities of the Calsonic Kansei Corporation and also those carried out by its Group companies.

Explanatory notes are provided for independent activity reports.

- Issue date of previous report edition

The first edition of the report was issued in December 2014.

- Frequency of reports

Issued 1 time per year.

- Reference guidelines

A table for comparison with GRI guidelines is provided at the end of the report.

It references the G4 Core guidelines.

- Third-party opinions

Third-party opinions regarding this report are provided at the end of the report.

- Approvals for various general rules related to the environment, society, and management

Calsonic Kansei agrees with the content of activities indicated by ISO26000, Global Compact, and the Charter of Corporate Behavior of Keidanren (Japan Business Foundation), and supports them as important management indexes.

- Contact window for questions regarding this report

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2-1917 Nisshin-cho, Kita-ku, Saitama-city, Saitama
Calsonic Kansei Corporation
Corporate Planning Division
CSR / Public Relations & IR Group
TEL 048-660-2161
e-mail ckcsr@ck-mail.com

- Notes

Although forecasts are included in this report, please be aware that actual results may differ due to various industry-related factors.

2. Policy Initiatives - Message from the President

Achieving a “Great Company” driven by dreams and innovations, and contributing to resolving social issues through our business activities.

Initiatives for our “First Year of CSR”: Dreams - to be a company that values people

Since taking on the role of President, I have tried to convey the concepts of “a company that is a feared competitor” and “a company that makes you want to work together with it” to our personnel, as images for becoming the “Great Company” that is one part of our Mid-Term Management Plan. CSR is closely linked with the idea of “a company that makes you want to work together with it” which is one image for our achievement of this “Great Company”, and we have proceeded with preparations for related activities after specifying that this fiscal year would be Calsonic Kansei’s “First Year of CSR”.

This fiscal year, we will organize the activities that have been undertaken by individual committees up to this point into the framework of CSR, and push them forward even farther. We will also take steps to respond to the social issues of environmental problems and climate changes through our businesses. In addition, we will adopt a more fulfilling system for employees to maintain a work-life balance, and strive to realize sound and fair management. Also, through our business activities, we will unify as an entire company to provide sincere and responsible support to all of our stakeholders including those located overseas, at both the company level and individual employee level.

While we will of course strive to become a “Great Company” this fiscal year by organizing these activities into our “CSR Mid-Term Activity Plan”, we will also proceed with activities over a multi-year plan that will aim for the continuing development of society and our company.



Taking on challenges for unending self-reformation: Innovations - ongoing technological innovations and innovations in Monozukuri

Over the past 20 years, the stagnation of the economy of Japan has been made apparent, and the government has taken steps toward the execution of various related policies. The enactment of the “Japan’s Stewardship Code”, which facilitates long-term improvement of values for corporations through dialogues held with corporations for institutional investors, and the “Japan’s Corporate Governance Code”, which applies the disclosure of non-financial information, promotion of the activities of women, and appointment of independent outside directors, to corporations, are some examples of them.

Even while Japanese companies lag behind the rest of the world from the viewpoint of such policies, they are approaching a great turning point where they will need to stand and face the global age. Our company’s decision to voluntarily and actively begin measures for CSR at this time has a deep meaning, and I believe it signifies that we are taking steps to reform ourselves into a “great” company through our CSR activities.

In our manufacturing industry, success hinges on how well we can offer excellent products and services to our customers, with the great innovations in technology and Monozukuri that have been made in the past being widely known. In order to establish a brand, it goes without saying that products must have outstanding quality, but today even the nature of companies themselves can be called into question. I would like for us to actively incorporate the ideal state of management demanded by the “Japan’s Corporate Governance Code”, which can be viewed as a global standard, and to furthermore proceed with the concepts of refining our response capacity, making bold challenges to become unique and the best, and thoroughly promoting the conversion to explicit knowledge.

Looking toward becoming a “Great Company”

Even amid severe forecasts for the future, we are coming closer to reaching the goals outlined in the economic objectives of our “G×4 T10” Mid-Term Management Plan thanks to the cooperation and support of our customers and business partners, and the efforts of our employees. However, we have recognized within the company that becoming a “Great Company”, one of the 4 G’s in the Mid-Term Management Plan, does not only involve economic aspects. This is the reason that CSR was brought to attention, as a ruler to measure its fulfillment.

Although the goal of the CSR Mid-Term Activity Plan is 2 years later than the Mid-Term Management Plan goal at the end of the 2016 fiscal year, I would like to define solid milestones and proceed with activities that aim to achieve the Mid-Term Management Plan goals. Through discussions with a variety of stakeholders, I would like Calsonic Kansei to refine our sensitivity to the global situation, take measures to resolve social issues through our businesses, and contribute to the sustainable development of society.

Calsonic Kansei Corporation
President and CEO

森谷弘史
Hiroshi Moriya

3. Business Outline - Growth Objectives (Mid-Term Management Plan)

Creating environmental technologies and products that can lead the world with our CK GX4 T10 Mid-Term Management Plan.

Calsonic Kansei announced its Mid-Term Management Plan in June 2011.

Its name of "CK GX4 T10" signifies that between 2011 and 2016, it will complete "achievement of T10" by executing growth strategies focusing on the key points of its 4 G's - namely, "Green", "Growth", "Global", and "Great Company".

We believe that the most significant contribution to social issues that can be made through our business activities is the development of eco-products, and this is being carried out as an important activity in the Mid-Term Management Plan.

The 4 G's for our Growth Strategies



3. Business Outline - Product Descriptions

Product Descriptions

Cockpit modules and interior products

Providing comfort with ease of use, an attractive appearance, and a pleasant feel, as well as safety during driving.

Other products

- Instrument panels
- Consoles
- Steering members



Cockpit module

Electronic products

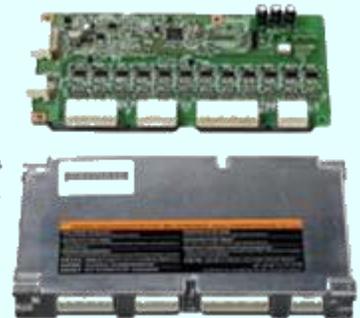
Providing safety and comfort for automobiles, such as through environmental products related to electric vehicles, and easy-to-read, easy-to-use control devices.

Other products

- Inverters
- Body control modules
- Keyless entry
- Occupant detection systems



Meter



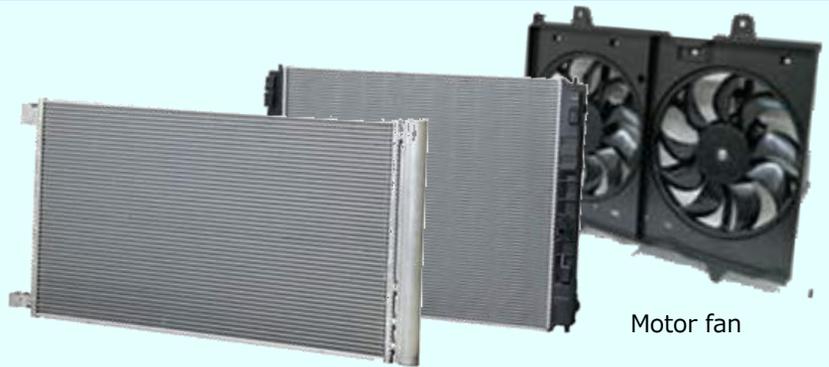
Lithium ion battery controllers

Heat exchanger products

Providing low fuel consumption and high comfort by efficiently controlling the heat energy of engine cooling water, refrigerant, air, oil, and exhaust gases.

Other products

- Front-end modules
- AT oil coolers and warmers
- Charge air coolers
- EGR coolers



Condenser

Radiator

Motor fan

3. Business Outline - Product Descriptions

Climate control products

Providing a clear field of view and a comfortable interior space for occupants anytime, anywhere, regardless of the season.

Other products

- Electronic climate control units
- Electrical climate control components (motor actuators, etc.)



Air conditioning unit



Evaporator

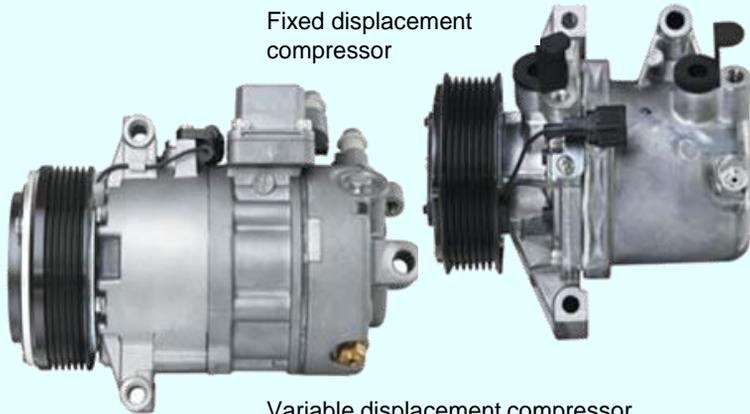


Heater core

Intake blower unit

Compressors

One component of the air conditioning system. Compressors circulate coolant in the refrigeration cycle to cool an interior space. They function as the "heart" of the system. With small sizes and high efficiencies, they are able to reduce environmental impacts.



Fixed displacement compressor

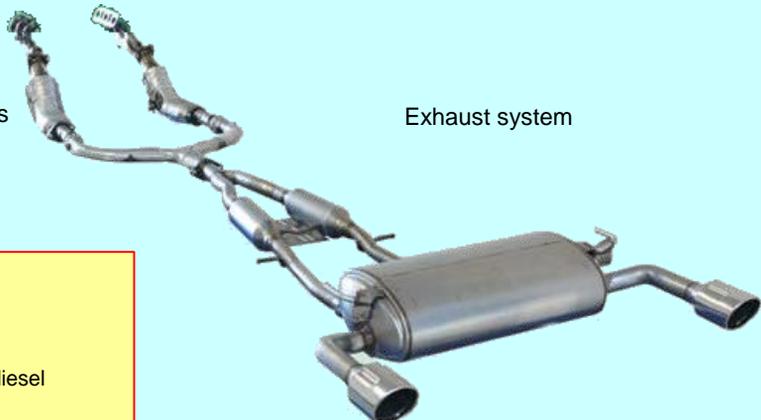
Variable displacement compressor

Exhaust products

Providing environment-friendly products able to effectively balance conflicting demands for noise reduction, exhaust gas purification, engine output, etc.

Other products

- Exhaust manifold converter
- Valves
- Oxidation catalytic converter systems for diesel applications
- Diesel particulate filters



Exhaust system

3. Business Outline - Company Profile, etc.

Profile of Calsonic Kansei

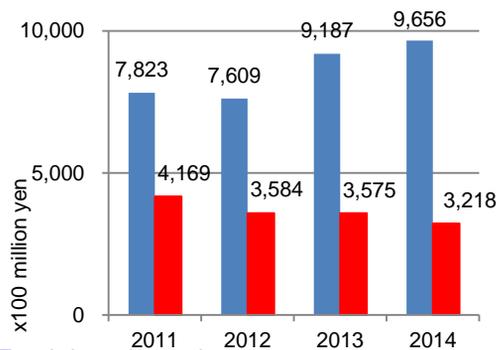
Company Name	Calsonic Kansei Corporation
Location of Headquarters	2-1917 Nisshin-cho, Kita-ku, Saitama-city, Saitama
Major Countries with Business Locations	America, Mexico, Brazil, United Kingdom, Spain, France, Germany, Romania, Russia, China, Malaysia, South Korea, Thailand, India
Main Products	Cockpit modules, front-end modules, exhaust systems, air conditioning units, compressors, meters, radiators
Total Number of Offices	Consolidated: 34 offices (as of March 31, 2015); under the equity method: 15 offices (as of March 31, 2015)
Total Number of Employees	Consolidated: 20,904 (as of March 31, 2015)
Major Clients	Audi AG, Isuzu Motors Limited, Opel, Saab Automobile AB, General Motors Corporation, Suzuki Motor Corporation, Daimler AG, Nissan Motor Co., Ltd., BMW AG, Peugeot S.A., Ford Motor Company, Volkswagen AG, Fuji Heavy Industries Ltd., Honda Motor Co., Ltd., Mazda Motor Corporation, Mitsubishi Motors Corporation, UD Trucks Corporation, Land Rover, Renault S.A.
Stock Listing	First section of the Tokyo Stock Exchange
Number of Stockholders	8,073 (as of March 31, 2015)
Total Assets	459.8 billion yen (as of March 31, 2015)
Major Stockholders and Stock Holding Ratios	Nissan Motor Co., Ltd., 40.7% (as of March 31, 2015)
Major Member Organizations	Japan Auto Parts Industries Association, Japan Electronics and Information Technology Industries Association

Business Records

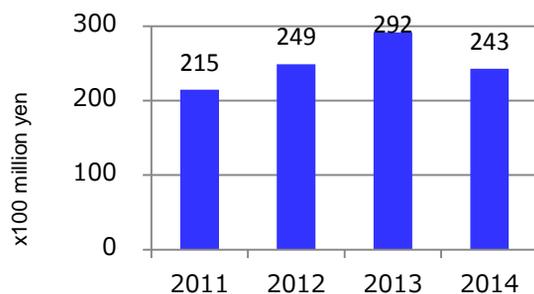


Continuing from the previous year, in the 2014 fiscal year we recorded our highest sales volume and operating profits ever achieved.

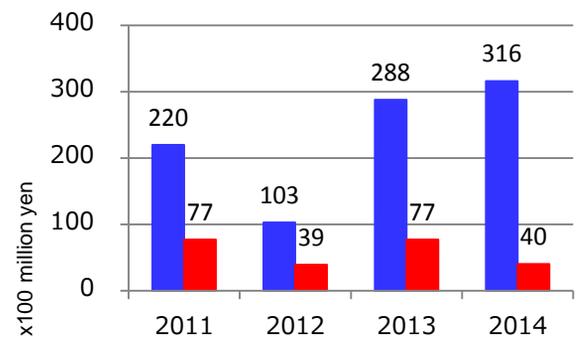
Trends in sales volume



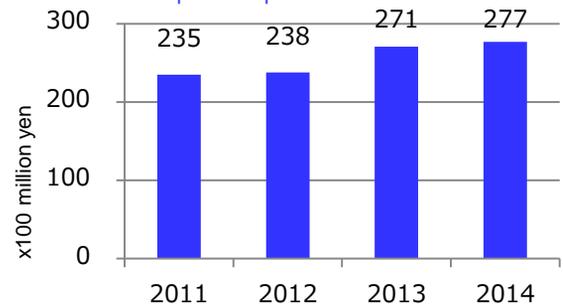
Trends in equipment investments



Trends in operating profits



Trends in development expenses



3. Business Outline - Company Profile, etc.

Data by Region

Sales Volume by Region

	Sales Volume for Fiscal Year 2013 (x100 million yen)	Sales Volume for Fiscal Year 2014 (x100 million yen)
Japan	3,871	3,520
North America	2,956	3,602
Europe	1,047	1,231
Asia	1,953	1,955
Consolidated adjustment	△641	△652
Total	9,187	9,656

Number of Employees by Region
(End of Fiscal Year)

	Number of Employees for Fiscal Year 2013 (people)	Number of Employees for Fiscal Year 2014 (people)
Japan	6,812	6,692
North America	4,848	5,426
Europe	2,113	2,175
Asia	6,500	6,611
Total	20,273	20,904

Distribution of Economic Value (Consolidated)

Distribution Target	Fiscal Year 2013 (x100 million yen)	Fiscal Year 2014 (x100 million yen)	Reference Notes
Customers	9,187	9,656	Sales to customers
Business partners	7,864	8,248	Purchases from business partners
Employees	1,034	1,092	Payment of salary to employees
Stockholders	20	20	Redistribution of profits to stockholders
National government and regional municipalities	39	63	Payment of taxes, etc.
Company in-house	230	181	Strengthening of business structure for the future

Social contribution investment amounts*	33,874	20,935	Amount included in the "Business partners" and "National government and regional municipalities" items above
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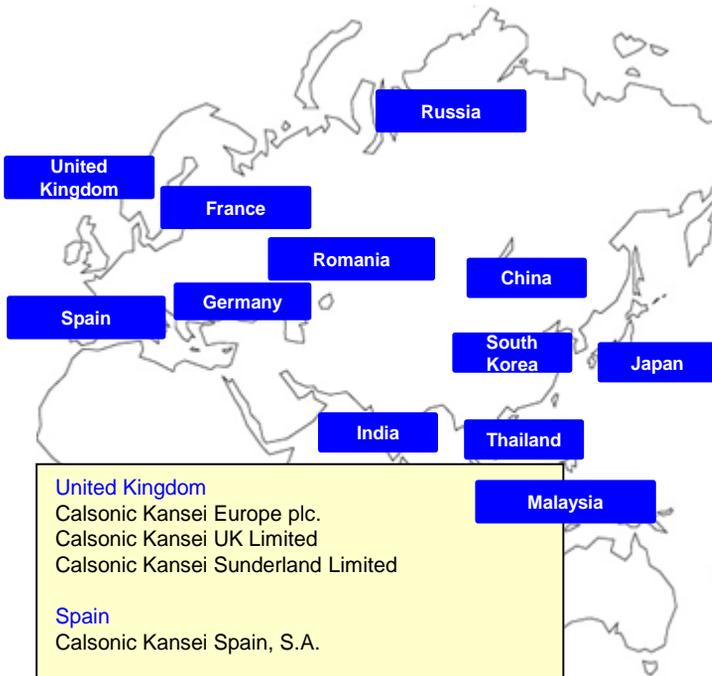
*Excluding personnel expenses. (units: 1000 yen)

Employee Information (for Calsonic Kansei Corporation, independently)

	Units	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
Number of regular employees	people	3,615	3,577	3,622
Breakdown: Males	people	3,344	3,300	3,346
Females		271	277	276
Average age	years	44.0	44.6	44.2
Length of continuous employment	years	19.8	20.3	19.6
Turnover rate (personal circumstances)	%	1.2	1.3	1.2
Average yearly salary	yen	5,939,869	5,877,960	6,055,373
Rate of employment of people with disabilities	%	1.87	1.89	1.83
Number of employees obtaining child care leave	people	14	14	15
Number of employees obtaining nursing care leave	people	0	1	2

3. Business Outline - Business Locations

Major Overseas Offices



China
 Calsonic Kansei (China) Corporation
 Calsonic Kansei (Wuxi) Corporation
 Calsonic Kansei (Shanghai) Automotive Technology R&D Co., Limited
 Calsonic Kansei (Guangzhou) Corporation
 Calsonic Kansei (Xiang Yang) Corporation
 Calsonic Kansei (Wuxi) Components Corporation
 Calsonic Kansei (Guangzhou) Components Corporation
 CK KS Engineering (Guangzhou) Tooling Center Corporation
 Calsonic Kansei (Haimen) Corporation
 Calsonic Kansei (Shanghai) Corporation
 CK Electric Machinery Development (Shanghai) Co., Ltd.

South Korea
 Daihan Calsonic Corporation
 Calsonic Kansei Korea Corporation

Malaysia
 Calsonic Kansei (Malaysia) Sdn. Bhd.

Thailand
 Calsonic Kansei (Thailand) Co., Limited
 Siam Calsonic Co., Limited

India
 Calsonic Kansei Moterson Auto Products Limited

United Kingdom
 Calsonic Kansei Europe plc.
 Calsonic Kansei UK Limited
 Calsonic Kansei Sunderland Limited

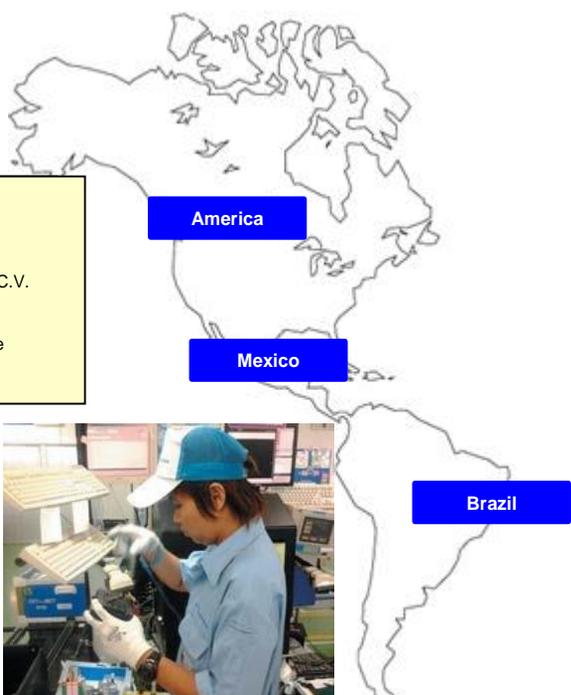
Spain
 Calsonic Kansei Spain, S.A.

Russia
 Calsonic Kansei RUS LLC

Romania
 Calsonic Kansei Romania S.R.L.

France
 Calsonic Kansei Europe plc. France Branch Office

Germany
 Calsonic Kansei Europe plc. German Branch Office



America
 Calsonic Kansei North America, Inc.

Mexico
 Calsonic Kansei Mexicana, S.A. de C.V.

Brazil
 Calsonic Kansei do Brasil Industria e Comercio Ltda.



3. Business Outline - Business Locations

Major Japan Domestic Offices

Domestic Offices



R & D Center, Headquarters



Testing Research Center



Production Engineering Center



Plants



Gunma Plant



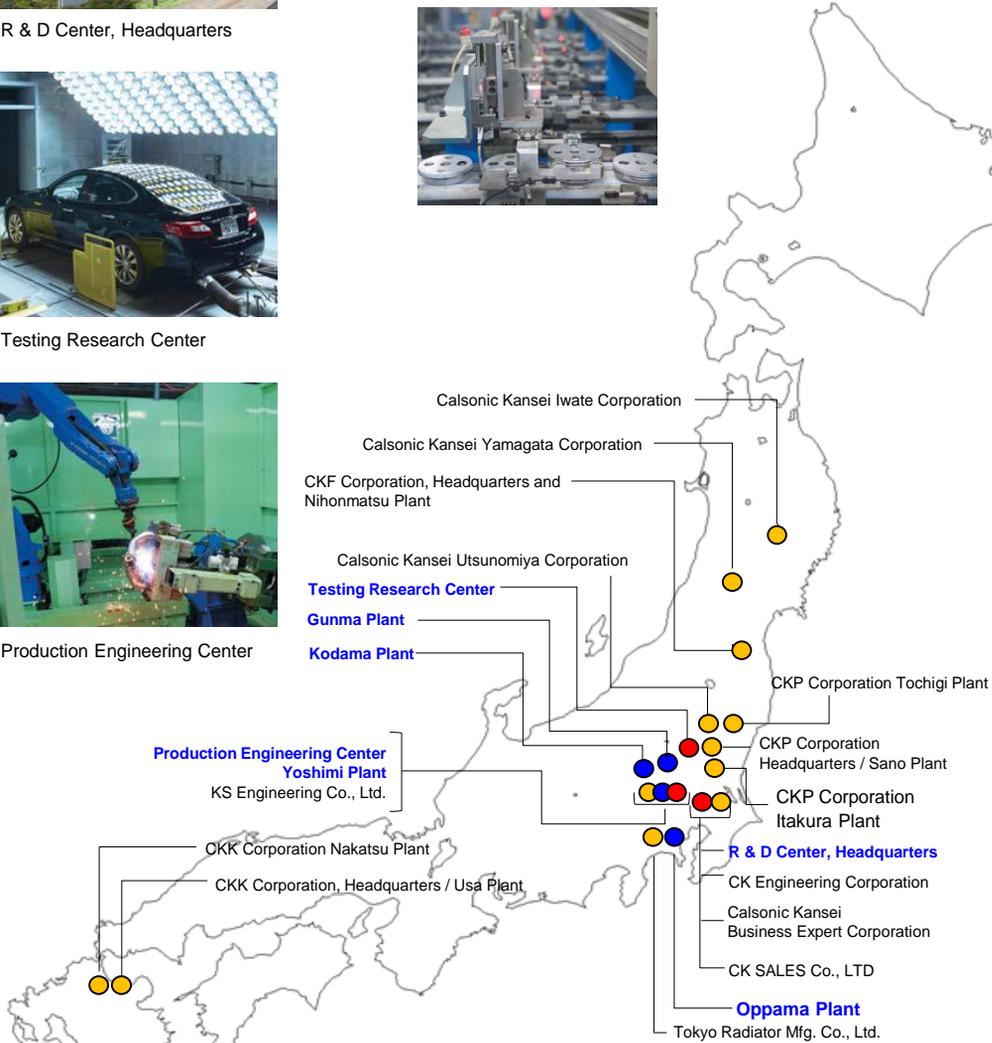
Yoshimi Plant



Kodama Plant



Oppama Plant



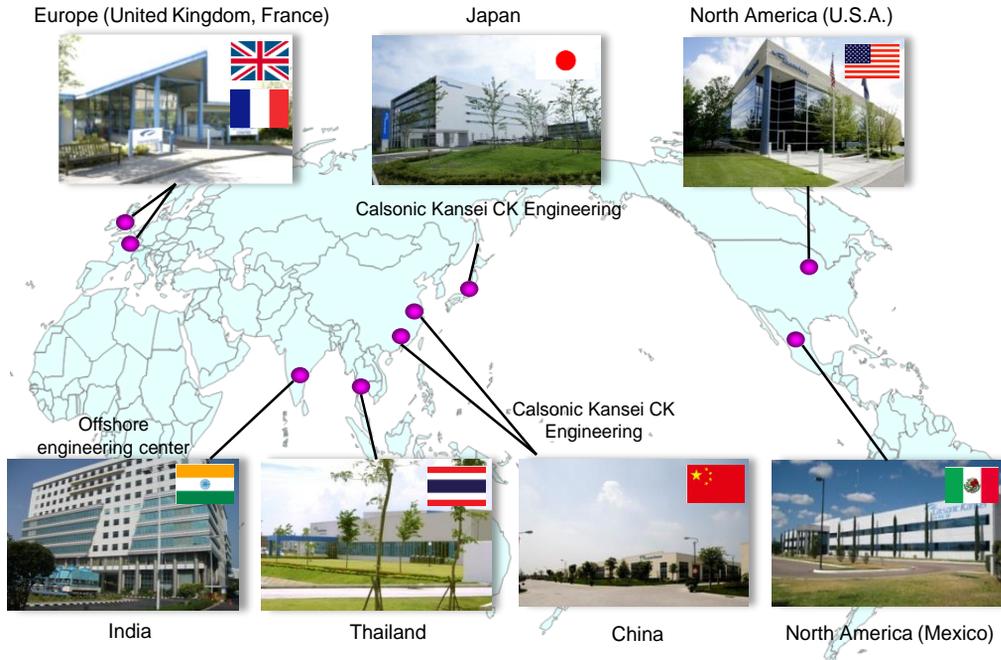
Domestic Group Companies

- | | |
|--|---|
| CKK Corporation | KS Engineering Co., Ltd. |
| CKF Corporation | CK Engineering Corporation |
| CKP Corporation | Calsonic Kansei Business Expert Corporation |
| Calsonic Kansei Utsunomiya Corporation | CK SALES Co., LTD |
| Calsonic Kansei Iwate Corporation | NP Kasei Co., Ltd. |
| Calsonic Kansei Yamagata Corporation | Nisshin Kogyo Co., Ltd. |
| Tokyo Radiator Mfg. Co., Ltd. | Iwashiro Seiki Co., Ltd. |

3. Business Outline - Business Locations (Development Information Network)

Global Development Bases

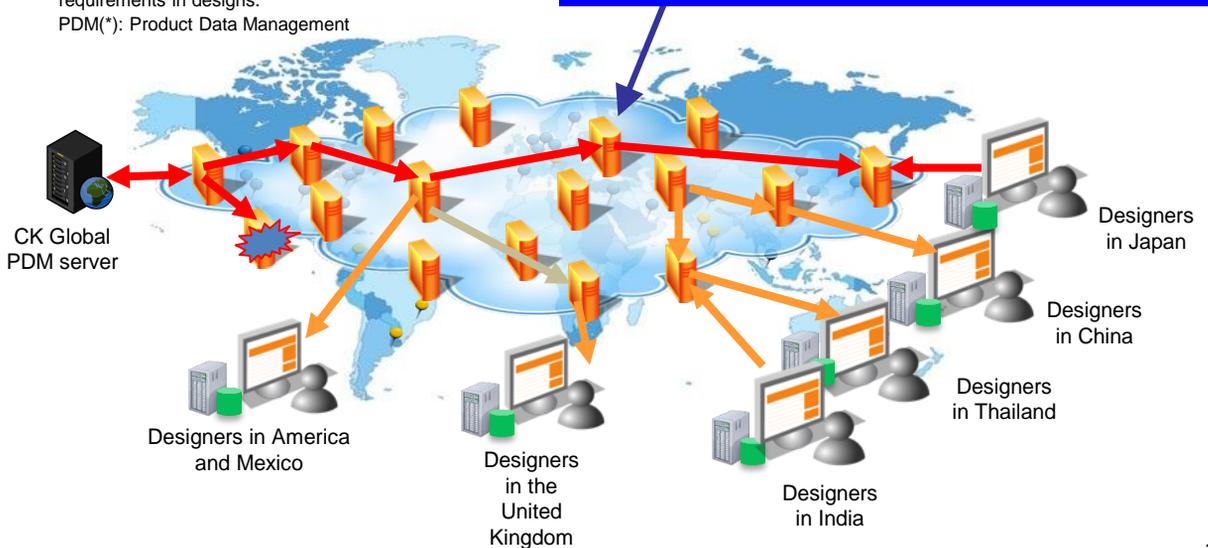
- We have built development bases in 7 countries around the world (including Japan), with roughly 2700 development staff members assigned to them.
- In cooperation with CK Engineering Corporation in Shanghai, China, and Calsonic Kansei Engineering Center India with L&T (CECI-L&T) in Chennai, India, we have established centers that are equipped with development engineering functions.



Construction of technological information platforms to support global technology development systems

- Construction of a global PDM (*) system able to share large amounts of data via the Internet at high speeds, with high reliability, and at low cost (first in the world).
- Connections to bases in North America, Europe, and China were completed before the end of the 2014 fiscal year. Connection to the remaining bases is scheduled for the 2015 fiscal year.
- Central management of product data (3D data, drawings) is effective at shortening the time required for global production deployment and for quickly reflecting on-site requirements in designs.
PDM(*): Product Data Management

Akamai Technologies, Inc. Internet Environment			
147,000 Servers	2,380 places	92 countries	1,220 Networks
• Cache and route optimization technology ⇒Speed, Stable and Secure			



4. Policy Initiatives - Dialogue with the President

Start of full-scale activities for Calsonic Kansei's "First Year of CSR" Becoming a "Great Company" through the fusion of Gx4 T10 with CSR

In continuation from last year, Masahiko Kawamura, Senior Researcher (ESG Research Office Manager) of the NLI Research Institute, an expert in CSR research, held a discussion with our company's President Hiroshi Moriya on the CSR initiatives of Calsonic Kansei. With this as our "First Year of CSR", they spoke in depth about our forthcoming initiatives, including the activities carried out in preparation up to this point.



NLI Research Institute
Senior Researcher and ESG Research
Office Manager
Masahiko Kawamura

Hiroshi Moriya

■ Looking back on past preparations

Kawamura: As I recall, we had a very interesting and lively conversation last year (laughter). Since decisions were made last year on enhancing your CSR activities, looking back on this year what kinds of preparations and system arrangements were made?

Moriya: First of all, we were able to publish our "Sustainability Report". This report makes it fully clear what kind of company we are and what we are intending to do. It describes our current positioning and also where we want to be. It has been evaluated highly both inside and outside the company, so it's very valuable when giving explanations to outside parties.

We have also seen an increase in various inquiries from outside parties. One of them was an NGO managed only by high school students called the "Highschool International Conference". They had seen our Sustainability Report on our homepage, agreed with our activities, and contacted us. We approved of their activities as well and decided to give our support to them. They are carrying out activities with a truly admirable awareness of problems, thinking of what they can do themselves to help resolve international social issues.

Kawamura: So this Report is an important part of your corporate branding, helping to raise awareness of social issues and create supporters.

Moriya: In terms of our system, this April we set up a dedicated department for CSR. It is combined with Public Relations and IR, but from now on it will act as a center for CSR activities.

In response to a comment you gave during our last dialogue, we looked into the evaluation tools of the "Sustainable Management Forum of Japan" that you are affiliated with for the due diligence of suppliers, particularly suppliers in developing countries, and we started evaluating the domestic companies most closely involved with us. By using this tool, we will be able to clearly understand our strengths and weaknesses.

Furthermore, we remodeled our 1st floor lobby after collecting ideas from employees through public invitation, in order to improve communication with our visitors. We added additional EV chargers in easy-to-use locations, available for 24-hour use by anyone, even people outside of the company.

4. Policy Initiatives - Dialogue with the President

Kawamura: I saw those chargers when I came onto your premises. From what I remember, last year they weren't very easy for people from outside the company to notice, were they? I also heard about your lobby renovation earlier. This is sure to help raise the awareness of CSR even further. It seems that after finishing such a wide range of preparations, your enthusiasm is only growing more and more.

■ CK's Vision and CSR Policy

Kawamura: Next, could you tell me specifically what kind of vision and policies you have in mind for CK's "First Year of CSR"?

Moriya: To begin with, we have our "Corporate Vision". Based on this, we also have our CSR Policy. CK's CSR Policy is defined as "Responsibilities and guidelines we promise to execute for all stakeholders and society, in order to realize our Corporate Vision." Our CSR issues have been clarified based on this policy, and we will address them with our goal set for the end of the 2018 fiscal year. Currently we are in the stage of preparing our action plans.

Kawamura: It's a perfect example of a mid-term plan. What are you thinking of for the long term?

Moriya: The Mid-Term Management Plan is approaching its end point in the 2016 fiscal year. We are currently working together with young employees in formulating a new Mid-Term Activity Plan for the period from the 2017 to 2020 fiscal years. To do this, we are intending to look ahead to around fiscal year 2025. At this time, we will of course need to be conscious of our sales performance, but we also believe there is a need to think of where we want CK to be in terms of CSR.

Kawamura: It's very impressive that you are looking 10 years into the future with a 2025 management plan, including CSR and working together with young people.

Moriya: Also, we held an event recently (5/19) where discussions on diversity were conducted. I am personally putting particular importance on the issue of diversity. Although we are involved in various activities related to it, diversity is necessary for us to grow further in many different aspects, and I consider this to be one of the keywords for the next term's Mid-Term Management Plan. CK's largest customer is Nissan Motor Co., but we must also think about diversity with other customers as well. Since CK is a company originally formed through the combination of Calsonic and Kansei, we need to draw on our qualities of diversity like this and bring out synergy. One example of this would be diversity in management. Our executive structure includes personnel from 4 countries, but I still don't believe this is sufficient.



Kawamura: In the end, I believe that diversity means having a variety of different values. Specifically, it may involve various aspects like "products", "management", or "employees", but ultimately it means combining the various values that they each have and integrating them to create new values. After hearing your plans, I think it would be excellent for you to also deploy them to the supply chain.

Moriya: Regarding the supply chain, we are developing our past "Green Procurement Guidelines" into "Supplier CSR Guidelines", and will deploy them in sequence globally to serve as purchasing policies. We are also proceeding with raising the awareness of employees. One step in this is publishing a weekly "CSR Leaflet" and issuing it to all employees. It is published in a single-page A4 format and includes current topics and small tidbits of knowledge.

Kawamura: So it's like a newsletter, isn't it? It might be a good idea to have them available in the lobby for customers to read too.

■ Important issues for this fiscal year

Kawamura: Incidentally, what are you considering to be the important issues for this fiscal year?

Moriya: CSR issues, first of all. We will set objectives for these issues and clearly define KPIs that can be evaluated. We will then create mid-term plans to achieve them. I would like to deploy these plans as soon as possible.

Kawamura: Once the mid-term plan drafts have been determined to a certain extent, I think it might be good to hear the impressions of them from major Group companies and external parties before fully finalizing them. You could find out the sincere opinions and feelings of various people through engagement by holding dialogues. Then, it would be the company's role to make the final decision of what to do. Of course, you would also be required to fulfill your obligations for accountability.

4. Policy Initiatives - Dialogue with the President

Moriya: That sounds like a great idea. Even though we are of course taking action globally, once we have a springboard set up we could ask people “This is what we are intending right now, but what do you think?” and get their comments. I definitely would like to consider it.

Kawamura: Even though you may have established a specialized CSR department system in your Headquarters, it’s also important as a part of CSR to collect information quickly from overseas, particularly developing countries. You need to intentionally create mechanisms to collect information about topics like human rights, labor, and the environment.



Moriya: Even though we haven’t currently gone that far yet, we do have a best practice called “Compliance”. There are officers in our Headquarters, and also regional officers set to each local region.

Kawamura: Yes, I’m actually also quite familiar with CK’s compliance activities. With the top-level management actively wanting to create such an outstanding activity system, I think there is no doubt that activities will proceed smoothly.

Moriya: We are also providing Committee reports every month.

Kawamura: Compliance is an important element of CSR, and CK’s compliance activities are an excellent CSR model. That was one of the things I wanted to be sure to tell you today.

■ Response measures to address CSR issues

Kawamura: Please tell me a little more about how you are thinking about CSR issues, particularly risks, and also how you will identify them.

Moriya: There are various on-site risks that are difficult to visualize from Japan. In developing countries as well, we have mechanisms for reports to be made on human rights and labor problems, and on the occurrence of accidents. Preventing problems before they happen is vital, and so it is important for us to expand our measures not only for compliance, but also for health and safety, and the environment, and to include our business partners in them. It goes without saying that problems will be reported after they happen, but that is already too late. Our Group has 77 business locations, and we always tell them to stress “transparency”. It is the nature of CK not to have an atmosphere where things are kept hidden.

Kawamura: That aspect is completely different among different companies. If incidents like scandals are handled poorly, the power of an entire corporate brand, not just its products, can be severely damaged. It all depends on a company’s climate, how quickly negative events are brought to light. This is something that the top-level staff must keep on emphasizing.

Moriya: Rather than getting angry, I always take a stance of thinking about how to prevent problems from happening again. I think it would be excellent for our company’s open atmosphere to develop even further.

Kawamura: This is precisely the intent of the two codes set forth by the Financial Services Agency (Japan’s Stewardship Code, Japan’s Corporate Governance Code). Investors are also becoming more likely to look closely at non-financial information.

Moriya: I thoroughly feel that “integrity”, which you mentioned to me during our last discussion, is a wonderful concept.

Kawamura: Please move forward while keeping that feeling in mind.

■ Initiatives to address global risks

Kawamura: By the way, looking at global risks, how is CK considering the risks particularly associated with climate changes?

Moriya: I believe that in terms of our industry, as long as we continue to operate vehicles that use fossil fuels, climate changes will be a major issue. Even if we want to fix this problem by ourselves, it is not possible for us alone. It is an issue for the industry as a whole. The first step would be to develop products with low fuel consumption, and furthermore to develop EV products. Our biggest challenge will be to continually provide these kinds of products to our customers and to make contributions to the environment. In our current Mid-Term Management Plan, we have a goal to release 10 eco-friendly products by the end of the 2016 fiscal year, and so far we have already released 7. We have prospects for the remaining 3 as well.

4. Policy Initiatives - Dialogue with the President

Moriya: Even in the next period's Mid-Term Management Plan, we are now thinking of the objectives for the 2020 to 2025 period. This initiative is strongly connected to our business, contributing to society at the same time as raising our corporate values, and we will continue to address it in the future as well.

Kawamura: There are also risks that exist on the supply chain, such as flooding in Thailand, which is highly susceptible to climate-related risks, and salt damage in Bangladesh, a country with a low sea level. The ability to recover from risks is known as "resilience". How are you thinking about your resilience to risks like these?

Moriya: We are thinking of two ways to respond. The first is preparing other suppliers in case something happens, which is of course necessary in a management sense. However, we also share the risks faced by our business partners and so as a second measure we are wondering if there is anything that we could do to address them together.

Kawamura: Even though I haven't checked for myself and so don't know if it is true, I have heard that a certain automobile manufacturer has an understanding of their suppliers 10 levels deep. How about CK?

Moriya: Although our company probably has very few if any supply chains that go as deep as 10 levels of suppliers, the truth is that except for certain products, we have not carried out measures like this. Since this is a business risk, we are aware that this needs to be done at some point.

Kawamura: This means that you need to think about "products" and "processes", or in other words, "merchandise" and "supply chains".

Moriya: Yes, that's right. Up until now, most of the time we have been saying "we will do this", but lately we have become able to say "we are doing this" instead. As you mentioned in your comments, I would like to carry out engagement through dialogues with internal and external stakeholders.

If we have another opportunity for discussion, I will probably be able to tell you more about our CSR issues and action plans. Once again, this was a very productive and highly fulfilling conversation. Thank you very much.



4. Policy Initiatives – Corporate Philosophy and CSR Policy

Corporate Vision, Missions, Values, and CSR Policy

Corporate Vision, Missions, and Values

The Calsonic Kansei Group has set a “Corporate Vision” that is the ideal state it aspires to, “Missions”, and the “CK Way” (Values) which consists of guidelines for employee conduct in order to achieve the Corporate Vision, and is engaged in business management based on social ethics.

Position of CSR Policy

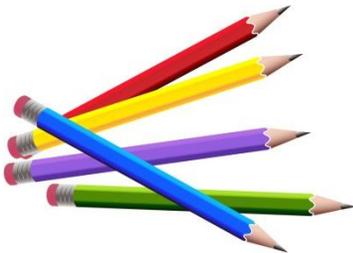
The Calsonic Kansei Group’s goal is to lead the industry through Monozukuri activities in our automobile society and as a member of the global society, and to continue to provide new values.

To do this, we must fulfill the trust and expectations placed on us by all of our stakeholders including our customers and business partners, and must move forward and develop together.

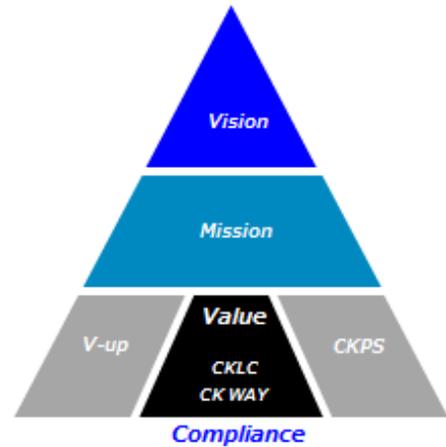
Under the awareness of these points, the Calsonic Kansei Group has defined its CSR Policy.

Our CSR Policy includes responsibilities and guidelines that we promise to execute for all of our stakeholders and society, in order to realize our Corporate Vision.

Based on this policy, each employee contributes to society’s sustainable development by conducting his or her daily operations with an awareness of social responsibilities and with well-set business management balanced between social, environmental, and economic aspects.



Philosophy of the Calsonic Kansei Group



CSR Concepts of the Calsonic Kansei Group



CKLC: Calsonic Kansei Leadership Competency
This is a definition of the state of leadership demanded by our company.

V-up: A management improvement technique utilizing knowledge and power from job sites in terms of “process viewpoints” and “customer viewpoints”. At Calsonic Kansei, V-up is not merely a tool for resolving issues, but our goal is for it to be instilled and entrenched within our company as the everyday process of working, or “The Way We Work”.

CKPS: Calsonic Kansei Production System
A basic concept of Monozukuri that is summarized into the 2 ideas of “unending synchronization with customers” and “unending actualization and reform of issues”.
Its goals are as follows:

- Enhancing the profitability and competitiveness of the company.
- To accomplish this, strict attention must be paid to synchronization with customers, and the best production system overall must be constructed.

4. Policy Initiatives - Corporate Philosophy and CSR Policy

Corporate Vision

- A statement specifically expressing the direction to be taken over the long term -

In the 2012 fiscal year, Calsonic Kansei formed a global team to collect opinions from roughly 6000 employees using questionnaires and the Internet, and formulated a Corporate Vision and Mission Statements to clarify the direction to be taken as a company.

The Corporate Vision is a statement that specifically expresses the state our company is striving to reach, and the direction it will take over the long term. Within this statement, it is made clear that our core businesses are our automotive-related fields and Monozukuri.

Calsonic Kansei's vision is to contribute to the achievement of a sustainable society through these core businesses.

A global automotive company, inspired to be world-leading in innovation and Monozukuri, while contributing to a sustainable society

Mission Statements

- Specific objectives for pursuing our Vision -

By indicating our company's action plans and goals to strive for more specifically, the Mission Statements declare that Calsonic Kansei will build a brand as a world-leading automotive parts manufacturer. This goal is supported by the enthusiasm of employees to continually strive to strengthen the values of Calsonic Kansei, and the achievement of technological innovations that can lead the world by combining creativity and the spirit of Monozukuri. We are also continually aware that we are a member of society, and promise to be a company that will always fulfill our social responsibilities.

Global

We create the strongest world-wide automotive supplier brand by cohesively blending our diverse cultures into one dynamically agile team.

Inspired

We are persistent to invest in the CK core values generating pride, passion, and loyalty in all of our team members.

World Leading Innovation

We harness creativity and a Monozukuri spirit from our team members to be first-to-market with high quality products and processes for our customers.

Sustainable Society

We are committed to be a socially responsible corporate citizen that brings value to our shareholders, communities, and team members.

Values - CK WAY (Guidelines for Conduct)

The CK WAY is a set of guidelines for conduct carried out by each employee to achieve the Corporate Vision. It is an essential source of power for the sustainable growth of the Calsonic Kansei Group, and we believe it is vital for it to be practiced by each individual employee.

Individual

1. Challenge
2. Independence
3. Learning

Task

1. Fact-Driven
2. Continuous
3. Commit & Target

Team

1. Cross function / Cross region
2. People Oriented
3. Diversity
4. Transparency

4. Policy Initiatives - Corporate Philosophy and CSR Policy

CSR Policy - Responsibilities to Stakeholders and Society

Calsonic Kansei's "CSR Policy" describes its CSR policy and responsibilities with a view to realizing its "Corporate Vision".

Based on this policy, each employee contributes society's sustainable growth by conducting their daily operations with the awareness to social responsibilities and with well-set business management based on environmental aspect, society aspect, and economy aspect.

Responsibilities to customers

We aim to be the most trusted company by the customers by responding to the diversified needs & expectations of the society and providing high-quality products & services that satisfy the customers.

Responsibilities to suppliers

We will collaborate with the suppliers, which provides us components & services, as equal partners and aim to realize mutual improvement and sustainable growth through fair & ethical business operations.

Responsibilities to employees

We respect the diversity and value of each employee and provide the opportunities to develop their talents that contribute to the company and the society, as well as securing healthy & safe workplace environment. With these approaches, we will create the company which the each employee can spend a rich life with full dreams, passion, and pride.

Responsibilities to employees' health & safety

Based on the principle "Securing the employees' health & safety is the first priority", we will be the leading company in the automotive industry to realize the healthy & safe workplace with all employees' participation in the improvement activities.

Responsibilities to shareholders and investors

We aim to improve our profitability by continuously developing the competitive products, and at the same time, we aim to enhance the company's corporate value by conducting fair business trade and with proactive information disclosure in order to return the generated benefits to our shareholders and investors.

Responsibilities to society

Monozukuri

We will contribute to the automotive society through our products by focusing on the three key technologies; Environment, Safety and Comfort.

Environment; Technologies for developing environmental-friendly vehicles

Safety; Technologies for creating automotive society without car accidents

Comfort; Technologies for developing vehicles which drivers can drive with comfort

Environment

By each employee always being aware of the importance of nature and putting effort into maintaining environment with intellectual innovation gained through technology integration, we contribute to create a spiritually rich society.

Participation to social activities and social contributions

We will contribute to the society's sustainable development as good corporate citizens by proactively participating in the social activities of local society through our business activities.

4. Policy Initiatives - “First Year of CSR” Activity Plan

Activities for the 2015 Fiscal Year

With the 2015 fiscal year as the “First Year of CSR” for Calsonic Kansei, in addition to the formulation of the CSR Mid-Term Activity Plan, we are focusing on activities such as initiatives to investigate CSR in the supply chain, development of a CSR-oriented mindset in employees, and coordinated activities with domestic and overseas affiliated companies.

Enhancement and improvement of activities

- Formulation of CSR Mid-Term Activity Plan
- Identification of materiality (important CSR issues), and setting and re-evaluation of KPIs
- Understanding of Calsonic Kansei’s strengths and weaknesses, and initiatives for improvement
- Initiatives for supply chain CSR due diligence, etc.

Developing a CSR-oriented mindset in employees

- CSR awareness training for all employees and affiliated companies
- Gaining an understanding of the level to which CSR awareness is instilled (by questionnaires), etc.

Arrangement of systems

- Construction of systems coordinated with Group companies
- Construction of systems for CSR activities coordinated with various in-house departments
- Coordination with overseas affiliated companies, etc.

Forthcoming Activity Plans

We will formulate a CSR Mid-Term Activity Plan, define KPIs, and work toward the achievement of goals over a period spanning multiple fiscal years.

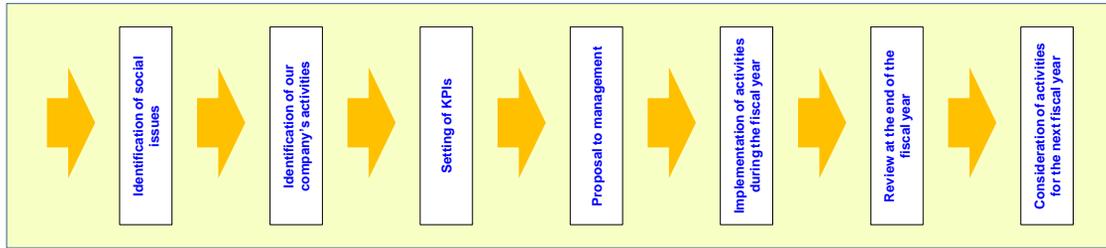
		FY15	FY16	FY17	FY18	FY19
Enhancement and improvement of activities	Analysis of current strengths and weaknesses	➔			Mid-Term Activity Plan target	
	Setting of priorities for initiatives	➔				
	Re-evaluation of KPIs	➔				
	Formulation of CSR Mid-Term Activity Plan	➔				
	Tentative image of KPI goals for CSR Mid-Term Activity Plan		➔			
			40%	70%	100%	

4. Policy Initiatives - CSR Materiality

Processes to Narrow Down Important Issues

In the 2015 fiscal year, we identified Group, domestic, and global social issues, evaluated their “Impacts on CK”, “Impacts on stakeholders”, “Frequency of occurrence”, and “Extent of measures to address risk prevention”, and then set the **materiality** separated by the core subjects of ISO26000.

KPIs were then set for each materiality, and we are now taking action toward achieving their objectives.



Materiality and KPIs *Refer to the Reference Materials section of our homepage on the Internet for indicator values and past records.

Category	Materiality	KPI
Organizational governance	Strengthening governance	Number of independent outside directors
		Number of outside auditors
	Improvement of profits	Sales Volume
		Value added operating income margin
Human rights	Respecting diversity	Rate of disabled person employment
		Rate of female managers
		Number of non-Japanese employees
	Supporting issues in developing countries	Supply chain due diligence
	Contributions to social structure improvements	Number of conflict minerals survey companies
Labor practices (Calsonic Kansei independently)	Work environment	Rate of female employees
		Average length of continuous employment
		Number of union members
		Number of new graduate employees
	Improvement of working styles	Number of re-employed employees
		Usage rate of paid leave
		Number of employees taking time off from work for child care
		Number of employees obtaining child care leave
	Work health and safety	Number of employees taking time off from work for nursing care
Environment	Response to climate changes	Frequency rate of accidents requiring time off from work
		Number of eco-products created (FY11~FY16)
		Rate of reduction of CO ₂ emissions from production
		Rate of reduction of CO ₂ emissions from logistics
	Prevention of environmental disruption	Rate of reduction of CO ₂ emissions from offices
		Rate of emissions reduction
		Rate of water consumption reduction
		Rate of PRTR reduction
		Rate of landfill disposal
		Purchase management
Fair business practices	Thoroughly ensuring compliance	Number of serious violations
		Number of compliance awards
		Number of whistleblowing reports
		Rate of information security training participants
Consumer issues	Customer issues	Level of customer satisfaction
Community Participation and development	Social contribution activities	Total expenses for social contribution activities
		Activities to support children who will lead the future

5. Development of Eco-Products

Calsonic Kansei is:

- Promoting technological development as declared in its GX4 T10 Mid-Term Management Plan.
- Engaging in measures to contribute to customers and society through technology and products.
- Committing itself to making further enhancements.

Enhancement of profitability and strengthening of the foundation for our Monozukuri capabilities

From 2009, we have promoted company-wide activities aimed at becoming the No.1 Monozukuri company in the world. While enhancing our profitability and strengthening our Monozukuri foundation, we have also promoted significant enhancements of our technological development capabilities in order to achieve growth in the future.

- MTCR: Monozukuri IdC_Revolution
- Expansion of activities to overseas bases, standardization of Monozukuri know-how, human resource development

Expansion of technology development investment for the future

We have increased our resources allocated to technological development (substantial increases in both amounts and percentages), to strengthen our development ability.

- Roughly 5 times the investment amounts for advanced technological development over fiscal year 2009
- Roughly 4 times the percentage of advanced technological development investment amounts in technological development expenses

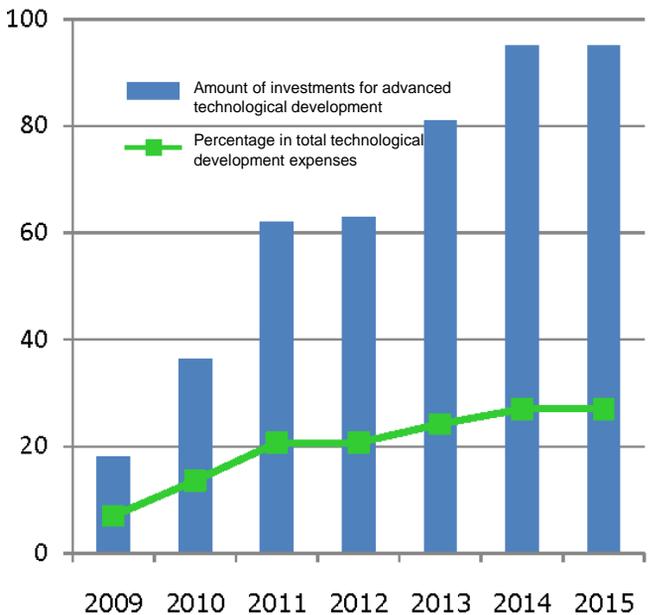
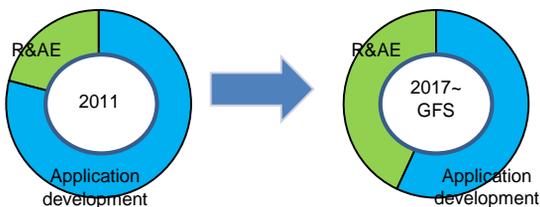
Effective investment management for global technological development

We are promoting a Global Formation Shift (GFS).

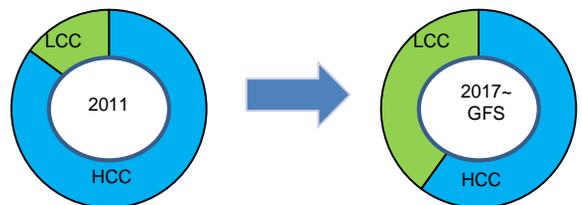
- Enhancement of global development functions
 - R&D work transfer from Japan by nurturing the existing development centers in the U.S., Mexico, Europe, and China
 - Offshore development center utilization, global information platform development
- Improvements to the additional value of the development functions in Japan

✓ Significant increases in high-value-added businesses such as research and advanced development

- The volume of high-added-value businesses is forecast to expand by 1.7 times

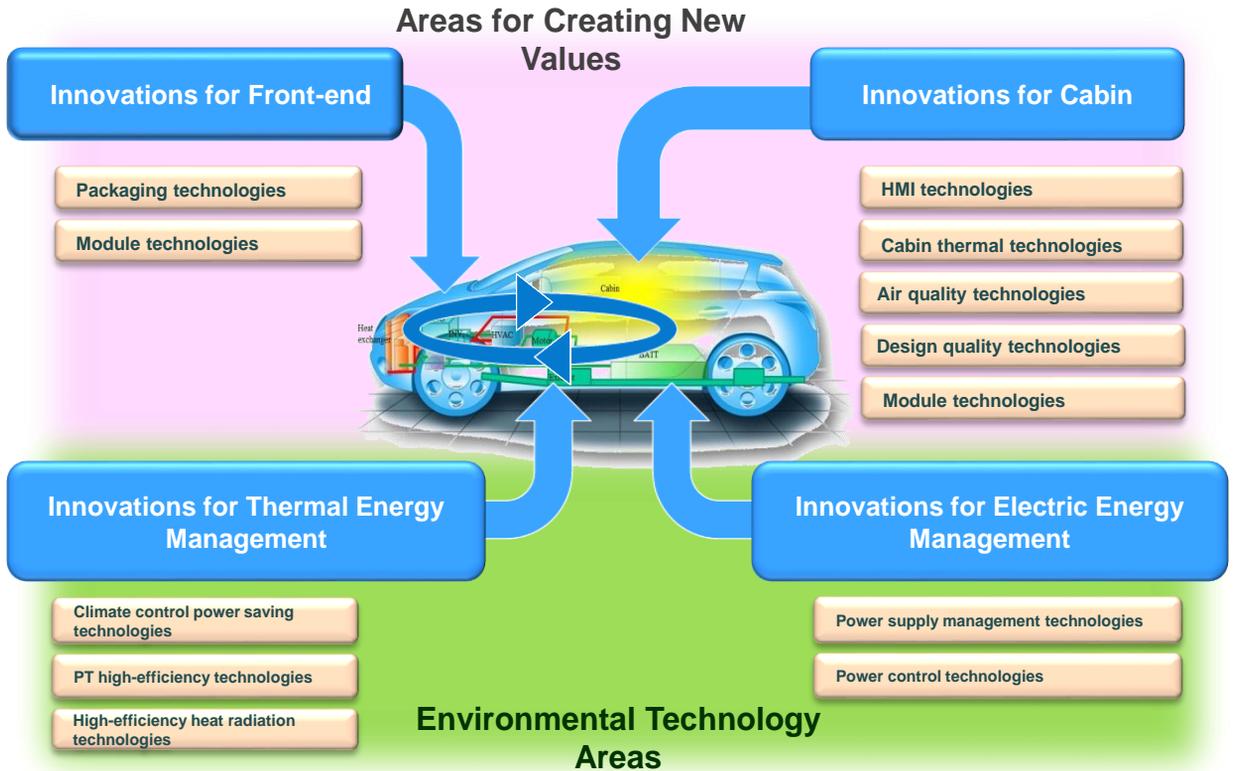


✓ Promote GFS to prevent the increase of excess development costs by facilitating the use of LCC engineering resources



5. Development of Eco-Products

Identification of 4 values and 12 strategic technology areas



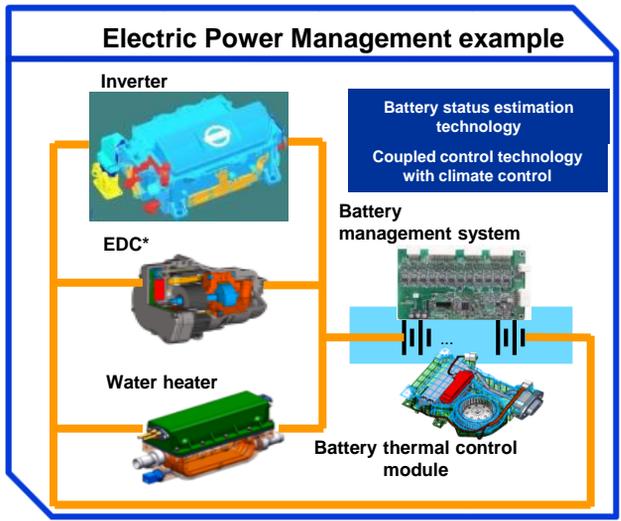
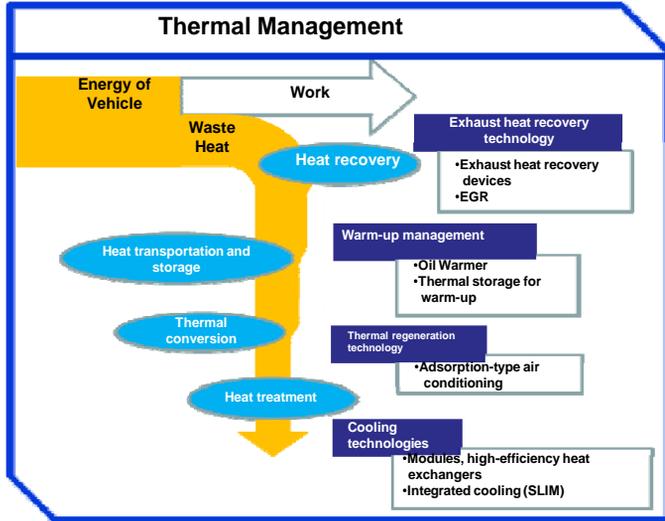
Environmental Technology Areas

Innovations for Thermal Management

- Achieved through the application of Calsonic Kansei's technological synergy to control waste heat energy in all vehicles.

Innovations for Power Management

- Calsonic Kansei possesses component technology for power devices (inverters, battery controllers) and develops it even further, including applications for power electronics systems control.



*EDC: Electric Driven Compressor

5. Development of Eco-Products

Areas for Creating New Values

Innovations for Cabin

- Creation of values for cabins (HMI, thermal comfort, design, air quality) is achieved together with innovations in CPM structure and production engineering.

Innovations for Front-end

- Creation of values for the front-end (packages) is achieved together with innovations in heat radiation management solutions.

Achievement of easy-to-drive cockpit, comfortable cabin, and attractive design.

Optimal HMI layout, ease of unit mounting, etc.

HMI

Thermal comfort

Achieved by effectively utilizing module structure

Design quality

Air quality

Achievement of attractive design and downsizing.

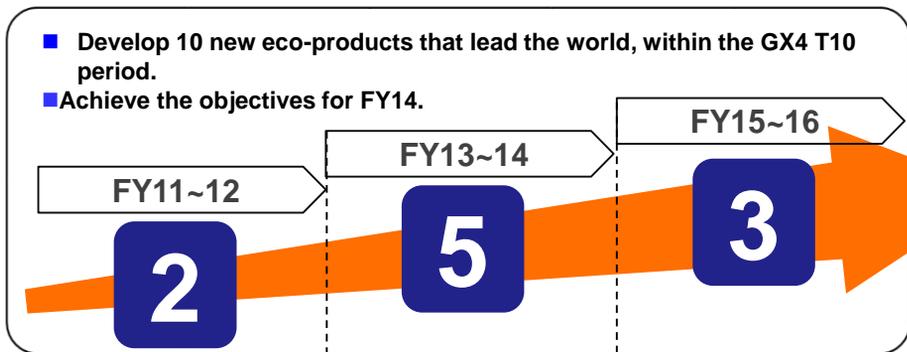
[Longitudinal cross-section image of vehicle front]

Heat radiation structure innovations

Packaging innovations

Achieved by strengthening module structure

Status of GX4 T10 Mid-Term Management Plan fulfillment



World's smallest EGR cooler



- EGR cooler
- Injection skin IP
- Soft-feel hard IP



World's first injection-molded skin

World's lightest compressor in its class



- Brush-less motor fan
- Water-based paint
- CR compressor
- Battery cooling blower motor



Most efficient and quietest battery cooling brush-less motor



- Market launch completed
- Receipt of orders completed
- Currently being sourced

5. Development of Eco-Products

Example of GX4 T10 environmental development results

- **Product commercialization of VG-FIN® (Vortex Generator fin)**
 - ✓ Development of world's first trapezoid-shaped VG-FIN®, that generates "vertical vortices" to realize the best heat exchange efficiency.

Example of GX4 T10 environmental development results

- **Product commercialization of world's smallest and lightest EGR cooler**



- **Product commercialization was achieved through the synergy effect of the technologies for heat exchanger and exhaust products.**
 - ✓ World's smallest and lightest (21 - 29% weight reduction from current products)
 - ✓ Performance improvements (improvement of 12 - 36% over current products (at the same gas flow resistance))
 - ✓ Introduction of new "VG-FIN®" technology
 - ✓ NOx suppression and fuel economy improvement

*EGR (Exhaust Gas Recirculation) Cooler:
Heat exchanger that cools exhaust gas when it is returned to the combustion chamber.

Examples of GX4 T10 Environmental Technology Development Achievements

- **Commercialization of a lightweight brushless motor series for long-life, low-noise, and ultra-small blower fans**



- **Development and commercialization of new lightweight and small brushless motor that can support the requirement characteristics for electric powertrain vehicles.**
 - ✓ Further life extension by giving consideration to the battery cooling time when charging or parking
 - ✓ Ultra-light (45% reduction), ultra-thin (50% reduction), and ultra-low-noise (4dB reduction)
 - ✓ Achieve a brushless motor that is in the top of the benchmarks for reliability and packaging

[Some Achievements From the Significant Strengthening of our Technology Development Capabilities] Various awards received from the expansion of technology development investments

1. **Development of proprietary battery control technologies**
 - Control Division Tournament Technology Award from the Society of Instrument and Control Engineers [March 2012]
Internal state estimate for HEV/EV batteries using a Kalman filter
2. **SLIM COOL (Single Layer Integrated Cooling Module)**
 - High Quality Paper Award from the Society of Automotive Engineers [May 2013]
Development of single layer integrated cooling system to improve the system efficiency of heat exchangers
3. **Instrument panel upholstery molding technology using an injection molding machine**
 - SPE Automotive Innovation Awards [November 2013]
 - Technology Development Award from the Society of Automotive Engineers [May 2014]
4. **Technical contributions to the American Society of Heating, Refrigerating and Air-Conditioning Engineers**
 - George B. Hightower Award from the American Society of Heating, Refrigerating and Air-Conditioning Engineers
5. **Next-generation power electronics project for achieving a low-carbon society**
 - IMPAS2014 Best of Session Award [October 2014]

[Implementation of joint industry and academia research]

FY2014: 34 projects (18 universities, 4 research institutes)

- Contracted with a national project entitled Unused Thermal Energy Innovative Technology Research and Development

5. Development of Eco-Products

Prevention of Air Pollution: Purification of Car Exhaust Gas

Gasoline-fueled automobile exhaust system

With the increasing interest towards environmental issues over recently, exhaust regulations continue to be strengthened in countries around the world. Due to this the increasingly high performance being required of exhaust systems, high development technologies are called for. Calsonic Kansei develops and manufactures optimal products in order to live up to the high level of functions required as an exhaust system supplier.

Main characteristics of Calsonic Kansei's products

Exhaust manifold:

Lightweight, compact, and low heat capacity achieved using SUS materials (contribute to prompt catalyst act

Manifold converter:

Both unit integrated with the exhaust manifold in one piece and separate units developed, and the integrate unit particularly contributes to being lightweight and having low heat capacity through the exclusion of the flange for tightening

Catalytic converter (under floor)

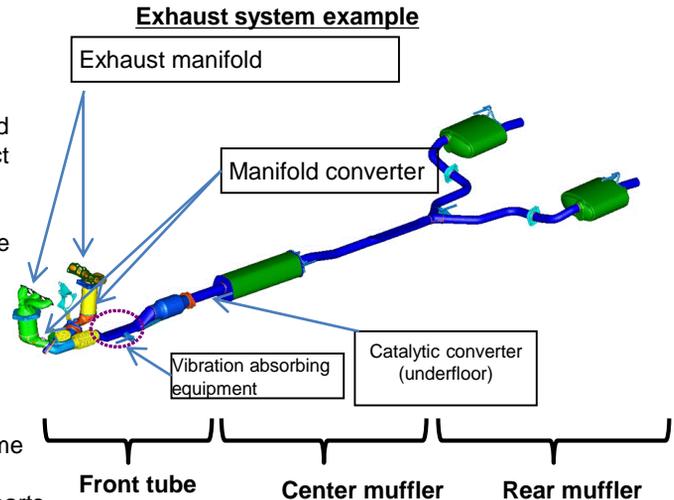
Set in an optimal position while securing the required catalytic capacity.

In particular, significant reduction in manufacturing time achieved by the elimination of the heat shield for the spinning converter and a reduction in the number of parts.

Vibration absorbing equipment

Through exhaust system vibration isolation, contributions are made to improvements in vibration performance and exhaust system durability

Possible to select the optimal vibration absorbing equipment (two types: flexible tube and spherical joint) for the optimal part depending on the vehicle layout

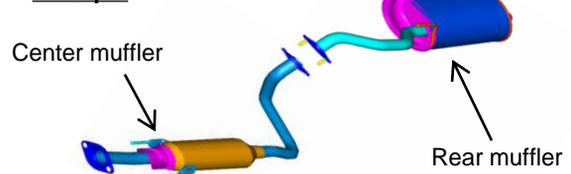


Noise Prevention: Reduction of Noise Emissions for Exhaust System Parts

Center muffler, rear muffler

We have conducted sensitivity analysis (parameter studies) on factors that reduce exhaust noises in exhaust systems. We clarify muffler capacity, structure, positioning, and the impact of back pressure and radiation noise to exhaust passage in order to achieve high-dimensional noise emission performance and high performance (high output).

Exhaust muffler system example



LCA* Initiatives (Environmental Impact Assessment for Products)

*LCA=Life Cycle Assessment

At Calsonic Kansei, we quantitatively assess and evaluate the environmental impact of products in an effort to achieve appropriate support of future environmental issues, including making judgments on the appropriateness of product plans and development plans and setting priorities on where environmental consideration should be given in the development design and production process for products.

As part of initiatives up until now, we have calculated the environmental load for internal load by plant per unit by product, and developed a database of internal production product LCA data.

In addition, we decide on the scope for car model products and calculate the LCA.

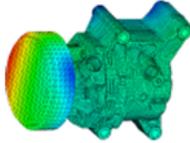
In addition, from FY2006 we established the Product Environmental Indicators Working Group to study how to assess the environmental performance of products within the development process and how to implement such assessments. The working group commenced the full-fledge study of how to implement LCA indicators, and in

FY2007 it established a system for the calculation of CO₂ emissions that occur at each stage of manufacturing and use for each product.

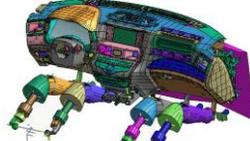
5. Development of Eco-Products

Improving Development Through Extensive Computer Simulation

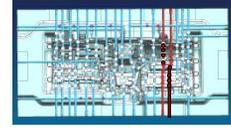
- We conduct technology development for various forms of computer simulation (CAE) and we use CAE in variety of situations in order to improve development quality and achieve efficient development. In addition to the simulation of product performance and development, we also develop and use simulations in a variety of manufacturing areas that include resin flow, casting, and plastic forming. It also makes a significant contribution to the development and promotion of environmentally-friendly products that is one of our key CSR issues.



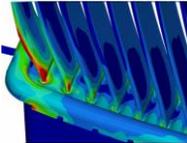
Compressor vibration analysis



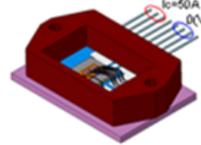
CPM lower limb failure value analysis (collision analysis)



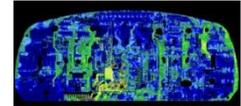
Instrument panel resin cooling analysis



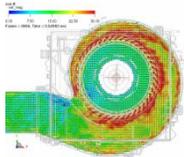
Heat exchanger thermal stress analysis



Power module solder thermal fatigue analysis



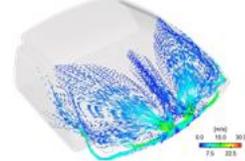
Meter electronic substrate EMC analysis



Sirocco fan airflow noise analysis



Air-conditioning system cooling performance analysis



Vehicle interior demisting performance analysis

Most Advanced Laboratory Facilities to Ensure High Product Reliability

- In the field of safety, environment, and comfort technology, we have reproduced market environments through state-of-the-art equipment and experimental technologies in order to ensure a high level of reliability in the three levels of vehicles, systems, and components from the customer's perspective. We make sure that the reliability process is performed and that there are high levels of safety and durability of pursuit of product development that will satisfy customers.



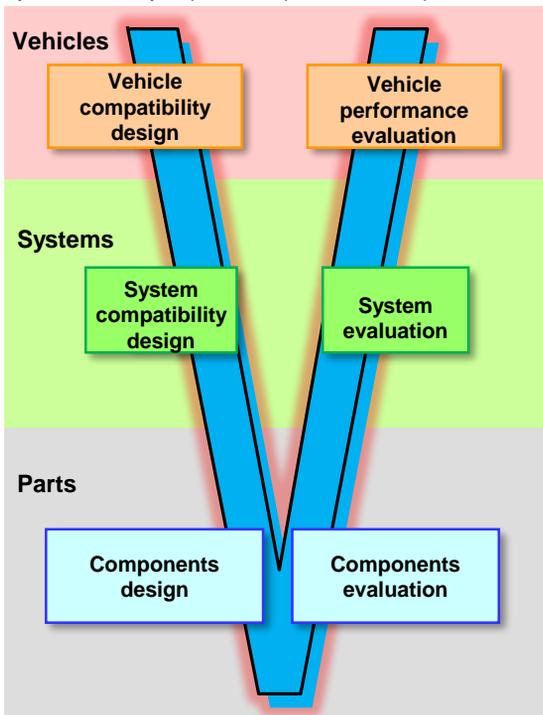
Actual vehicle anechoic chamber



Inverter test bench



Compressor performance evaluation



Real car environment wind tunnel



Lower limb failure evaluation test facilities



Thermal fatigue assessment exhaust simulator

Development of Structure for Ensuring the Appropriateness of Operations (Underlined Sections of Basic Principles and Systems of CK's Internal Control:2015 Revisions)

Calsonic Kansei has traditionally viewed management compliance and appropriateness as some of the most important issues. The establishment of an efficient and appropriate governance structure is important in order to continue to be trusted as a reliable company by customers and other stakeholders. For this reason, we have established organizations including various committees and we have worked towards day-to-day improvements.

Calsonic Kansei's Board of Directors resolved to establish the Basic Principles and Systems of CK's Internal Control in 2006, and in accordance with this policy we have constantly monitored social trends and expectations from society while maintaining this policy and the appropriateness of management itself.

In FY2015, the Group's internal control system and audit system was partially revised in line with the revision of the Companies Act and Ordinance for Enforcement of the Companies Act (underlined sections).

1. System to ensure compliance with applicable laws and regulations and compliance with CK's Articles of Association by CK's board members and employees

Calsonic Kansei Corporation (hereinafter referred to as "CK") shall enact and enforce relevant company rules and regulations such as "Calsonic Kansei Code of Conduct" (Japanese version), "Regulations for Meetings of Board of Directors", "Regulations on Management of Safety and Health", "Regulations for Personal Data Management", and "Regulations for Management of Insider Trading Prevention" and shall place CK's board members and employees on notice that they must be familiar with such company rules and regulations and comply with such rules and regulations, the Articles of Association of CK and all applicable laws and regulations. The Internal Audit Office, as established, shall perform its regular internal audit in order to confirm compliance with all applicable laws and regulations and the Articles of Association of CK.

In the event that any report related to a violation of laws and regulations or the Articles of Association of CK is brought to CK based upon CK's internal reporting program, CK shall work through its compliance with applicable laws and regulations and the Articles of Association of CK with the Global Compliance Risk Management Committee. When operating the internal reporting system, CK shall prohibit any disadvantageous treatment of reporters and define the effect in the Code of Conduct. CK shall assume a resolute attitude toward antisocial forces. If a board member or an employee of CK receives any approach by antisocial forces, he or she shall report to the superior and relevant departments immediately and follow their instructions. Further, if a board member or an employee of CK, directly or indirectly, encounters any illegal or criminal activities such as fraud and extortion during business execution, he or she shall assume a resolute attitude toward the activity, report to the superior and relevant departments immediately, and follow their instructions.

CK shall maintain and strengthen the structure of internal control that ensures the reliability of financial reports, in accordance with the Financial Instruments and Exchange Act and related regulations and standards.

2. System regarding the retention and management of information relating to business of CK's board members

Minutes of the meetings of the Board of Directors and/or other official documents authorized by CK's Rule for Delegations of Authorities shall be retained and kept by the responsible departments in accordance with CK's rules relating to the retention of documents. Board members and/or statutory auditors can review such minutes and official documents at any time.

3. Rules and systems for company's proper management of risk and loss

With respect to CK's company-wide risk management, the Risk Management Committee shall meet on regular basis and shall continuously review each division of CK for compliance with CK's risk management rules and systems. In addition, a specific sub-committee will be established, as needed, to address specific risks. Such sub-committees shall make best efforts to minimize individual risk and loss, including preparing manuals addressing such risks and loss. Further, the chief officer of each division is responsible for managing and addressing risk and loss, as applicable to his or her own division, in an appropriate manner.

4. System to ensure efficient execution of business plans established by CK's board members

Board members and high-ranking officers shall, in accordance with CK's rules and regulations, including but not limited to the Regulations for Meetings of Board of Directors, make decisions and authorize actions and establish policies only after in depth deliberation of each business matter at both the committee level, including the Global Executive Committee involving officers and employees of CK's subsidiaries as Committee members which shall meet on a regular basis, and at regular and special meetings of the Board of Directors. A corporate-officers system is adopted and "Regulations for Duties of Departments" are established by CK to facilitate delegation of authority in order to facilitate swift decisions. Further, CK's Rules of Delegation of Authority, which apply globally to all of CK's subsidiaries, shall require that all business decisions be transparent and CK shall embclear.

ody the management policy and business objectives by developing a medium-term management plan and an annual business plan, and conduct an efficient and effective business by sharing the plans with CK and CK's subsidiaries.

6. Corporate Governance - Basic Principles and Systems of CK's Internal Control

5. System to ensure proper and legitimate business activities of a company group consisting of CK, parent companies and subsidiary companies (hereinafter referred to as the "Group")

All of CK's divisions shall coordinate with each corresponding division of the parent company to establish proper and legitimate business Group activities. CK as a listed company shall make its own decisions independent from the parent company even though CK has requirements to report material business matters to or obtain confirmation from the parent company as a member of the Group.

CK's policies shall be provided to CK's subsidiaries and information shall be mutually shared through the Global Executive Committee and committees to be held on regular basis in each department and, material business matters of each CK's subsidiary shall be provided to CK for the purpose of reporting to and/or confirmation from CK based upon clear and transparent delegation of authority established on a global scale to ensure the proper operation of CK's subsidiaries. The supervision scope of Risk Management Committee shall include all CK's subsidiaries for risk management and the same setup for risk management shall be applied to all.

Internal Audit Office shall perform regular internal audits on subsidiaries of CK in order to review both (i) compliance with laws and regulations and CK's articles of association; and (ii) risk management systems of such subsidiaries.

In order to ensure the appropriateness of the operation, Calsonic Kansei Global Code of Conduct shall be established and applied to CK's subsidiaries. Each CK's subsidiary shall establish its own Code of Conduct to comply with laws and regulations and corporate ethics. Each CK's subsidiary shall also incorporate ~~introduce~~ an internal reporting system and if there is any violation of laws and regulations or the articles of association, the subsidiary shall report to CK.

CK's Global Compliance Risk Management Committee is designed to deliberate not only on CK's own material matters but also on those of CK's subsidiaries reported through the internal reporting system of each subsidiary to ensure CK's subsidiaries' compliance with laws and regulations and with the articles of association.

6. System addressing the independence from board members when a company is asked to place employees supporting the activities of statutory auditors at the request of the statutory auditors, and matters related to the ensuring of effectiveness of instruction for the employees

Corporate Auditors Office is established to support the activities of the statutory auditors and place employees including full-time managerial positions to support the activities of the statutory auditors. Employees of the Corporate Auditors Office shall perform their duties under the direction of statutory auditors. Consent of Board of Statutory Auditors shall be required prior to initiating any personnel transfer, personnel appraisal and/or disciplinary action toward such employees.

7. System for reporting issues to CK's statutory auditors

Board members and/or employees shall, based upon requests of statutory auditors, explain to the statutory auditors the business activities of CK and shall report to the statutory auditors material decisions, policies and business activities of CK and CK's subsidiary at all meetings joined by statutory auditors. In addition, board members and/or employees shall report important business activities and business issues to statutory auditors when statutory auditors conduct their regular auditing on each of CK's divisions in accordance with annual audit schedule. Internal Audit Office shall make regular report to the statutory auditors at meetings of the Board of Statutory Auditors.

CK shall ensure its statutory auditors attend the meetings of Global Compliance Risk Management Committee which deliberates on cases violating the laws and regulations or the articles of association in CK and CK's subsidiaries including those reported through the internal reporting system of CK and CK's subsidiaries.

When operating the internal reporting system, CK shall prohibit any disadvantageous treatment of reporters and define the effect in the Code of Conduct.

8. System to ensure effective and valid auditing by statutory auditors in a company with Auditors

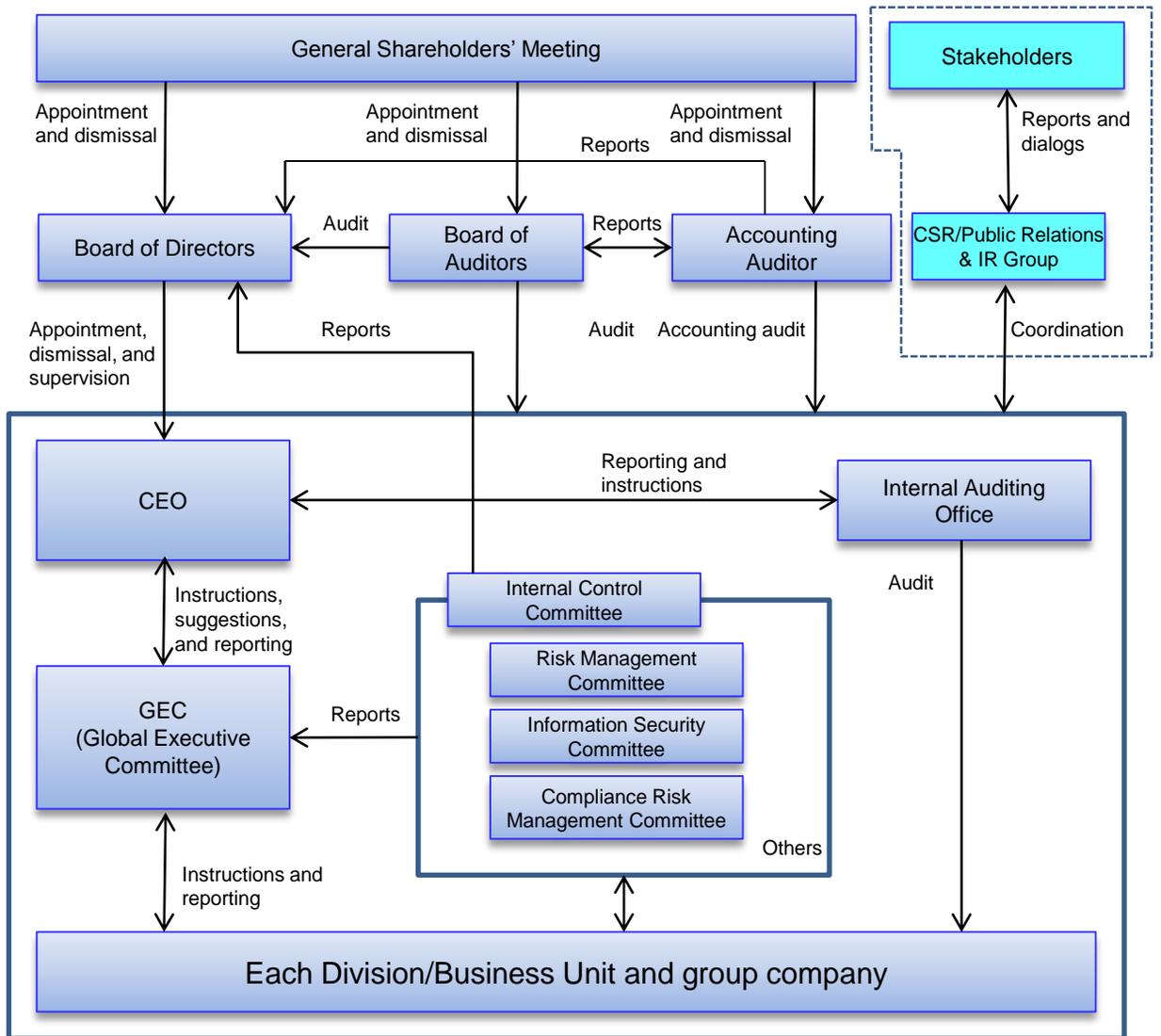
Statutory auditors shall have an opportunity to exchange views with the President/Representative Director of CK on a regular basis and receive regular reports from the auditing (accounting) firm.

CK shall take appropriate measures to ensure that the costs necessary for statutory auditors to perform their duties are paid based on the laws and regulations.

[The original text is Japanese.]

6. Corporate Governance - Basic Principles and Systems of CK's Internal Control

Relationship between the Governance Structure and CSR



*GEC: Meeting for which the CEO serves as the Chairperson

6. Corporate Governance - Open Information Disclosure

Focusing on Direct Dialogs with Stakeholders

At Calsonic Kansei, we conduct direct dialogs with shareholders and other stakeholders as part of our focus on fair and open information disclosure.

At the ordinary general meeting of shareholders, we report our business results and the attainment status of our medium-term business plan and provide an opportunity for shareholders to get a direct understanding of our business activities while showing them our actual products. In addition, results briefing sessions for securities analysts and institutional investors are proactively held with as an opportunity for the CEO to talk directly concerning the status of business results and the future vision for the company, as well as activities that include roundtables and study meetings with the participation of management and tours of factories and research facilities.

IR related news, quarterly financial highlights, financial statements, and annual reports are available from the "Investor relations" section of Calsonic Kansei's website.

URL: <http://www.calsonickansei.co.jp/english/ir/index.html>



The screenshot shows the Calsonic Kansei Investor Relations website. The header includes the company logo and navigation links: Press Release, FAQ, Sitemap, Japanese, Company Information, Product Information, Investor Relations, and CSR Information. The main content area features a large blue graphic with the text "Investor relations" and a hand holding glasses over documents. Below this, a paragraph discusses the importance of disclosure in a globalized market and the company's commitment to providing credible information to investors.

Fueled by globalization of information, today there is greater emphasis placed on disclosure of company information by investor relations. We recognize that in order to build and maintain credibility and trust with our shareholders, potential investors, analysts and the interested public, we must disclose reliable management information in a timely manner on top of providing various attractive products. As a globalized company, we are absolutely determined to devote our efforts to gain further understanding and support beyond the stockholders, potential investors and stakeholders orbit, on all aspects of our management activities of the mid term management policies. Our investor relation will initiate in taking this role. Our goal is to continuously provide credible investor relations information to everyone.

IR financial results briefing session



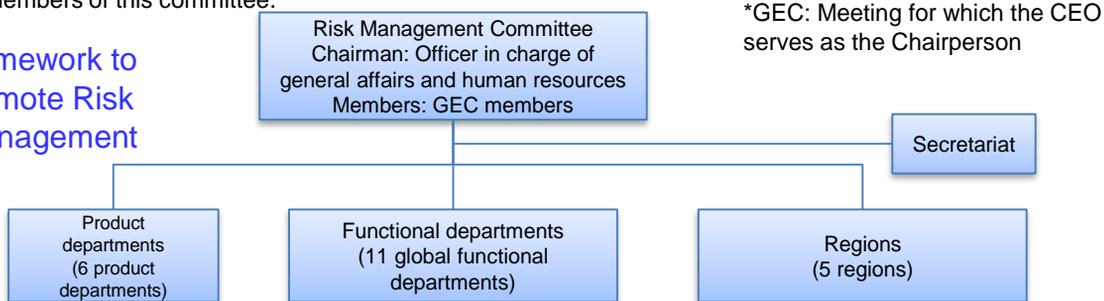
6. Corporate Governance - Risk Management

Risk Management

Basic Stance

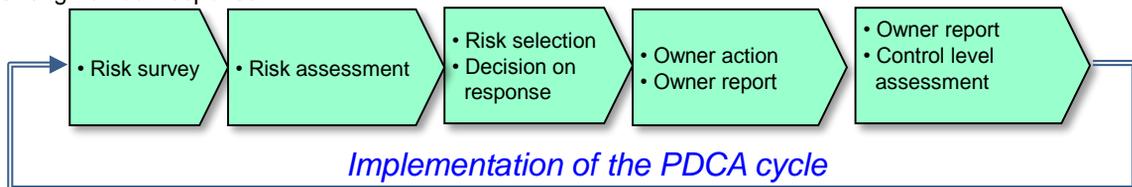
At Calsonic Kansei, we have established a Risk Management Committee composed of GEC (Global Executive Committee) members with an officer in charge of general affairs and human resources serving as the Chairman in order to support global business expansion and further diversifying risks. The PDCA cycle for risk management activities that includes the identification of major risks and the development of response plans is then implemented by officers from business departments, functional departments, and regions that serves as the members of this committee.

Framework to Promote Risk Management



Activities of the Risk Management Committee

The Risk Management Committee is held three times a year, at which items that cause risks related to human life, business continuity, the environment, finance, etc. are identified and a risk assessment map is developed. During FY2014, responsible departments, response plans, and achievement schedules were developed for the three items of disasters, production continuity, and quality as risks for the entire company, and we worked to implement activities for the avoidance and mitigation of the materialization of risks and the associated damage. During FY2015, we will re-evaluate the risk map, identify risks for the entire company, and work to further strengthen our response.



6. Corporate Governance - Disaster Prevention

Disaster prevention *This description focuses on the activities of the Group in Japan.

At Calsonic Kansei, we have established the Disaster Management Regulations in preparation for disasters such as earthquakes and typhoons, and the Company-Wide Disaster Prevention Manual has also been developed as the action guide that employees should follow based on these regulations.

Basic Disaster Policy

1. Ensure the safety of employees and visitors
2. Prevent the occurrence of secondary damage
3. Business continuity

At Calsonic Kansei, we establish structures in preparation for large-scale disasters and everyday emergencies.

The Central Disaster Response Division has been established within the Group Division in the event of a disaster that could interfere with production continuity in the Group.

In preparation for interruption of power transmission to divisions, emergency generators are installed along with multiple means of communication including satellite phones.

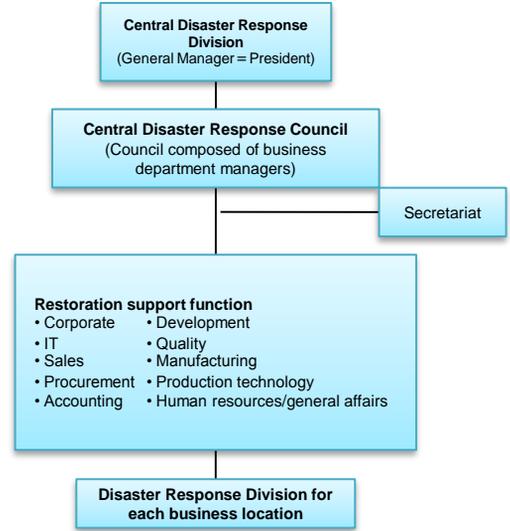
Up until now the Central Disaster Response Division has come into action on two occasions, that of the Great East Japan Earthquake and the major flooding in Thailand, and in these cases it managed to secure the safety of employees and achieve rapid recovery of production.

In particular, in preparation for wide-range large-scale earthquakes we have installed emergency earthquake warning systems in the Group's domestic business locations and we have installed emergency power generator in manufacturing locations where there is the possibility of fire so that fire-fighting operations can be conducted at any time.

Furthermore, at the R&D Center and Headquarters, the main building has a seismically isolated structure that enables it to serve as a temporary shelter for people with difficulties in returning home.

A safety confirmation system was introduced from FY2014, and safety training has been conducted based on annual safety training plans. Such measures will also be introduced at domestic Group business locations from FY2015.

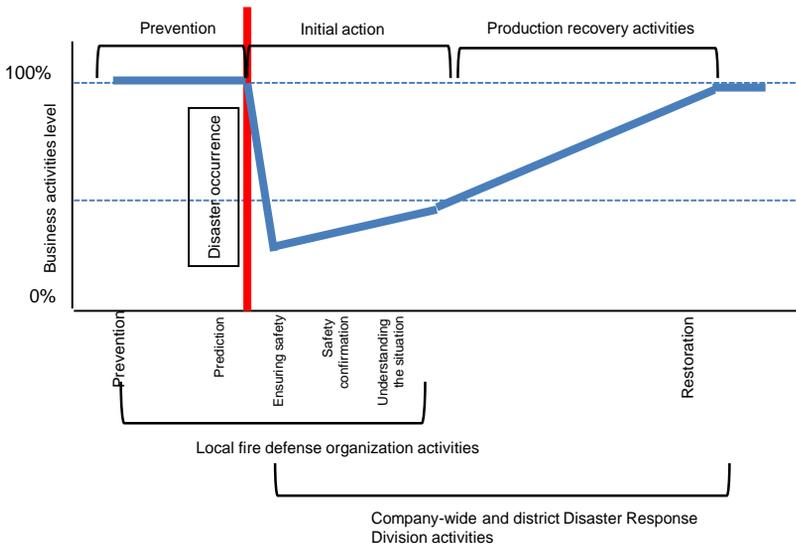
[Basic response flow at the time of large-scale earthquakes](#)



Initial fire extinguishing training



Standard lifesaving training



7. Human Rights

Basic Philosophy and Policies towards Human Rights

(1) Basic Philosophy

Calsonic Kansei designates its goal sought and aspired for its people, organizations, culture, and as a corporate citizen in order to achieve its corporate vision and mission as follows.

"HR will develop No. 1 People who will create a No. 1 Company that ensures sustainable growth"

The development of top human resources is essential in order to contribute to society as a top company that support sustainable growth.

People

Motivated and Innovative People

Organization

Global and Diverse Organization

Culture

Challenging and "Care for you" Culture

Corporate citizen

Transparent and ethical behavior

(2) Shared Values Based on the CK WAY

The CKLC (CK Leadership Competencies) and CK WAY serve as the basis for all activities by everyone who works at Calsonic Kansei as common and core values.

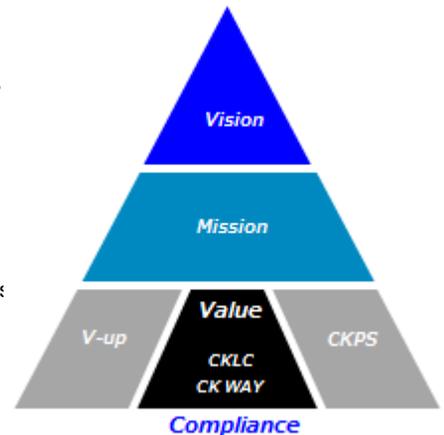
1. CKLC

The ideal leader sought by Calsonic Kansei is a global leader with the skills and pride of a top professional that inspires people they are around with a sense of being people oriented, independently takes on risks and implements reform, and is capable of achieving success. The ten basic behavior competencies are summarized as the CKLC (CK Leadership Competencies), based upon which the same leadership training is conducted around the world in the languages of each respective country (Japanese, English, Chinese, Thai, Spanish) so that the ideal leader sought is understood and realized in the field.

2. CK WAY

The ten key items in the illustration below serve as the common behavior guidelines for all employees at Calsonic Kansei.

So that the everyday activities of all employees working around the world are based on the CK WAY, these guidelines have been translated into ten languages (Japanese, English, Spanish (Mexico), Portuguese, Romanian, Spanish (Spain), Russian, Chinese, Thai, Malay) and shared on a global level.



CK WAY

Three action areas
and ten action
items

CK WAY

Individual

- Challenge
- Independence
- Learning

Task

- Fact-Driven
- Continuous
- Commitment & Target

Team

- Cross Function / Cross Region
- People Oriented
- Diversity
- Transparency

7. Human Rights

Stance towards Respect for Human Rights

At Calsonic Kansei, we conduct human rights education and awareness raising activities in aim for organizational management that achieves qualities such as respect for diversity and equal opportunities.

The Calsonic Kansei Code of Conduct clearly states

1. We will accept and respect the diversity of employees, business partners, customers, and the local community (race, nationality, gender, religion, physical disability, age, place of birth). In addition, we will work to effectively utilize the mutual diversity of officers and employees in all means possible in an effort to maximize the strength of the organization.
2. We will not discriminate against or harass other officers and employees or allow discrimination or harassment to occur due to race, nationality, gender, religion, physical disability, age, place of birth, or any other reasons.

Human Resource Development

Calsonic Kansei's growth is supported by human resources, and the focal points of human resource development for Calsonic Kansei as a global automotive-related company are monozukuri human resource and global human resources.

(1) Monozukuri Human Resources Development

In order to further improve monozukuri capabilities strengthened through global competition and roll these capabilities out on a global level, we conduct training for the acquisition of knowledge and skills in a planned manner, including CKPS (Calsonic Kansei Production System) training that is the foundation for monozukuri at Calsonic Kansei and various specialized technology training programs. In addition, planned career path programs are conducted to develop monozukuri capabilities to the level required in the field through a broad range of operational experience.

(2) Global Human Resources Development

For the purpose of developing the next generation of global business leaders, we conduct group English training for leader candidates from each country including Japan and GBLT (Global Business Leader Training) with a focus on active learning every year.

(3) Career Development Support

Career interviews are held with superiors for the purpose of supporting the career development of each and every employee. Interviews are held with superiors at least two times per year so that sufficient discussions can be held on the career development of employees along with performance assessments and competency assessments, and actual career development is then implemented based on these interviews.



(4) Introduction of a Skills Meister System

Under this system the Meister Certification Committee has been established to clarify the skills required for manufacturing and to certify and conduct renewals for meisters. The first Meister Certification Committee was held in March 2015, during which six meisters were certified. The employees that were certified on this occasion were selected for not only have the skills of a "master artisan", but also for being recognized as model employees by everyone they work with.

Fair Personnel Evaluation System

At Calsonic Kansei, we focus on developing workplace environments that enable each and every employee to maximize their abilities and continue learning in order to further improve their capabilities so that we can achieve growth as an organization.

To serve as the foundation for this, a fair personnel evaluation system and compensation system are indispensable. We have introduced an evaluation-based compensation system to correctly determine the degree of contribution being made as a framework for allowing employees to feel motivated and achieve high results.

Specifically, compensation is decided based on a competency evaluation that assesses the behaviors, skills, and knowledge required to achieve results that have been revealed and a performance evaluation that assess the results that have actually been achieved.

By keeping the information concerning the evaluation system and compensation system open, improving transparency through a handbook that provides a better understanding of the system, and providing ample opportunities for mutual communication between superiors and subordinates, we aim to improve the fairness of the system and the level of satisfaction towards the system.

8. Labor Practices

Respecting Diversity

(1) Diversity Promotion Activity: shine.net

The production of new innovations through healthy conflicts among employees with diverse values leads to the growth of the company and individuals.

At Calsonic Kansei, we view the promotion of diversity as one of the most important management strategies for the entire Group, and in addition to the distribution of a message from top management at that annual diversity meeting and the invitation of external experts to hold lectures on diversity, diversity promotion activities are conducted at each workplace under the Diversity Promotion Team (shine.net) that is composed of employees from each department, plant, and Group company.



(2) Active Participation of Women

We aim to achieve workplaces and ways of working that will make it possible to maximize the abilities of women that have life stages such as childbirth and child rearing, and accordingly we conduct employee opinion surveys and gather VOC through the Working Style Improvement Committee and Diversity Promotion Team while conducting the results of such activities into various measures. The number of women active as global leaders is increasing year by year, and the women in management rate for the Group on a global level was 9.5% in FY2014.

(3) Active Participation of Foreign Employees

As part of efforts to promote diversity, we are expanding the recruitment of foreign employees. In addition to recruiting international students, we also directly hire students graduating from universities overseas. In addition to 200 expatriates sent from Japan to overseas and 30 expatriates sent from overseas to Japan, the number of cross-regional transfers is increasing every year as workplaces for the active participation of foreign employees is growing on a global level.

Supporting Diverse Working Styles

We have developed system to support changes in the social structure and the lifestyle of employees that are becoming more and more diverse every year. Measures have been implemented based on the Act on Advancement of Measures to Support Raising Next-Generation Children, and the system put in place goes above and beyond the levels stipulated by law. In addition, we support telecommuting and satellite work through our Work-Style Innovation Project. Initiatives during FY2014 were aimed at improvements to create a more comfortable working environment through means such as the extension of the use period for the shortened workday system for nursing care until the grounds for leave no longer apply and a revision of the child nursing care leave system and nursing care leave system

Kurumin Mark

Our results for FY2013 to FY2014 were certified as conforming with the standards based on Article 13 of the Act on Advancement of Measures to Support Raising Next-Generation Children. (Kurumin Mark)



Communication with Employees

(1) Employee Satisfaction Survey

A CK WAY survey is conducted on a global level every year to study the sharing of values and actual behavior in the workplace in pursuit of the CK WAY, and action plans aimed at further improvements are implemented in response.

(2) Employee Award System

In order to foster a culture that respects people taking on challenges and values affinity for other people, we value recognition and praise on the spot as appropriate in response to the achievements of teams and individuals. Forms of awards include the CEO Award that is given once per year, the General Manager Award that is presented by officers every quarters, and thanks cards that are handwritten by management level staff and handed over as appropriate.

(3) Labor-Management Relations

At Calsonic Kansei, based on the stance that healthy labor-management relations serve as the foundation for corporate growth, we have built stable labor-management relations with the Calsonic Kansei Labor Union and we regularly conduct negotiations and discussion with employees regarding matters such as labor conditions.

In addition, for Group-wide issues that involve the Calsonic Kansei Group Union Confederation (CKGU), we conduct discussions with affiliated companies through round-table meetings between labor and management.

At each overseas Group company, discussions are held between the labor unions and employee representatives from each company based on the laws and regulations of each country.

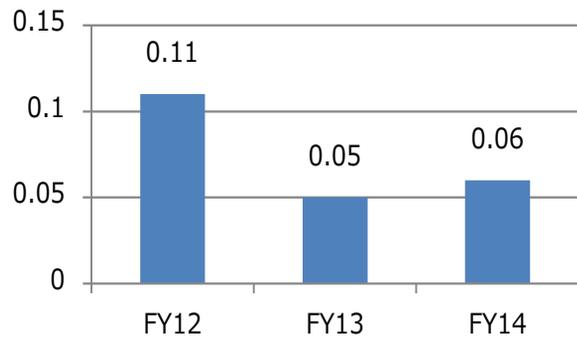
8. Labor Practices - Occupational Health and Safety of Employees

Occupational Health and Safety *This description focuses on the activities of the Group in Japan.

FY2014 results

The results were no serious accidents or fatalities during FY2014, and the number of accidents that required time off from work was on the same level as the previous fiscal year (one incident).

Frequency rate = number of accidents per 1million hours of labor
 = (number of accidents) ÷ (total working hours) × (1,000,000 hours)



*The figures in the report for the previous fiscal year were for Calsonic Kansei on a non-consolidated basis, while the figures for this report are for the entire Group.

Global Basic Policy of Health and Safety

Based on the basic principle “the Health and Safety of employees takes precedence over all”, we are committed to create the safest and most appropriate workplace in the auto-parts industry through the participation of all employees

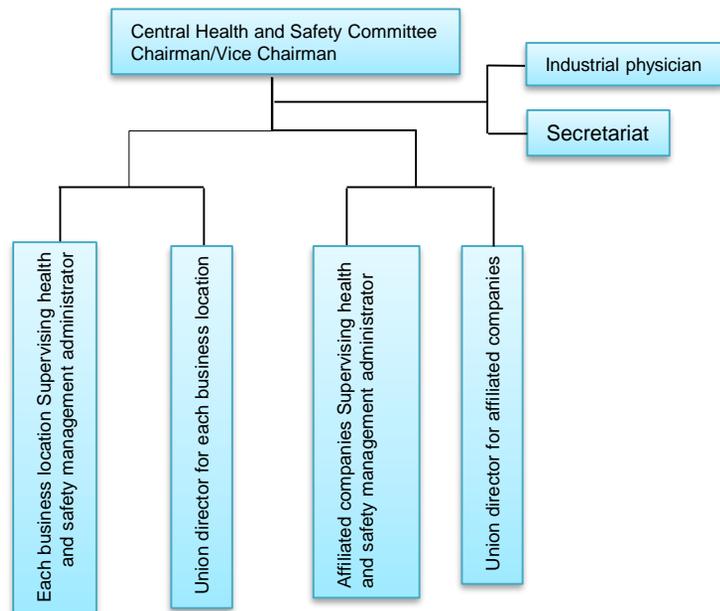
Health and Safety Activities Structure (Domestic Group)

At Calsonic Kansei, each Group company in Japan works together to establish annual targets for the various indicators related to health and safety, and works towards ensuring the safety of workplaces and safe and healthy by employees under the supervision of the supervising health and safety management administrator for each business location.

At the Central Health and Safety Committee that is held every year, we look back on the results for the year and confirm the main activities and targets for the entire Group for the new fiscal year.

Message from the Central Health and Safety Committee for FY2015

“Aim for workplaces with zero accidents! Protect your fellow workers! Protect your families!”



Risk Assessment

We set forth challenges every year and try to improve our level of performance. During FY2012, we carried out education on Risk Assessment, and one risk assessment issue was submitted per business location unit. During FY2013, one risk assessment was conducted per team unit, and in FY2014 at least one risk assessment was conducted by chief in an aim to reach an even higher level.

In terms of the contents, during FY2013 risk assessment were conducted on processes and equipment that were involved with an accident over the past five years and processes and equipment that were involved with a short-period stop at plants with no accidents, and preparation tasks. In light of the adoption of legislation for the risk assessment of chemical substances, during FY2015 at least one risk assessment was conducted on chemical substances per business location.

8. Labor Practices - Occupational Health and Safety of Employees

SES(Safety Evaluation System)

At Calsonic Kansei, the entire Group has introduced a framework called SES for assessing the safety of processes and facilities and making countermeasures obligatory depending on the situation.

Evaluators that have qualifications based on a certification system conduct an inspection based on a check table that is used for every business location at domestic Group companies. The level of improvement is also confirmed in these checks.

Evaluation results are generated for each business location. We aim to improve safety levels for the entire company by clarifying differences in safety levels between businesses through an evaluation that is conducted using the same pair of eyes.

Checks are also conducted based on an SES checklist when supervisors make their rounds at plants in an effort to maintain and improve safety.



F-PES (Fire-Prevention Evaluation System)

F-PES has been introduced for the purpose of fire prevention. As F-PES is kind of like a version of SES for fire prevention, a check table is used in the same manner as SES in order to map features such as dangerous facilities, electrostatic booths, and painting booths within plants in an effort to prevent fires and comply with laws and regulations.

While F-PES was conducted through the development of F-PES evaluators by each business location unit until FY2014, from FY2015 company-wide audits were conducted by internally-certified employees.

No-Smoking Activities

No-smoking activities were launched from FY2013 together with the health insurance society, and as a result the smoking rate fell from 39.1% in FY2013 to 37.5% in FY2014. Main activities

- Distribution of message supporting employees that want to quit smoking
- Presentation of awards to employees that have successfully quit smoking
- Establishment of the Calsonic Kansei No-Smoking Day (once a year)
- Holding of no-smoking lectures, etc.

We will continue the activities above during FY2015, and hold the Calsonic Kansei No-Smoking Day twice a year.

Mental Health

At Calsonic Kansei, an external expert has conducted stress checks on employees every year since FY2008. The participation rate was 96% in FY2014, and employees with high levels of stress received advice from a specialist doctor.

Although the diagnosis results are not submitted to the company in consideration of personal information protection, managers are able to confirm the level of stress by the workplace unit, and viewing data on one's own plant that has been analyzed from various perspectives leads to improvements.

For departments with particularly high levels of stress, external counseling experts are invited to listen to opinions from both subordinates and managers in order to clarify the gaps and also devise improvement plans.

While mental health care seminars were conducted for all newly appointed management personnel in the past, as a result of analysis of the levels of stress by position, gender, and age in addition to apartment, it was determined that stress was high among young employees and mid-career employees, and for this reason mental health care seminars were established for general employees advancing to a higher position from FY2013. The intranet is also used to present websites that introduce medical institutions and counselors in an effort to encourage care at an early stage.

We have developed a reinstatement program for employees that become ill as result of mental health issues as part of a system in place that aims to enable reinstatement to the workplace by having employees follow the program.

Stress check

Response provided over the Internet to employees with an email address and by a letter to employees without an email address

Feedback on the diagnosis results to the respondent

Consultations with EAP workers (Internet, letters, telephone, interviews, etc.)
Introduction of medical institutions
Follow-up by doctors (follow-up letter)
Stress level report to the department

9. Environment - Green Concept and Environmental Management

Green Concept

As a corporate group specializing in the production of automotive components, the Calsonic Kansei Group vigorously promotes group-wide environmental protection activities.

Environmental Policy

The Calsonic Kansei Group Environmental Policy establishes a set of basic principles, in accordance with which all Group companies will promote environmental protection, a common challenge for all humankind.

To be trusted by all our stakeholders including customers and society at large, and to contribute to building a sustainable society, we strive to ensure that all Group companies throughout the world share the Policy and act in an environmentally responsible manner in accordance with it.

Environmental Philosophy

With the aim of creating a pleasant natural environment and contributing to enriching society, Calsonic Kansei strives to protect the global environment by promoting intellectual innovation through technology integration, while at the same time encouraging its employees to always be aware of the basic principle of harmonious coexistence with nature.

Basic Environmental Policy

To contribute to building a more prosperous society, we strive to protect the environment at every stage of our business activities.

Environmental Policy

1. Establish an organization that promotes environmental protection activities.
2. Continuously improve and upgrade the environmental management system.
3. Comply with all applicable environmental laws and regulations.
4. Conduct environmental audits.
5. Promote resource-and energy-savings, waste reduction, recycling and streamlined logistics.
6. Reduce and eliminate the use of hazardous chemical substances.
7. Develop environmentally friendly products.
8. Conserve water, air, soil and biodiversity.
9. Implement environmental activities at our operations in Japan and overseas using the same standards in place at our domestic plants.
10. Actively disclose environmental information.

Environmental Management

1. Calsonic Kansei Group Environmental Management Promotion System

Global Environment Management Meeting

Chairperson: Global Production Division General Manager
 Vice Chairperson: Global Technology Division General Manager
 Secretariat: Environmental Energy Control Group

To further promote global environmental management, we have been holding the Global Environment Management Meeting. Under the Global Environment Management Meeting, each of the committees develops an environmental activity plan, which is then presented to the Global Environment Management Meeting for discussion, decision-making, and follow-up on the priority themes. We have a system in place for reviewing the progress of activities to ensure the effective implementation of the action plan, from target setting to implementation.

Japan North America Europe Asia

Based on the Global Action Plan, each headquarters develops and implements an environmental policy, goals and targets, and an environmental management program.

Product Environmental Committee

Promotes environmental conservation in product development, including development of environmentally friendly products and review of environmental performance indicators for products.

Production Engineering Environmental Committee

Promotes the reduction of environmental burdens of production technologies; promotes compliance with environmental laws and regulations; promotes energy and resource conservation measures; develops methods to reduce the use of hazardous chemical substances; and shares environmentally friendly technologies.

Environmental Energy Committee

Promotes reduction of environmental burdens caused by manufacturing operations; promotes compliance with environmental laws and regulations; promotes prevention of global warming and effective use of resources; promotes the reduction and elimination of the use of hazardous chemical substances; ISO 14001 progress management; conducts corporate environmental audits, etc.

Environmental Communication Committee

Promotes internal and external communication activities, including planning and implementation of social contribution activities.
 ⇒ Public relations activities for external audiences, through our website and environmental newsletters.
 ⇒ Awareness-raising and information-dissemination activities for employees through the intranet and in-house magazines.

9. Environment - Environmental Management

2. Calsonic Kansei Green Program 2016

As our medium-term plan for environmental conservation for fiscal years 2011 to 2016, we will vigorously implement the plan to achieve the following targets.

Item	Target						
	Category	Region	Target achievement timing	FY14 target	FY14 results	FY15 target	FY16 target
Reduction of CO₂ emissions (Reduction of energy usage) ● Production CO ₂ Reductions in emissions per unit (Emissions/sales) ● Office CO ₂ Reduction per unit (Emissions/floor space)	Production CO ₂	Japan	Upper row Single year Lower row Mid-term	2% reduction vs FY2013 14.2% reduction vs FY2005	3.5% increase vs FY2013 28.3% reduction vs FY2005	2.5% reduction vs FY2014 16.4% reduction vs FY2005	18.5% reduction vs FY2005
		North America, Europe, and Asia	Upper row Single year Lower row Mid-term	2% reduction vs FY2013 9.1% reduction vs FY2005	5% reduction vs FY2013 20.6% reduction vs FY2005	2.5% reduction vs FY2014 11.4% reduction vs FY2005	13.6% reduction vs FY2005
	CO ₂ from logistics	Japan	Upper row Single year Lower row Mid-term	1% reduction vs FY2013 20% reduction vs FY2010	16.6% reduction vs FY2013 35.9% reduction vs FY2010	1% reduction vs FY2014 21% reduction vs FY2010	22% reduction vs FY2010
	CO ₂ from offices	Japan	Upper row Single year Lower row Mid-term	1% reduction vs FY2013 4% reduction vs FY2010	3.1% reduction vs FY2013 6.5% reduction vs FY2010	1% reduction vs FY2014 5% reduction vs FY2010	6% reduction vs FY2010
Resource recycling ● Reductions in emissions per unit (Emissions/sales)	Waste (Waste + valuable resources)	Japan	Upper row Single year Lower row Mid-term	2% reduction vs FY2013 14.7% reduction vs FY2005	5.6% increase vs FY2013 26.5% reduction vs FY2005	2% reduction vs FY2014 16.4% reduction vs FY2015	18.1% reduction vs FY2005
		North America, Europe, and Asia	Upper row Single year Lower row Mid-term	1% reduction vs FY2013 4% reduction vs FY2010	5.8% reduction vs FY2013 11.7% reduction vs FY2010	1% reduction vs FY2014 5% reduction vs FY2010	6% reduction vs FY2010
Conservation of water, air, soil and biodiversity ● Usage per unit (Usage/sales)	Water consumption	Japan	Upper row Single year Lower row Mid-term	1% reduction vs FY2013 19.2% reduction vs FY2005	12.9% increase vs FY2013 4.6% reduction vs FY2009	2% reduction vs FY2014 20.8% reduction vs FY2009	22.4% reduction vs FY2009
		North America, Europe, and Asia	Upper row Single year Lower row Mid-term	-	-	2% reduction vs FY2014 2% reduction vs FY2014	4% reduction vs FY2014
	PRTR	Japan	Upper row Single year Lower row Mid-term	1% reduction vs FY2013 4% reduction vs FY2010	7.7% increase vs FY2013 1.3% reduction vs FY2010	Target being re-established as VOC substance reductions	
Zero Landfill (Reduce landfill waste to zero) ● Landfill rate (Landfill waste/waste amount)	Landfill waste	North America, Europe, and Asia	Mid-term	3%	2.9%	0.2%	Maintain 0.2%

3. Establishing an ISO 14001 Environmental Management System

■ Promoting the Acquisition of ISO 14001 Certification

Since 1998 the Calsonic Kansei Group has been promoting the acquisition of ISO 14001, an international standard for environmental management systems. All Calsonic Kansei plants, the Testing Research Center, the Research and Development Center of the headquarters, and domestic affiliated companies have been certified. Except for those newly established, all overseas affiliated companies have been certified, with the Group promoting high standards of environmental management on a global scale.

Japanese Plants and Offices Certification Status		
	Plants and Offices name	Initial regist. date
Dom.	Gunma Plant	Oct. 1998
	Kodama Plant	Jan. 1999
	Oppama Plant	Feb. 1999
	Yoshimi Plant	Dec. 2001
	Testing Research Center	Jan. 2003
	R&D Center, Headquarters	Jan. 2013

Major domestic affiliates Certification Status		
	Companies name	Initial regist. date
Dom.	Calsonic Kansei Iwate Corporation	Jun. 1998
	CKK Corporation	Mar. 1999
	Calsonic Kansei Utsunomiya Corporation	May 1999
	CKF Corporation	Dec. 1999
	Tokyo Radiator Mfg. Co., Ltd.	Mar. 2003
	CKP Corporation	Mar. 2004
	Calsonic Kansei Yamagata Corporation	Nov. 2012

Major overseas affiliates Certification Status		
	Companies name	Initial regist. date
North America	Calsonic Kansei North America, Inc. Shelbyville Plant	Sep. 2001
	Calsonic Kansei North America, Lewisburg Plant	Sep. 2002
	Calsonic Kansei Mexicana, S. de R. L. de C.V., Aguascalientes Plant	Mar. 2005
	Calsonic Kansei Mexicana, S. de R. L. de C.V., San Francisco Plant	Mar. 2005
Europe	Calsonic Kansei Sunderland Limited	Sep. 1999
	Calsonic Kansei UK Limited, Washington Plant	Oct. 1999
	Calsonic Kansei UK Limited, Llanelli Plant	Jan. 2002
	Calsonic Kansei Spain, S.A.	Feb. 2000
	Calsonic Kansei Romania S.R.L.	Nov. 2008
Asia	Daihan Calsonic Corporation	Apr. 2004
	Calsonic Kansei Korea Corporation	Oct. 2004
	Calsonic Kansei (Malaysia) Sdn.Bhd	Aug. 2007
	Calsonic Kansei (Wuxi) Corporation	Aug. 2007
	Calsonic Kansei (Wuxi) Components Corporation	Nov. 2008
	Calsonic Kansei (Guangzhou) Components Corporation	Jan. 2009
	Calsonic Kansei (Thailand) Co., Ltd.	Aug. 2011
	Calsonic Kansei Components (Xiang Yang) Corporation	Jan. 2014
	Calsonic Kansei (Haimen) Corporation	In planning
	Calsonic Kansei Motherson Auto Products Limited	In planning

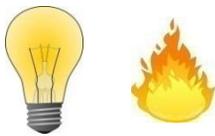
■ Promoting the Acquisition of ISO 14001 Certification

In an aim to improve the level of the environmental management system, we will expand the number of internal audit personnel at each business location while conducting internal audits led by the Headquarter's Environment & Energy Control Group and external audits by inspection agencies on a regular basis.

9. Environment - Environmental Management

4. Business Activities and Environmental Burden ⇒ Mass Balance

No mark: Calsonic Kansei + domestic and overseas affiliated companies
 ●: Calsonic Kansei + domestic affiliated companies

Input			
Raw materials 	Energy 	Water 	Chemical substances 
Total raw materials 218,340 t ● 65,419 t	Total energy 5,082,393 GJ ● 1,913,502 GJ	Total water 1,379 km ³ ● 748 km ³	Total chemical substances ● 250 t
Steel materials 56,577 t ● 16,546 t	Electricity 443,596 Mwh ● 163,344Mwh	Water supply 618 km ³ ● 280 km ³	
Nonferrous metal materials 89,931 t ● 32,219 t	Special heavy oil A 1,024 KL ● 1,024 KL	Industrial water 284 km ³ ● 9 km ³	
Resin materials 70,297 t ● 16,251 t	Light oil 97 KL ● 76 KL	Underground water 477 km ³ ● 459 km ³	
Others 1,535 t ● 402 t	Kerosene 145 KL ● 144 KL		
	Town gas 9,406 km ³ ● 2,261 km ³		
	LPG 3,616 t ● 2,616 t		
	Gasoline 170 KL ● 106 KL		



Output				
Recycled 	Greenhouse gas 	Air pollution sources 	Water contamination sources 	Chemical substances 
Reusable materials 35,706 t ● 12,371 t	CO₂ 203,354 t CO ₂ ● 78,356 t CO ₂	SO x 0.912 t ● 0.912 t	Waste water 1,012 km ³ ● 611 km ³	Toluene/xylene ● 76 t
Waste 148 t ● 30 t	Other than CO₂ 0 t ● 0 t	NO x ● 3.377 t	BOD ● 8.378 t	Others ● 39 t
		Soot dust ● 0.228 t		

9. Environment - Environmental Management

5. Environmental Action Plan (FY2014 Targets and Results)

To strengthen group-wide environmental efforts, the Calsonic Kansei Group holds the Global Environment Management Meeting and Environmental Energy Committee Meeting twice a year to exchange information on the implementation status of the Action Plan and achievements.

Priority issue	Mid-term Action Plan	
Environmental management promotion	Promote acquisition and maintenance of ISO 14001 certification for all Group plants and companies in Japan and overseas.	
	Strengthen group-wide global environmental management promotion system.	
	Enhancement of environmental risk management	Purification and prevention of contamination of soil and groundwater
		Strict control of wastewater quality
	Community partnership activities	Disseminate information on environmental activities undertaken by a production department to earn local communities' trust. Maintain fulfillment rate at 100%.
Green partnership activities	Promote three Environmental Clean Chain Activities (CO ₂ emissions reduction, effective use of resources, and reduction of substances causing environmental burdens) and prevent occurrence of environmental incidents at a production department. Maintain fulfillment rate at 100%.	
Reduction of environmental burdens of manufacturing activities	CO ₂ emissions reduction (Reduction of energy usage)	<ul style="list-style-type: none"> Reduction of carbon dioxide (CO₂) emissions (CKGP2016) Reduce CO ₂ emissions per unit (total emissions/sales) by the percentages listed below, by FY2016, vs FY2005 Japan: 18.5% reduction North America, Europe & Asia: 13.6% reduction
	Resource recycling	<ul style="list-style-type: none"> Reduction of waste emissions (waste and valuable resources) (CKGP2016) Reduce waste emissions per unit (total amount of waste emitted/sales) by the percentages listed below, by FY2016 Japan: 18.1% reduction vs FY2005 North America, Europe & Asia: 6% reduction vs FY2010 <ul style="list-style-type: none"> Zero Landfill: Achievement of zero landfilled waste (CKGP2016) Have the landfill ratio of waste (landfilled amount/waste amount) for overseas be 0.2% by FY2015
	Conservation of water, air, soil & biodiversity	<ul style="list-style-type: none"> Reduction of use of environmentally hazardous substances (CKGP2016) Japan: Reduce environmentally hazardous substance use per unit (total amount of PRTR substances used/sales) by 4% by FY2014 vs FY2010 <ul style="list-style-type: none"> Target re-established as reductions in VOC substances from FY2015 Reduction of water use (CKGP2016) Reduce water use per unit (total amount of water used/sales) by the percentages listed below, by FY2016 Japan: 22.4% reduction vs FY2009 North America, Europe & Asia: 4% reduction vs FY2014
	Development of environment-conscious products	Compliance with laws and regulations, as well as customer requirements, and reduction and elimination of use of regulated chemical substances (Compliance with European ELV Directive) (Compliance with European REACH regulations) (Compliance with Tennessee's air pollution regulations in North America)
Development of environment-conscious products	Reduction of waste (development of easily recyclable products)	
	Prevention of global warming (fuel efficiency/energy efficiency)	
	Prevention of air pollution (purification of exhaust gas)	
	Noise prevention (reduction of noise emissions)	
	Evaluation of environmentally friendly products	
Introducing environment-conscious products into market (CK GX 4T10)		
Green procurement	Expansion of green procurement	
Environmental communication	Active disclosure of information on environmental activities	

9. Environment - Environmental Management

FY2014 plan	FY2014 results
Improve quality of ISO 14001 activities.	Conducted CK environmental performance audits for all domestic sites that have acquired ISO 14001.
Enhance CK Group Environmental Management Promotion System.	Improved emergency contact network in case of environmental incidents within Calsonic Kansei Group (horizontal deployment rate: 100%).
Continue and expand soil and groundwater conservation efforts.	Thoroughly implemented countermeasures at plants with contamination in the past and preventive measures.
Manage wastewater quality and exhaust gas emitted from our plants, by setting voluntary targets at 80% of regulation values.	Achieved our voluntary target values.
Fulfillment rate of community partnership activities (actual assessment points/standard assessment points): 100%	Achieved community partnership fulfillment rate of 100%. Conducted environmental risk communication by community members, company and government. Conducted cleaning of areas around business sites. Accepted visitors for plant tours and internship of students from local elementary, junior and senior high schools.
Fulfillment rate of green partnership activities (actual assessment points/standard assessment points): 100%	Achieved green partnership fulfillment rate of 100%. Conducted emergency response training for cooperating companies. Implemented training sessions on prevention of environmental incidents.
Reduce CO ₂ emissions per unit by 2% from FY 2013 level. (14.2% reduction vs FY 2005) North America, Europe & Asia: 2% reduction vs FY2013 (9.1% reduction vs FY 2005)	Japan: 3.5% increase vs FY2013 (28.3% reduction vs FY2005) North America, Europe & Asia: 5.0% reduction vs FY2013 (20.6% reduction vs FY2005)
Reduction of waste emissions per unit Japan: 2% reduction vs FY2013 (14.7% reduction vs FY 2005) North America, Europe & Asia: 1% reduction vs FY2013 (4.0% reduction vs FY2010)	Japan: 5.6% increase vs FY2013 (26.5% reduction vs FY2005) North America, Europe & Asia: 5.8% reduction vs FY2013 (11.7% reduction vs. FY 2010)
Overseas landfill ratio of 3% or less	Overseas landfill ratio of 2.9%
Japan: 1% reduction of environmentally hazardous substance use per unit vs FY2013 (4% reduction vs FY 2010)	Japan: 7.7% increase vs FY2013 (1.3% reduction vs FY2010)
Japan: 1% reduction of water use per unit vs FY2013 (19.2% reduction vs FY 2009)	Japan: 12.9% increase vs FY2013 (4.6% reduction vs FY 2009)
Reduce VOCs in vehicle cabin interiors. Promote the use of lead-free solder. Ensure compliance with European REACH Regulations. North American organic solvents use regulations	Continued efforts to reduce VOCs in vehicle cabin interiors. Used lead-free solder for some models. Implemented activities to comply with European REACH Regulations. Water soluble materials adopted for instrument panel pad skin primer and paint, adoption being expanded
Disclose materials data to customers promptly.	Responded effectively to customer instructions (via IMDS).
Promote the development of easily recyclable products.	Being adopted for cockpit front-end modules, seamless hard instrument panels, and paintless instrument
Promote light-weight, fuel efficient/energy efficient products.	Being adopted for cockpit front-end modules, high performance air-conditioning systems, steering members, circuit board harnesses, variable capacity compressors for air-conditioners, small and lightweight rotary compressors for air-conditioners, heat pump air-conditioning systems, hot water heaters, meters, built-in oil coolers, EV inverters, EV battery controllers, lightweight radiators, charge air coolers, brushless motors, and EGR coolers.
Promote development of products that ensure effective purification of exhaust gas.	Being adopted for exhaust manifolds, manifold converters, and catalytic converters (underfloor).
Promote development of products with low noise emissions	Being adopted for low noise exhaust systems
Promote the development of environmentally friendly products. Promote the creation of a database for relevant indicators.	Disseminated information on indicators for environmentally friendly products to employees, and promoted the development of a system for calculating CO ₂ emissions in the production stage.
Introduce 5 products into the marketplace in the 2 years of FY2013 and FY2014	Introduced 2 products into the marketplace in FY2014
Enhance Green Procurement Guidelines.	Promoted activities to encourage business partners to agree to and follow our Green Purchase Guidelines.
Enhance information dissemination activities for external audiences.	Improved the "Environmental Information" section on our website. Communicated our environmental activities and results to our shareholders through Medium-Term Reports.

9. Environment - Environmental Accounting

Environmental Accounting

The Calsonic Kansei Group has introduced environmental accounting as a tool for quantitative evaluation of environmental activities and official announcements.

Environmental accounting is a means of publicizing and quantitatively summing up the economic advantages accompanying environmental conservation measures, as well as the benefits and costs of environmental conservation and related activities, and what we publicize in the Sustainability Report fulfills our commitment to explain our business activities to our various stakeholders.

Establishing a quantitative evaluation summary is helpful for enhancing our sustainable business management practices.

1. Goals of Environmental Accounting for the Calsonic Kansei Group

1	2	3
By actively disclosing quantitative measurement results to local citizens, stockholders, and society in general, we aim to boost the transparency of the environmental activities of our company and help all parties gain an understanding of our corporate stance on the environment.	We use the quantification of both costs and amounts that arise from corporate involvement in environmental activities as a means of making further decisions pertaining to the effective promotion of future environmental activities.	In order to improve the consciousness of our employees, we established a system that raises environmental awareness, focuses on this awareness, and develops it further through everyday workplace interaction.

2. Status of FY2014

■ Environment Conservation Costs

Environmental conservation costs are the investment and expenditures related to our environmental activities measured in monetary units.

(Unit: million yen)

Classification		Investments			Expenditures		
		2013	2014	Changes	2013	2014	Changes
1. Costs within each business area for reduction of the environmental burden		115	163	48	301	502	201
Pollution prevention costs	Prevention of air, water, soil and noise pollution.	47	50	3	199*	189	(10)
Environmental conservation costs	Energy savings, resource savings, costs of phasing out materials with high environmental burdens	65	112	47	61	59	(2)
Resource recycling costs	Costs for reduction of industrial waste, recycling, and disposal	4	1	(3)	240	254	14
2. Upstream/downstream costs	Costs for controlling environmental burdens occurring upstream/downstream of our business areas.	0	0	0	13	20	7
3. Management activity costs	Human resource costs incurred for environmental policy organizations, and the establishment, operation and certification of environmental management structures.	0	11	11	130	161	31
4. Environmental research and development costs	Costs for development of environmentally friendly products, and research and development related to reducing environmental burdens.	359	449	90	4,147	4,212	65
5. Social activities costs	Costs for supporting environmental conservation activities conducted by local citizens and groups.	0	0	0	6	8	2
6. Environmental damage treatment costs	Costs for restoration of the natural environment and compensation for environmental damage.	0	0	0	3	3	0
Total		474	623	149	4,599	4,906	307

*The () indicates a decrease from the previous fiscal year.

*The costs include pollution prevention costs of 264 million yen for 2013.

The amount displayed has been corrected to 199 million yen.

*1. Investments have decreased for global warming prevention activities and the adoption of energy saving measures.

*2. Environmental-related investments for advanced development have increased.

9. Environment - Environmental Accounting

■ Environmental Conservation Effects

Environmental conservation effects are assessed both from the quantitative effect, which is evaluated based on the reduction in substances causing environmental burdens, and the economic aspect, which is evaluated based on the amount of money. The amount of costs saved by environmental activities (the real effects, etc. of energy-savings activities) and revenues (income from selling valuable resources etc.) from environmentally friendly activities are recorded as the economic effect.

Classification		2013	2014	Effect
Quantitative effects	1. Environmental conservation effects related to resources used in business operations (quantity)			
	Total energy use after conversion to CO ₂ (t)	208,387	203,354	(5,033)
	Water consumption (km ³)	1,337	1,379	42
	2. Environmental conservation effects related to waste discharged in business operations (quantity)			
	Total amount of waste (t)	36,388	35,854	(534)
	Amount recycled (t)	35,586	35,706	120
	Amount disposed (landfilled) (t)	802	148	(654)
PRTR substances (quantity, discharged) (t)	110	115	5	
Economic effects	3. Economic effects of environmental conservation policies (million yen)			
	Reduced costs through energy saving	150	180	30
	Reduced costs related to water use	1	1	0
	Proceeds from selling environmentally friendly products	6,742	8,293	1,551
	Income from selling valuable resources	1,018	1,158	140

*The () indicates a decrease from the previous fiscal year.

Basic Items

1. Target Period: FY2013 (April 2013 to March 2014)
FY2014 (April 2014 to March 2015)

2. Scope of Statistics:

Calsonic Kansei Corporation

Gunma Plant
Oppama Plant
Yoshimi Plant
Kodama Plant
Experiment Study Center
R&D Center and Headquarters

Overseas affiliates

North America
Calsonic Kansei North America Inc.
Calsonic Kansei Mexicana, S.A. de C.V.
Europe
Calsonic Kansei UK Limited
Calsonic Kansei Sunderland Limited
Calsonic Kansei Spain, S.A.
Calsonic Kansei Romania S.R.L.
Asia
Daihan Calsonic Corp.
Calsonic Kansei Korea Corp.
Calsonic Kansei affiliates in China
Calsonic Kansei Thailand Co., Ltd.
Calsonic Kansei Malaysia Sdn. Bhd.
Calsonic Kansei Motherson Auto Products Limited

Domestic Affiliated Companies

CKK Corporation
CKF Corporation
CKP Corporation
Calsonic Kansei Utsunomiya Corporation
Calsonic Kansei Iwate Corporation
Calsonic Kansei Yamagata Corporation
Tokyo Radiator MFG.Co.,Ltd.

3. Statistical methods: Basically, we calculate costs in compliance with the guidelines issued by the Ministry of the Environment as a reference.

9. Environment - Management of Chemical Substances

Efforts to Manage Chemical Substances

Substances that could impact or cause a burden on the environment are used in some products, and for the manufacture of items designed to improve the quality of these products. Therefore, there are concerns that these substances could have a significant impact on the environment during the manufacture and use of these products and also when they are discarded. Global awareness of the environment is now increasing and more requests to reduce and stop using these substances are coming in every year, both from home and abroad.

In response, we are promoting the responsible management of chemical substances (environmentally hazardous substances) by adhering to the laws and regulations of each country, responding promptly to our customers' requests, and setting our own goals voluntarily.

1. Basic Concepts

To achieve responsible risk management for products, the manufacturing process, purchased materials and processed materials, we adhere to the following fundamental principles: use as few harmful chemicals as possible, eliminate as many harmful substances as possible and change to alternatives and properly manage harmful chemicals if they have to be used.

Environmentally Hazardous Substances in Products	<ul style="list-style-type: none"> •Reducing the amounts of environmentally hazardous substances used in products •Immediate disclosure of the amounts of environmentally hazardous substances used in products
Environmentally Hazardous Substances Used in Manufacturing at Plants	<ul style="list-style-type: none"> •Reducing emissions of environmentally hazardous substances used in the manufacturing process •Properly managing used chemical substances
Environmentally Hazardous Substances in Purchased Items	<p>Operations for green procurement</p> <ul style="list-style-type: none"> •Confirming the presence of chemical substances used in purchased items •Confirming the environmental management of our business partners

2. Environmentally Hazardous Substances in Products

■ Reducing the Amounts of Environmentally Hazardous Substances Used in Products

Calsonic Kansei doesn't just comply with the legal restrictions of each country. They also set their own goals, manage and use follow-up systems, promote the development of alternative technologies, and work towards reducing the amounts of environmentally hazardous substances used in their products.

Legislation			Calsonic Kansei's Efforts										
Regulations	Substances	Regulatory schedule	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
European ELV Directive	Four substances (lead, cadmium, mercury, hexavalent chromium)	Prohibited from July 2003	Compliance completed										
	Hexavalent chromium, corrosion coating	Prohibited from July 2007	Compliance completed										
Self-regulations	13 VOC substances found in vehicle interiors	Prohibited/reduced for new cars from July 2007	Compliance completed										
	Applying a Pb-free solder	Prohibited for new cars from January 2016	Currently working towards expanded adoption.										
European REACH Regulations	SVHC*			Effective June 1.	Currently underway.								

*1: SVHC stands for "substance of very high concern" and is scheduled to include about 1,500 specific items, such as carcinogenic substances.

9. Environment - Management of Chemical Substances

3. Environmental Activities at Plants

■ Reducing Emissions of Volatile Organic Compounds (VOC) from Plants into the Air

Domestic

We are conducting environmental compliance evaluations at each of our bases, and in order to comply with regulations, we have installed thinner collection devices at plants that are subject to control. As a result, our plants continue to operate without violating any regulations.

Overseas

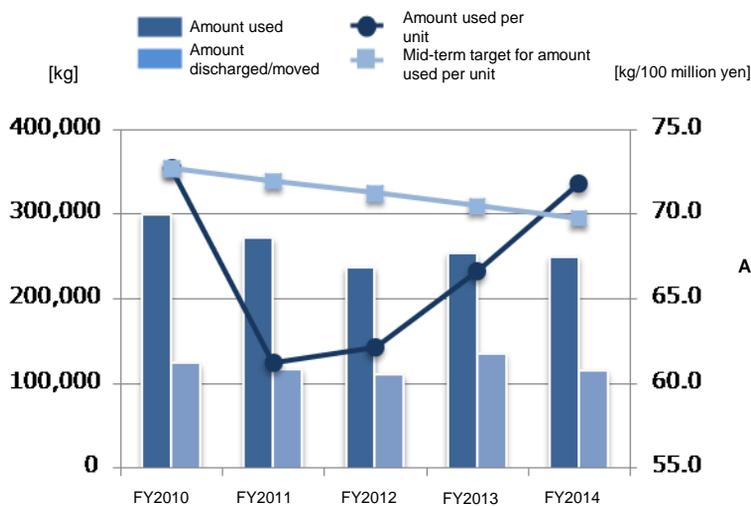
At each of our overseas bases, we are changing over to the use of low-toluene and low-xylene paints.

■ Support for PRTR Legislation (Calsonic Kansei + Domestic affiliated companies)

At the Calsonic Kansei Group, we confirm the amounts of PRTR-regulated substances discharged, moved and used, and we work to reduce the environmental burden. In terms of the results for FY2014, it was not possible to achieve the target emissions per unit levels as a result of an increase in the amounts of nickel compound used over the previous fiscal year.

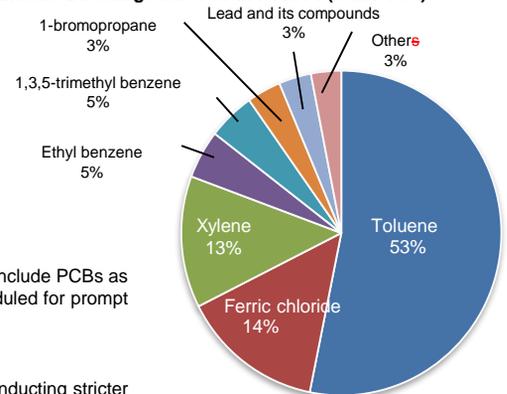
*PRTR (Pollutant Release & Transfer Register), (Act on the Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment, published in 1999)

Amount Used, Discharged, and Moved (Calsonic Kansei + Domestic affiliated companies)



Management item	FY 2010 (base year) results	Achievement status	
		Compared with FY 2010	Compared with the previous year
Chemical substances used per unit (kg/hundred million yen)	72.7	1.3% reduction	7.7% increase
Amount used (t)	300	17% reduction	1.8% reduction

Amount Discharged/Moved in FY2014 (total: 115t)



■ Management of PCB

Appropriate management regulations have been implemented for electrical devices that include PCBs as waste products for special management in accordance with the law. PCBs are also scheduled for prompt disposal, which has already completed at some bases.

■ Thorough Water Quality Management

We have set our voluntary management targets (80% of the regulatory value) and are conducting stricter management than the law requires.

■ Thorough Air Quality Management

We can reduce sulfur oxide (SOx) and CO₂ consumption by switching to special heavy oil A fuel (containing only 10% of the sulfur content of heavy oil A) as well as converting natural gas for combustion and reducing the amount used by adopting energy-saving activities.

■ Environmental Contamination Incidents or Grievances

Rules for collecting data on overseas environmental incidents were established in FY2011 in order to manage them as quickly as possible. No environmental incidents with the potential to affect the environment at large occurred in FY2014.

■ Efforts to Clean up Soil Ground Water and Prevent Contamination

We are addressing the current situation by focusing efforts on plants which have already been contaminated, and we are implementing preventive measures and conducting thorough investigations.

1. Efforts for Advanced Prevention

- Switching from subterranean fuel management to above ground management. (All completed in FY 2003)
- Converting from special heavy oil A to natural gas and LPG (including CO₂ reductions)

2. Thorough Surveying

We have already conducted investigations on the soil in each area, including affiliated companies.

We are also conducting an investigation of affiliated company groups.

9. Environment - Efforts Towards an Environmentally Balanced Factory

Efforts Towards an Environmentally Balanced Factory

The Calsonic Kansei Group is quantitatively evaluating the environmental burden output resulting from its industrial operations, and striving to reduce this burden by gaining a comprehensive understanding of the impact of all operations. We promote reduced carbon emissions (CO₂) and reduced emissions per unit from the viewpoint of global warming and also promote 100% reuse of resources in order to create zero waste from the viewpoint of the effective use of resources, so that our factories can operate in balance with the environment.

Furthermore, in 2014, same as in 2013, our concerted efforts called “Energy Saving Special Activities” promoted energy management through initiatives by the Group as a whole.

1. Prevention of Global Warming

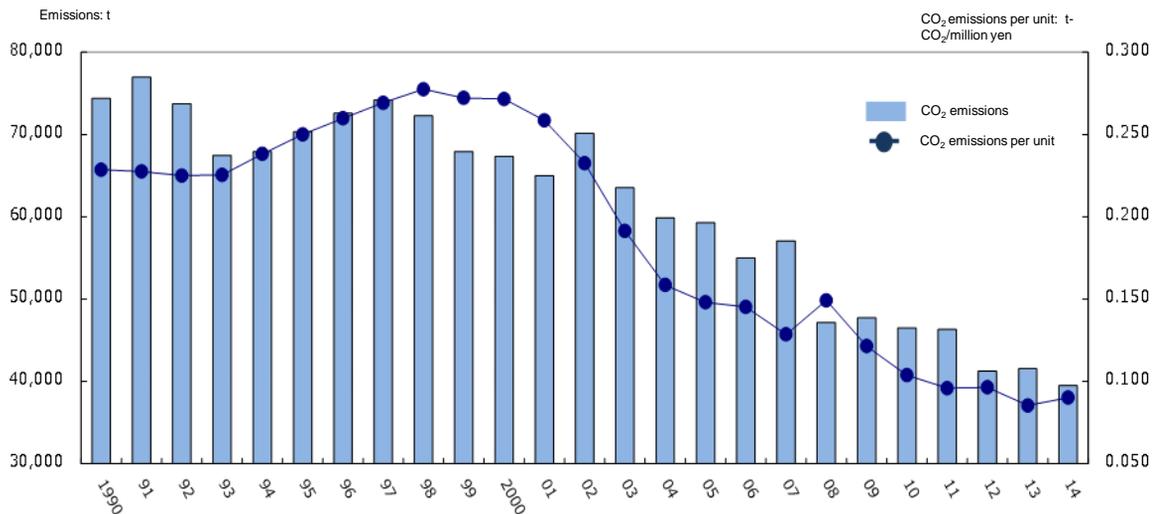
NESCO-CK (Nissan Energy Saving Collaboration-Calsonic Kansei) activities were introduced in FY 2013, combining the energy saving know-how of CK with that of CK’s major client, Nissan Motor Corporation. In FY 2014, on-site diagnosis was conducted by the NESCO-CK Energy Saving Team at all business locations in Japan and major business locations overseas. As the result of diagnosis of business sites, we have selected proposals to reduce carbon emissions (CO₂), based on which countermeasures are underway.

■ Transition of CO₂ Emissions from FY 1990 to FY 2014 (Calsonic Kansei + CKK + CKF)

CO₂ Reduction Achievements

CO₂ emissions were reduced by 46.9% and CO₂ emissions per unit were reduced by 60.6% in FY2014, compared to FY1990 levels.

Transition of CO₂ emissions and CO₂ emissions per unit since 1990, compared to FY 1990 levels



Management Item	FY1990 (base year) results	FY2014 results	Achievement status
CO ₂ emissions (t-CO ₂)	74,391	39,494	46.9% reduction
CO ₂ emissions per unit (t-CO ₂ /million yen)	0.229	0.0901	60.6% reduction

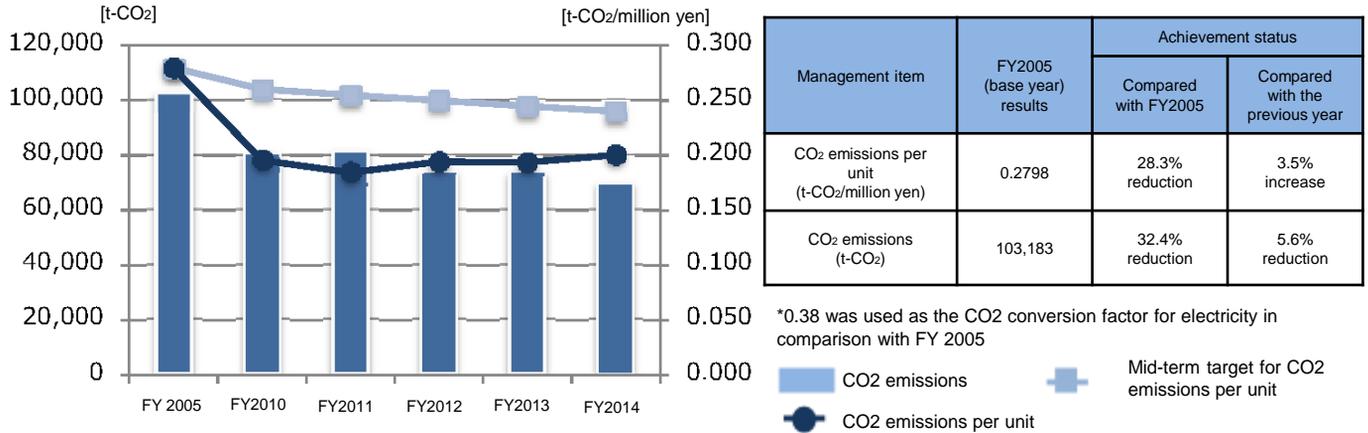
(0.33 was used as the CO₂ conversion factor for electricity in comparison with FY 1990)

9. Environment - Efforts Towards an Environmentally Balanced Factory

■ Overview of Activities until FY 2014 (Calsonic Kansei + Domestic Affiliated Companies)

We are aiming to reduce the amount of CO₂ emissions per unit by 18.5% by FY2016, compared to FY2005.

In order to achieve the goal described above, we targeted a 2% reduction in FY 2014, compared to FY 2013. As a result of the reduction activities aimed at achieving this plan, there was a 3.5% increase in CO₂ emissions per unit and a 5.6% decrease in CO₂ emissions.



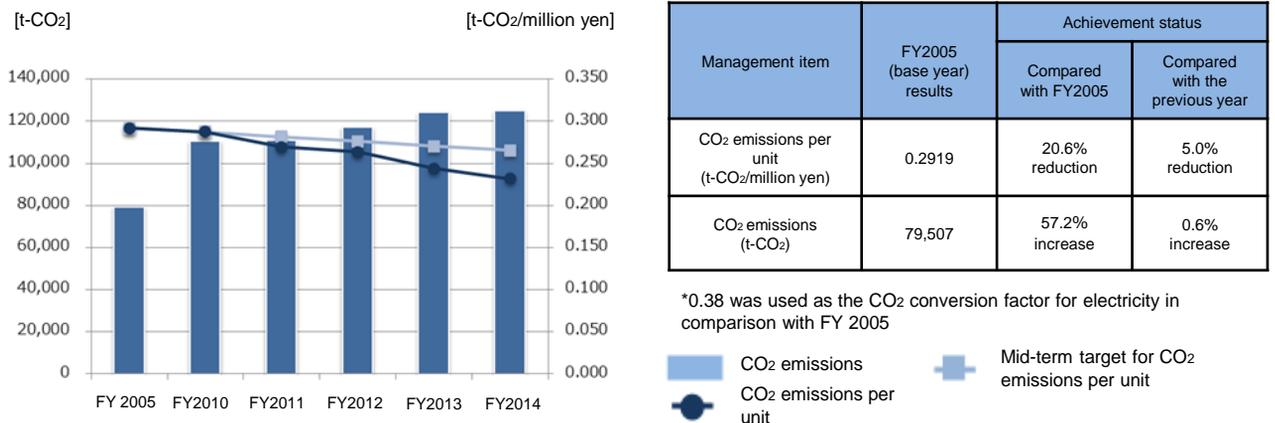
Overview and Discussion of Activities

1. We carried out "Energy-Saving Special Activities" in which all of our bases participated, consisting of the sharing of energy-saving improvement cases, and the identification and improvement of items identified through energy saving diagnosis. However, as a result of a reduction in domestic production volume, we were not able to meet our targets. We will continue to conduct improvement activities and share improvement cases under "Energy-Saving Special Activities."
2. As a result of our "Energy-Saving Special Activities", the R&D Center and Headquarters received an award for excellence from the Kanto-District Rational Use of Power Committee.

■ Overview of Activities until FY 2014 (Overseas Affiliated Companies)

We are aiming to reduce the amount of CO₂ emissions per unit by 13.6% by FY2016, compared to FY2005.

In order to achieve the goal described above, we targeted a 2% reduction in FY 2014, compared to FY 2013. As a result of the reduction activities aimed at achieving this plan, there was a 5.0% decrease in CO₂ emissions per unit and a 0.9% increase in CO₂ emissions.



Overview and Discussion of Activities

1. We conducted energy-saving diagnosis at major business locations to identify items for improvement and lead to reductions in CO₂ emissions per unit.
2. CO₂ emissions per unit increased over the previous fiscal year due to an increase in production locations overseas and an increase in the overseas production volume.
3. In 2015, we will confirm and follow-up on the results of the energy-saving diagnosis items.

9. Environment - Efforts Towards an Environmentally Balanced Factory

■Energy-Saving Activities

The Calsonic Kansei Group including affiliated companies conducts energy-saving activities in order to reduce CO₂ emissions.

[Regular Meetings]

Energy use reduction targets are set for the Group as a whole and each business location. In an effort to achieve these targets, energy-saving items are planned and proposed, and the progress of implementation is confirmed on a regular basis. In addition, efforts are made to achieve leveling through the exchange of information and opinions regarding energy saving.

[Energy-Saving Diagnosis]

• Japan

In an effort to improve the technical skills of employees involved with energy at each business location, the “Energy-Saving Engineering School”, which consists of a study meeting on energy-saving knowledge with plants, offices, and affiliated companies, and the “Joint On-site Energy-Saving Diagnosis” are conducted at the beginning of each fiscal year. Subsequently, an energy-saving diagnosis is conducted on the operation status of facilities in the field at each business locations, based on which improvement items are identified, proposal are made to the business locations that were diagnosed, and improvements are implemented.

• Overseas

For overseas business locations where production volumes have grown over the past few years, we also make visits to the field to conduct energy-saving diagnosis in the same manner as for Japan, based on which improvement items are identified, proposal are made to the business locations that were diagnosed, and improvements are implemented.



Joint On-site Energy-Saving Diagnosis



CKMX San Francisco Plant Energy-Saving Diagnosis

[FY2014 On-site Energy-Saving Diagnosis Proposal Results]

Region	Number of business locations diagnosed	Number of items	Electricity savings (MWh)	CO ₂ reductions (t-CO ₂)	Reduction rate (%)
Japan	18 locations	555	7,227	2,863	3.3
Overseas	Four countries, eight locations	462	11,203	4,144	4.8

[Energy-Saving Improvement Practices Presentation Meeting]

An Energy-Saving Improvement Practices Presentation Meeting is held every March with the participation of the Vice President, energy-related offices, and personnel responsible for energy saving from each business location to both share information on the aims, results, and issues of energy-saving activities that were implemented at each business location and get suggestions on energy-saving items for the following fiscal year. In addition, awards such as best achievement awards are given in recognition of highly-regarded efforts that were presented.



Case Study Presentation Meeting



Best Achievement Awards Ceremony



Collection of Successful Case Studies

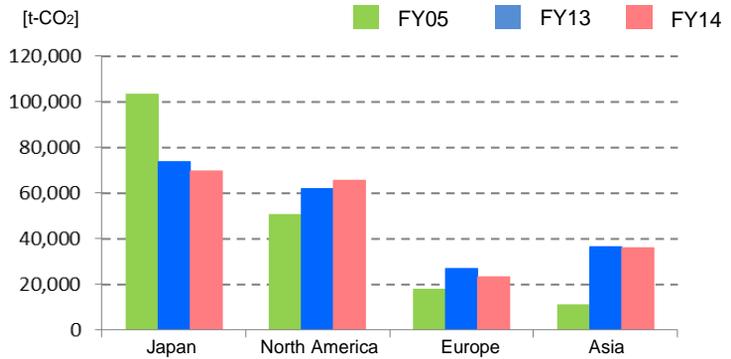
[Issuance of Collection of Successful Case Studies]

A collection of successful case studies of energy saving(*) and other related initiatives is gathered and distributed to all business locations, including those outside of Japan. *: Resource conservation

9. Environment - Efforts Towards an Environmentally Balanced Factory

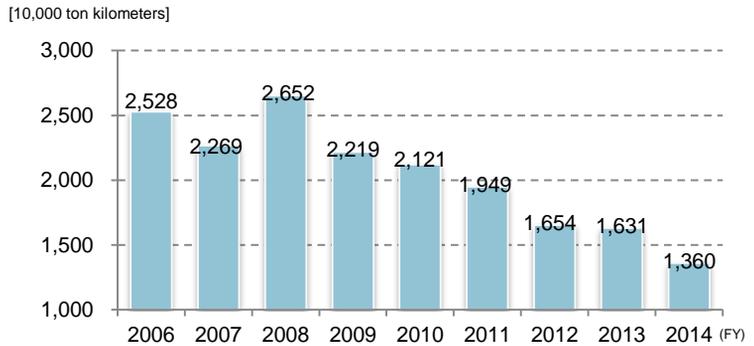
Regional CO₂ Emission Status in FY 2014

We assessed the CO₂ emission status of our domestic and overseas affiliated companies.



FY2014 Results (Ton-Kilometer) at the Logistics Stage (Calsonic Kansei)

The right-hand graph shows a result of less than 30 million ton-kilometer, which does not require notification, etc. However, we have drawn up a reduction plan for logistics and we are making efforts towards reductions.



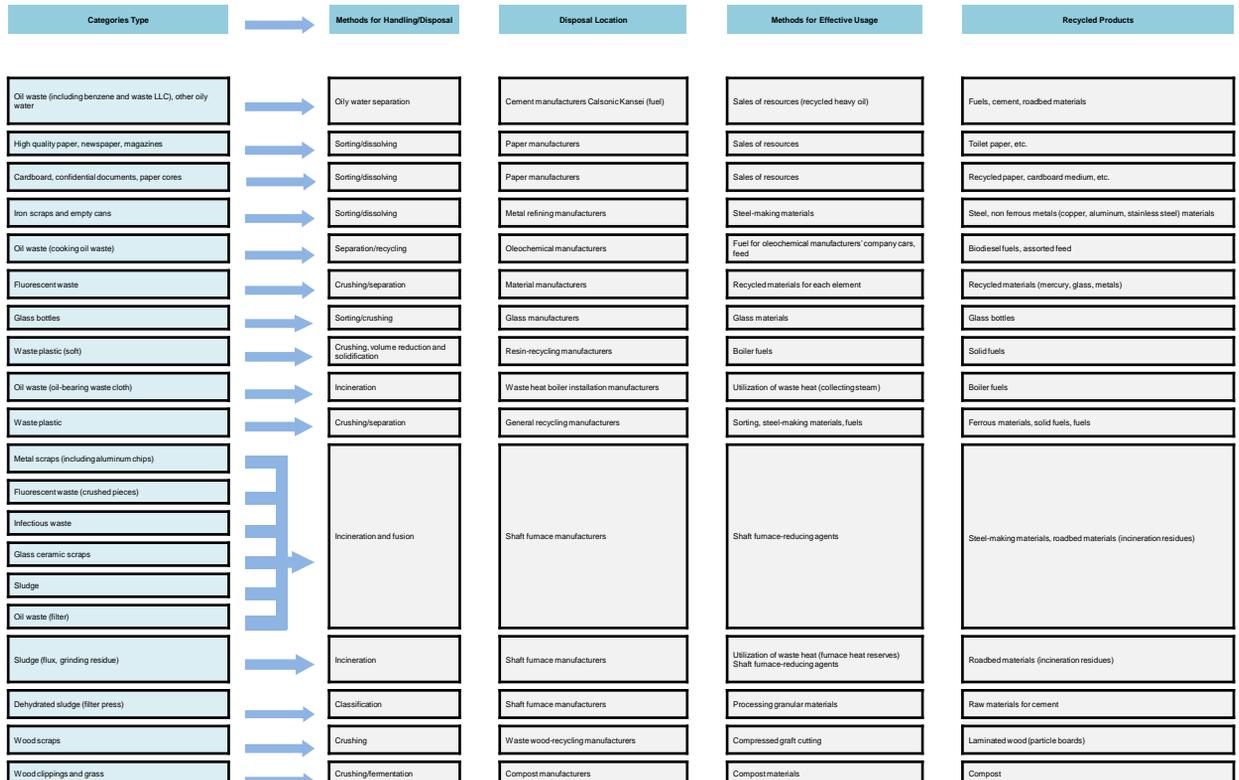
Overview and Discussion of Activities

CO₂ emissions at the logistics stage were reduced by 17% over the previous fiscal year through the promotion of rail transportation and the promotion of sea transportation.

2. Natural Resource Conservation Activities

To utilize the planet's limited resources efficiently, we are seeking to achieve zero emissions at all the global business bases of our group, to promote conservation activities, and to reduce the amounts of materials used and waste generated (waste and valuables).

Flowchart Illustrating Reuse Operations for Waste Discharged from Plants

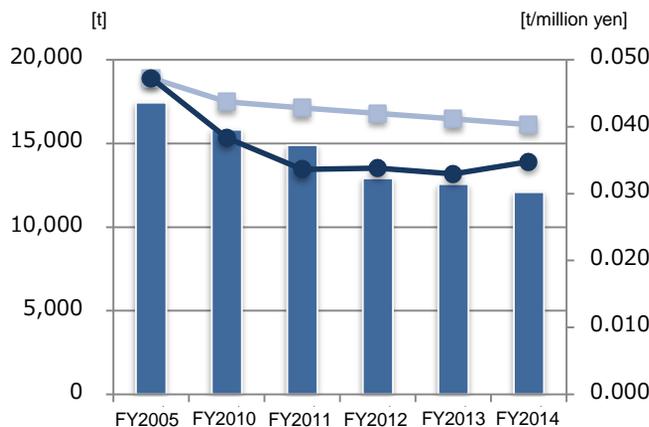


9. Environment - Efforts Towards an Environmentally Balanced Factory

■ Overview of Activities until FY 2014 (Calsonic Kansei + Domestic Affiliated Companies)

We are aiming to reduce the amount of CO₂ emissions per unit by 18.1% by FY2016, compared to FY2005.

In order to achieve the goal described above, we targeted a 2% reduction in FY 2014, compared to FY 2013. As a result of the reduction activities aimed at achieving this plan, there was a 5.6% increase in emissions per unit and a 3.7% decrease in CO₂ emissions.



Management item	FY2005 (base year) results	Achievement status	
		Compared with FY2005	Compared with the previous year
Emissions per unit (t/million yen)	0.0473	26.5% reduction	5.6% increase
Amount of emissions (t)	17,433	30.6% reduction	3.7% reduction



Overview and Discussion of Activities

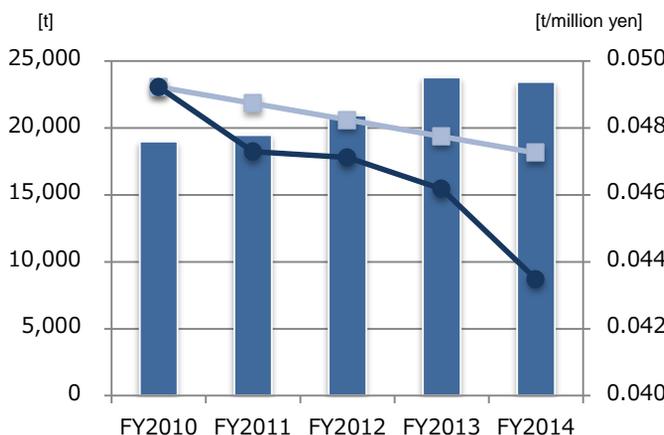
We implemented the horizontal deployment of resource-saving activities and the improvement of poorly performing processes by promoting MTCR activities in each plant. However, as a result of a reduction in domestic production volume, we were not able to meet our targets.

We will aim to focus the strengthening of reduction activities at business locations with high total emissions.

■ Overview of Activities until FY 2014 (Overseas Affiliated Companies)

We are aiming to reduce the amount of CO₂ emissions per unit by 6% by FY2016, compared to FY2010.

In order to achieve the goal described above, we targeted a 1% reduction in FY 2014, compared to FY 2013. As a result of the reduction activities aimed at achieving this plan, there was a 5.8% decrease in emissions per unit and a 1.4% decrease in CO₂ emissions.



Management item	FY 2010 (base year) results	Achievement status	
		Compared with FY 2010	Compared with the previous year
Emissions per unit (t/million yen)	0.0492	11.7% reduction	5.8% reduction
Amount of emissions (t)	18,997	23.5% increase	1.4% reduction

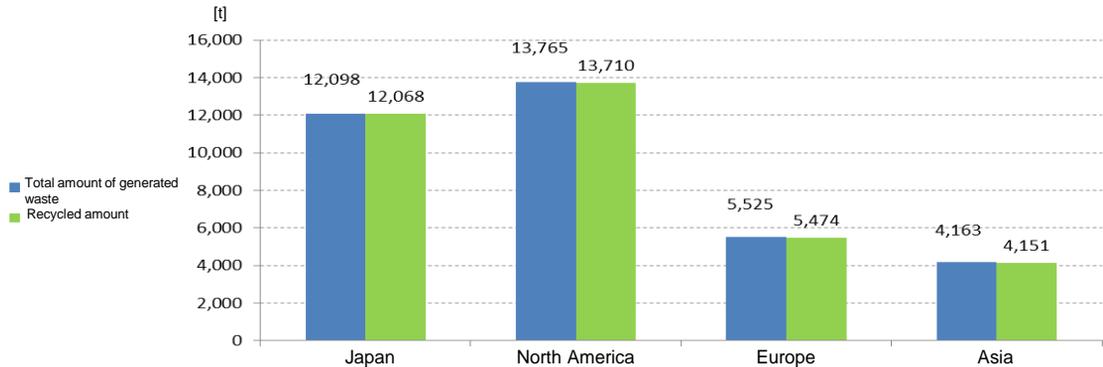


Overview and Discussion of Activities

As a result of the implementation of the horizontal deployment of resource-saving activities and the improvement of poorly performing processes by promoting MTCR activities in each plant, we managed to achieve the targets.

9. Environment - Efforts Towards an Environmentally Balanced Factory

Regional Total for Generated Waste Amount and Amount Recycled in FY2014



Zero Landfill (Reduction of Landfilled Waste Ratio) (Overseas Affiliated Companies)

We are aiming to reduce the amount of landfilled waste overseas to zero by 2015, with FY 2012 as a base year.

In order to achieve the goal described above, we are targeting to reduce Landfill Waste Ratio to below 3% in FY 2014. As a result of the reduction activities aimed at achieving this plan, there was a reduction to 2.9%.

Management item	FY 2012 results	FY2013 results	FY2014 results	Achievement status	
				Compared with FY2012	Compared with the previous year
Landfilled waste ratio (%)	84.2	13.1	2.9	96.6% reduction	77.9% reduction

Overview and Discussion of Activities

As a result of a revision of the waste separation method and recycling it as an alternative fuel at cement plants, we managed to achieve the targets.

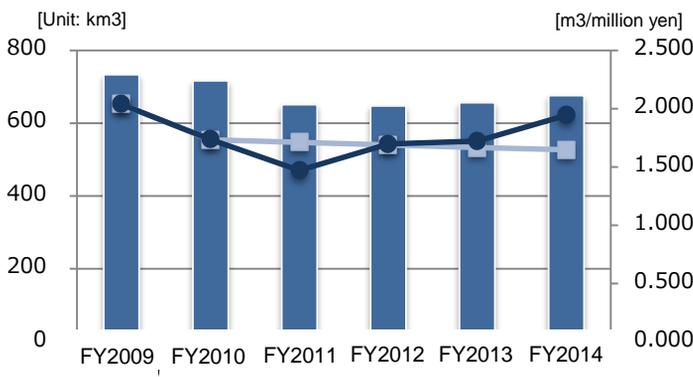
3. Water Resources Used and Reduction Measures

Overview of Activities until FY 2014 (Calsonic Kansei + Domestic Affiliated Companies)

We are aiming to reduce the amount of water used per unit by 21.4% by FY2016, compared to FY2009.

In order to achieve the goal described above, we targeted a 1% reduction in FY 2014, compared to FY 2013.

As a result of the reduction activities aimed at achieving this plan, there was a 12.9% increase in water used per unit and a 2.9% increase in water consumption.



Management item	FY2009 results	Achievement status	
		Compared with FY2009	Compared with the previous year
Water used per unit (m3/million yen)	2.037	4.6% reduction	12.9% increase
Water consumption (thousand m3)	734	7.8% reduction	2.9% increase

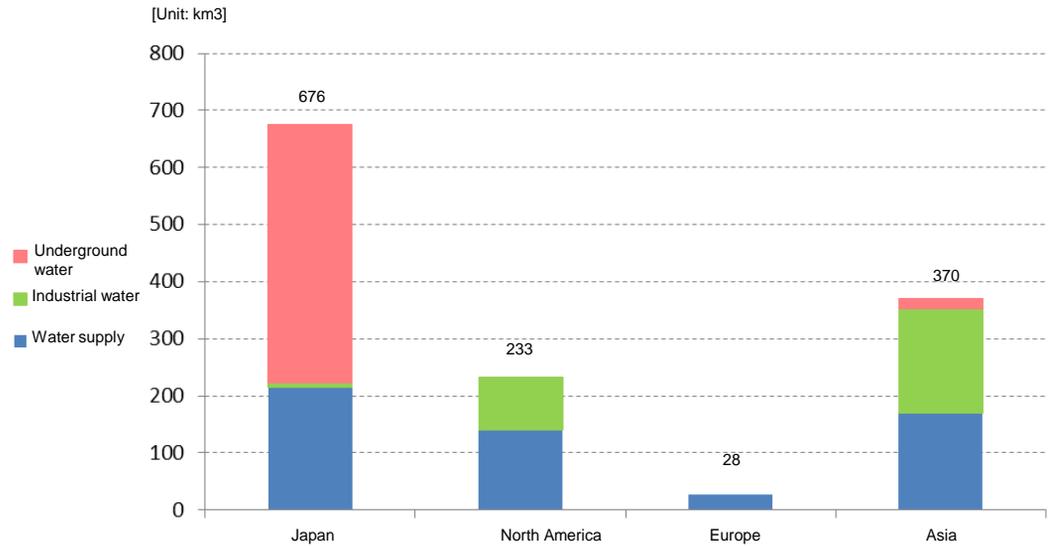
■ Water consumption ■ Mid-term target for water used per unit
● Water used per unit

Overview and Discussion of Activities

Although we conducted measures including checks for leaks, the identification of water use reduction item, and improvement activities, we were not able to meet our targets due to the impact of increased production volumes for some products. We will aim to focus the strengthening of reduction activities at business locations with high usage.

9. Environment - Recycling Activities

■ Regional Amount of Water Resources Usage in FY 2014



Recycling Activities

Calsonic Kansei has been consistently involved in recycling activities as a voluntary initiative for environmental conservation - even though this may affect profits. We will continue to promote recycling activities to meet the needs of a sustainable society.

1. Environmentally Hazardous Substances in Purchased Items

Calsonic Kansei is promoting in-house recycling activities as well as the recycling of waste generated from outsourced business activities.

2. Activities in FY2014

■ Secondary Aluminum Alloy

We collect aluminum mill ends, etc., generated in the manufacturing process used to recycle secondary aluminum alloy, and then reuse them for our affiliated companies' aluminum products. This contributes to resource recycling.

■ Collecting and Recycling Precious Metals from Used Catalysts for Purifying Exhaust Gases

We effectively separate and collect materials containing precious metals (wash coat) that can be used as a valuable resource from catalysts for purifying automobile exhaust fumes, etc. by using environmentally friendly dry separation devices.

FY	Amount of collected and recycled aluminum	Amount of used catalysts collected for purifying exhaust gases
FY 2010 results	2,630 tons	13,052 units
FY 2011 results	2,350 tons	18,422 units
FY 2012 results	2,030 tons	21,075 units
FY 2013 results	1,915 tons	19,125 units
FY 2014 results	1,937 tons	22,850 units

10. Fair Business Practices - Compliance

Compliance

In pursuing CSR, it is important for all employees to practice compliance based on a strong sense of ethics. At Calsonic Kansei ("CK"), we have established Compliance Committees to implement compliance in each region and at each business location around the world, and assigned officers and staff members responsible for compliance at these locations in an effort to spread and foster an awareness of compliance.

Thoroughly Ensuring Compliance Among Employees

All employees' practice of compliance based on a strong sense of ethics is the foundation of CSR promotion at CK. The Calsonic Kansei Global Code of Conduct was established in 2003 in order to strengthen the global compliance structure. This serves as a code of conduct that is all CK employees around the world are expected to follow, and it applies for the entire CK Group on a global level.

As a compliance management system, members of management hold the Global Compliance Committee every month to discuss compliance-related measures and compliance-related proposals. In addition, Compliance Committees are also regularly held in each region and at each business location around the world to discuss compliance-related matters. One example of a compliance measure is the Compliance Program that was developed in 2012 for the concrete implementation of compliance among the CK Group on a global level. This program has organized the compliance activities implemented up until now in a systematic manner, and currently we conduct planned internal training and education activities in accordance with this program in an effort to promote compliance activities on a global level and ensure that compliance is put in practice.



In addition, in order to enhance the compliance function, each region and business location regularly monitors their compliance activities to enable the Headquarters to work together with each region and business location in global compliance activities as part of efforts to spread the awareness of compliance and prevent violations.

In the midst of all this, the CK Group responds in earnest if employees are found to be in violation or in conflict with the Code of Conduct or laws and regulations.

Compliance Activities

At Calsonic Kansei ("CK"), we have established the Calsonic Kansei Global Code of Conduct, and assigned officers and staff members responsible for implementing compliance measures in each region and at each business location around the world. We regularly monitor the main compliance activities in these regions and at these locations. This compliance monitoring focuses on the following three foundations:

1. Ensuring a supervisory environment
2. Compliance risk management
3. Education and awareness raising activities

One education and awareness raising activity is the education program on the CK Code of Conduct. For education on the Code of Conduct in Japan, training is provided every year through e-learning and pledges are collected in order to strengthen awareness towards compliance. In addition, the same training as that used by CK is conducted for every company in the CK Group on a global level. Education consists of not only education on the Code of Conduct, but also education on global risks that include anti-monopoly law, anti-corruption law, and social media response. Education is also provided on issues as necessary based on compliance risks in each region and business location and compliance awareness surveys. In addition, regular education is also provided on topics that include the Antimonopoly Act, the Subcontractors Act, and service contracts.

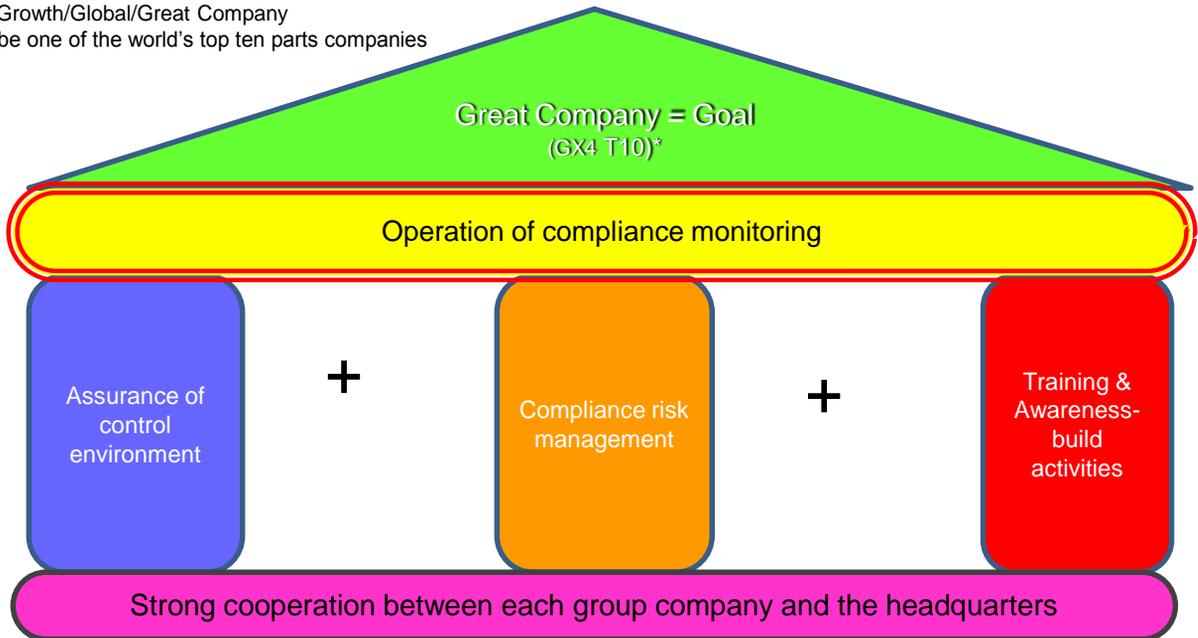
10. Fair Business Practices - Compliance

Overall Image of the Global Compliance Action Plan

* **CK GX4 T10**

Green/Growth/Global/Great Company

Aim to be one of the world's top ten parts companies



Global Code of Conduct for Calsonic Kansei Group

[Principle]

Calsonic Kansei shall consistently treat customers, employees, shareholders, suppliers and communities with honesty, integrity, fairness and respect.

The following standards apply to all employees in Calsonic Kansei group companies (collectively herein referred to as "CK" or "Company"). Each member of the Company is charged with responsibility to uphold and extend this code of conduct.

[Standards]

1. Comply with all laws and rules

CK employees will abide by all laws of the country, and all regulations of the Company, in which they work.

2. Avoid Conflict of Interest

The best interests of CK are expected to be foremost in the minds of employees. It is prohibited to behave, act or use information in a way conflicting with Company interests.

3. Preserve Company Assets

CK employees are personally accountable for preserving and safeguarding Company assets.

Unauthorized use or diversion of Company assets, including funds, information and intellectual property, is prohibited.

4. Be Impartial and Fair

CK employees must maintain impartial and fair relationships with business partners, including dealers, parts suppliers, and other third parties.

5. Be Transparent and Accountable

CK employees shall make fair, transparent, timely and appropriate disclosure of the Company's business activities to our stakeholders, including stockholders, customers, other employees and local communities

6. Value Diversity and Provide Equal Opportunity

We value and respect the diversity of our employees, suppliers, customers and communities.

Discrimination or harassment, in any form or degree, will not be tolerated.

7. Be Environmentally Responsible

CK employees shall strive, within the business objectives of CK, to consider environmental protection when developing products and services, to promote recycling and to conserve materials and energy.

8. Be Active; Report Violations

CK employees are expected to carry out their work in accordance with the Code of Conduct.

Employees who suspect that a violation of the Code of Conduct has occurred are obligated to report it as soon as possible, and such employees shall be protected from retaliation.

10. Fair Business Practices - Compliance

Respect for Human Rights and Prohibition of Discrimination and Harassment

Article 6 “Value Diversity and Provide Equal Opportunity” of the Calsonic Kansei Global Code of Conduct states “We value and respect the diversity of our employees, suppliers, customers and communities. Discrimination or harassment, in any form or degree, will not be tolerated.” Officers and employees must respect each other’s human rights and are prohibited from discriminating against or harassing other officers and employees or allowing discrimination or harassment to occur due to race, nationality, gender, religion, physical disability, age, place of birth, or any other reasons.

In addition, because sexual harassment or any other form of harassment (including bullying) cannot be allowed in the workplace, we will make every effort to prevent harassment so that none of our employees experience it, whether male or female.

Whistleblowing System to Improve the Soundness of Operations

At the Calsonic Kansei Group, we have introduced a whistleblowing system to ensure that each and every employee understands compliance, to thoroughly enforce compliance, and to make it possible to confirm whether corporate activities are being conducted properly. We have developed a framework that enables employees to directly communicate opinions, questions, and requests to the company, which is helpful not only in terms of improving operations and the workplace, but also in terms of creating a corporate culture that complies with corporate ethics.

This framework also incorporates the concept of whistleblower protection in accordance with the Whistle-Blower Protection Act that came into effect in April 2006, in accordance with which the Easy Voice System serves as the contact point for CK at each domestic Group company. In addition, as the Easy Voice System began to become established, from FY2014 we launched the CK Helpline as an external whistleblowing contact point in Japan in order to further promote a purifying effect.

The CK Helpline accepts reports both via a website and over the phone and allows employees to make reports using either their actual name or anonymously. A person from a third-party organization with abundant experience accepts reports while protecting the privacy of the whistleblower, and then contacts the related departments or organization so that the appropriate response can be taken.

In each region and business location around the world, we also establish and run whistleblowing systems that are optimal for each company while giving consideration to the cultures and laws of each country. In North America, we have established a hotline as an external contact point that accepts reports via a website or over the phone 24 hours a day. We are also studying the establishment of external contact point in Asia and Europe going forward.

Under our whistleblowing systems, we respond carefully to ensure that whistleblowers do not suffer from any disadvantages from the perspective of whistleblower protection.



**One by one, we all make the CK
Group a company to be proud of !!**

10. Fair Business Practices - Information Security

Information Security

Basic Stance

At the Calsonic Kansei Group, we share the Information Security Policy on a global level, and the Global Information Security Committee implements the necessary measures to strengthen information security in reference to matters such as internal and external cases of information leaks. In addition, we conduct internal education on an ongoing basis in an effort to spread awareness of and instill information security.

In addition, to ensure that the personal information of business partners and other party is adequately protected, Calsonic Kansei has developed Personal Information Management Regulations that stipulate matters including management systems, rules, and procedures based on laws, related government ordinances, and other guidelines, etc. concerning the protection of personal information, and in accordance with these regulations personal information is thoroughly managed throughout the entire company.

A high level of awareness towards proper management among each and every employee is essential for information security compliance. We work to strengthen this awareness through education on and implementation of the following rules.

[Main information security compliance rules]

1. Ensuring password management of information devices through the periodic changing of passwords, etc. is mandatory.
2. The use of software and services other than permitted software and services is strictly prohibited.
3. Confirmation of email receiving addresses to prevent incorrect transmission of email is mandatory.
4. Access limitations to suspicious sites and monitoring will be conducted during Internet use.
5. We will issue precautions and conduct education to ensure that employees do not discuss our company's confidential information in public places where it could be secretly listened to by a third party.

information in public places where it could be secretly listened to by a third party.

[Employee education results]

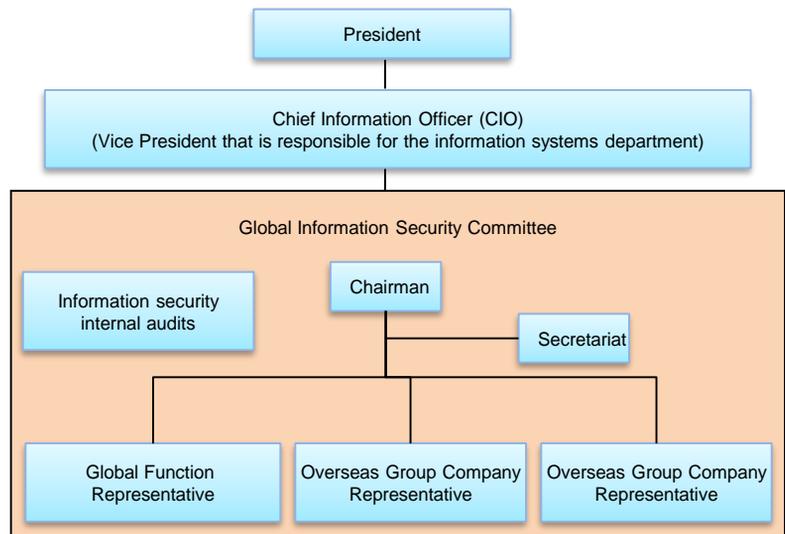
	FY2014	FY2013
Education participation rate (Japan)	100%	100 %
Education participation rate (overseas)	89%	—

Management System

In order to address information security as a management issue at Calsonic Kansei, we have established an information security management structure with the Vice President that is responsible for the information systems department serving as the Chief Information Officer.

The Chief Information Officer regularly holds the Global Information Security Committee, at which the discussions necessary to ensure the proper implementation of information security for the entire Group are conducted. A Secretariat composed of personnel from information systems, general affairs, and human resources departments has been established as a dedicated division for information security, and the Chief Information Officer assists this function. In addition, measures are planned and implemented to ensure that internal regulations related to information security run smoothly and efficiently.

At major overseas Group companies, Information Security Committees have been established and management systems equivalent to those at Calsonic Kansei have been introduced to be fully responsible for information security at each company.



10. Fair Business Practices - Export Control

Specific Initiatives

At Calsonic Kansei, we implement security measures including the management of digital data access rights and use restrictions on external storage media while conducting activities to raise awareness among employees.

Initiatives	Details
Security measures	<ul style="list-style-type: none"> • Clarification of access rights through confidentiality classifications • Restrictions on writing data onto external storage media • Anti-virus measures and hard disks encryption
Increasing employee awareness	<ul style="list-style-type: none"> • Distribution of messages to raise awareness by the responsible personnel • Implementation of new employee education and regular employee education programmes • Implementation of assessment

Key activities in FY2014

- The Global Security Committee was held twice and the Japan Region Global Information Security Committee was held four times during FY2014 to deploy new measure related to improving information security and to share information on the status of audits.
- Security measures: internal audit conducted on risks of information leaks
- Employee awareness activities: employee education provided with global standardized contents
- “Security Week” for the purpose of improving knowledge and awareness of security among all employees on a global level
- Distribution of a message by President Moriya to raise awareness
- Posting of messages over the intranet and on posters to improve awareness of security, etc.

Export Control

An Export Control Committee led by the CEO was established in order to comply with the Foreign Exchange and Foreign Trade Act, Export Trade Control Orders, and Foreign Exchange Orders and to implement appropriate export control. The committee's member consist of members of each department involved with exports, and the committee's tasks include the control of export items, acquiring information on new laws and regulations, and the training of employees. Overseas, personnel responsible for exports at each business location conduct proper management in cooperation with the Headquarters in order to comply with the export control regulations of each respective country.

There were no violations of such regulations in Japan or overseas during FY2014.



11. Consumer Issues - Quality Initiatives

Quality initiatives

To Become Trusted by Customers Around the World

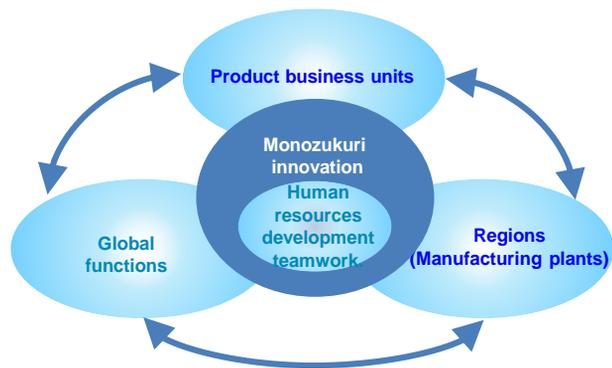
Calsonic Kansei considers quality to be one of the most important issues for the company as a whole and it aims to contribute to society and become a company trusted by customers by continuing to provide high quality in all situations, including development, design, production, and logistics.

Quality Vision

Achieve the world's No.1 quality to satisfy customers.

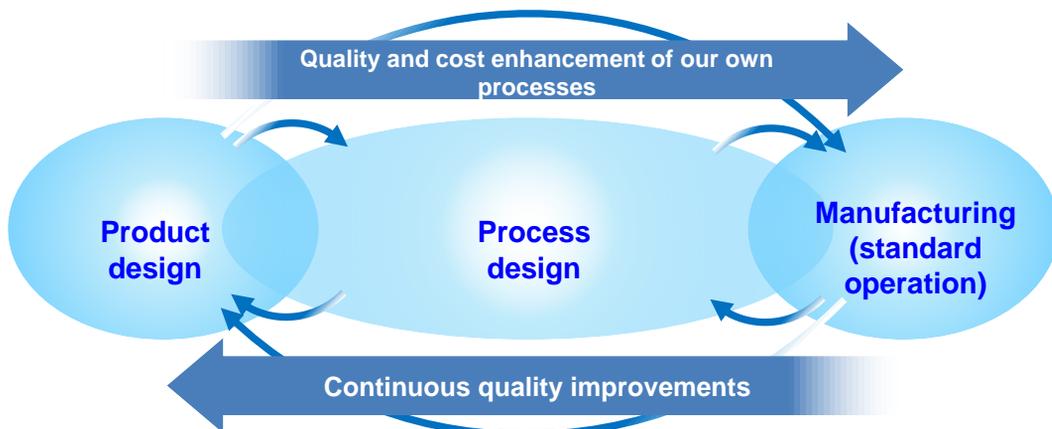
Framework to promote quality

In order to achieve the No. 1 quality in the world to satisfy customers at Calsonic Kansei, product business units, regions (manufacturing plants), and global functions work together towards Monozukuri innovation. Because human resources development and teamwork is the foundation for Monozukuri innovation, values related to human resource development and cross-function and cross-region initiatives are shared as the CK WAY. Specifically, CK has an optimal quality assurance system through communication and regular meetings between global functions, product business units and regions. In addition, based on CKPS, we have developed the Global Quality Management System (Global-QMS) and we strive to further improve quality and improve cost competitiveness.



CKPS(Calsonic Kansei Production System)

At Calsonic Kansei, we share the CKPS (Calsonic Kansei Production System) which is the basis of our manufacturing mindset. Development and production engineering and manufacturing shop floors follow this integrated system. CKPS aims to improve not only quality, but also profitability and competitiveness, and to this end we have established a production system for overall optimization that is thoroughly in line with customers as we aim to achieve unlimited quality improvements.



11. Consumer Issues - Quality Initiatives

Initiatives to Improve Quality and Reliability

At Calsonic Kansei, we also work to improve technological capabilities that involve quality and reliability. As an automotive parts systems manufacturer, our air-conditioning business unit promptly received ISO/TS16949 certification as a new quality standard for the automotive industry in 2003, and in 2005 ISO/TS16949 was certified for the entire company for all products.

Development Technologies with Heightened Accuracy

We clarify risks through assessments of the novelty and materiality of new products from the design concept phase, and conduct design review and process design review using dedicated reviewers in order to improve the safety and reliability of products. Furthermore, in pursuit of continuous Monozukuri innovation, the Production Engineering Center develops and verifies prototypes and new manufacturing methods and establishes global standards as it works to achieve drawing and production processes based on the principles and fundamentals of manufacturing.

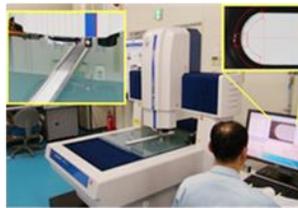
Global standards



TIG/MIG welding machine

Welding conditions are designed and verified for each product using a master machine and technology standards are communicated to plants around the world to ensure the joint strength of welded parts.

Measuring technologies



High-precision measurement equipment

Product quality assurance is not possible without measurement. We use cutting-edge measurement equipment and measurement technology to support measurement for product quality assurance and the investigation of manufacturing method and process mechanisms in order to support quality.

Simultaneous activities



Ease of assembly simultaneously

Product design and process design are validated by staff members around the world, and feedback is provided on drawings and processes. In this manner, correct product design and correct processes are designed and verified for deployment on a global level.

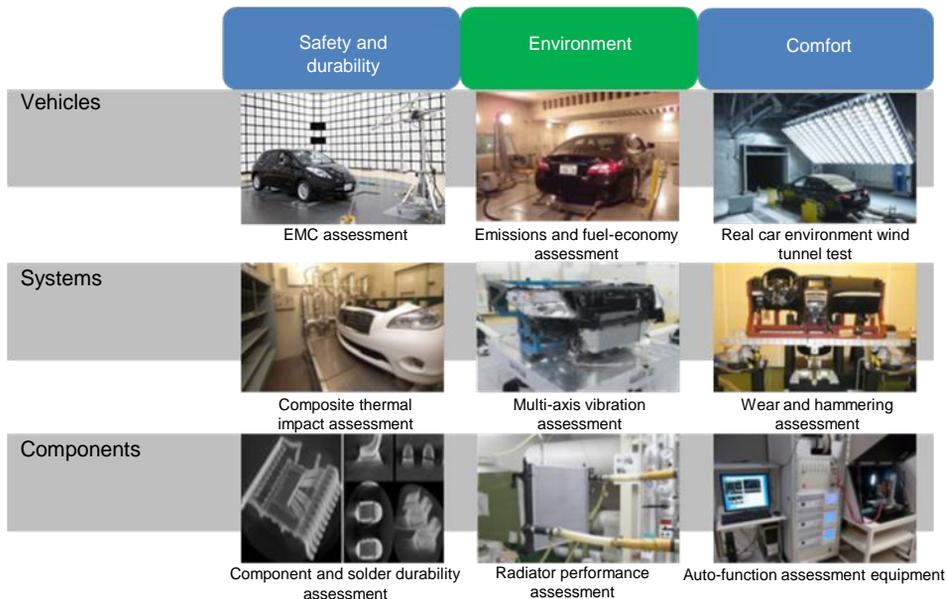
Advanced development



Fin molding machines

Because high-precision molding is required for fins that are used as one component in radiators, we pursue processing methods and the development of process limitation in an aim for higher speed and precision molding.

In addition, in order to ensure appropriate quality in the field of safety, environment, and comfort technology, we have reproduced market environments through state-of-the-art equipment and experimental technologies in order to ensure a high level of reliability in the three levels of vehicles, systems, and components.



11. Consumer Issues - Quality Initiatives

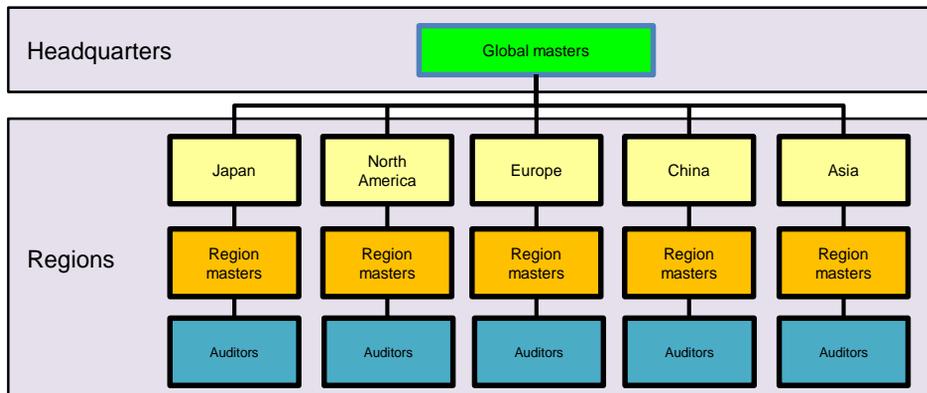
QSES(Quality System Evaluation System)

The Calsonic Kansei Group has unique global standards for the quality management systems of suppliers.

In order to achieve the basic quality policy on a global level, Calsonic Kansei has established the independent QSES (Quality System Evaluation System), in accordance with which Calsonic conducts evaluations on the quality systems and process management of the entire company and suppliers.

Through the identification of problems and continuous corrective actions by QSES, we constantly maintain even higher levels of management, which leads to the improvement of customer satisfaction.

In addition, through the development and expansion of QSES auditors (global masters, region masters, and auditors) on a global level, we work to control inconsistencies in evaluations among all plants, and to promote the understanding of actual conditions and shop floor improvement activities.



Quality awareness-raising activities on a global level

Q-Forum

As a part of our quality awareness activities, we hold the Q-Forum annually. Also, a variety of events such as panel exhibitions of quality concerns, recurrence prevention activities, presentations of quality improvement, and supplier quality seminars are organized to raise awareness on quality by gaining new insights on quality in order to improve the quality of our performance.

QC Circle Global Convention

All regions work on QC circle activities to quality improvement activities in the shop floor. Best practices are presented at annual QC circle global conventions held at our Headquarters. Presentations of the winners of regional competitions raise motivation for further quality improvement.



The FY2014 QC Circle Global Tournament

Quality awards received from automotive manufacturers

Various awards have been received from automotive manufacturers in recognition of our efforts for quality improvement.

- 2013: Japan Region Excellent Quality Award from Nissan Motor Co., Ltd.
(Exhaust System, Compressor)
- 2012: Japan Regional Quality Award from Nissan Motor Co., Ltd.
(Category of Vehicle Systems, Heat Exchange System)
- 2011: Japan Regional Quality Award from Nissan Motor Co., Ltd.
(Category of Vehicle Systems, Climate System)
- 2010: Excellent Quality Award from Dongfeng Motor Company Limited
Calsonic Kansei (Guangzhou) Components

11. Consumer Issues - Communication with Customers

Communication with customers (initiatives to improve customer satisfaction)

Calsonic Kansei conducts a customer satisfaction survey once a year in order to assess how customer view its day-to-day business activities. This survey has been conducted since 2005, and 2014 marked the tenth year of the survey.

The survey was conducted as a questionnaire to which participants applied a five-level rating on items related to quality, price, delivery, development, management, and sales activities (QCDDMS) along with comments on specific improvement requirements.

Analysis is conducted based on the four points below.

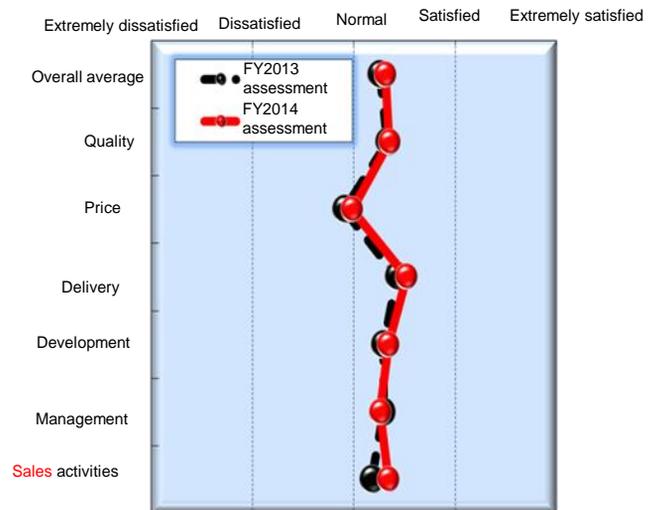
- Monitoring over the years without changing the assessment items
- Clarification of survey targets and an understanding of the collection status (understanding of relationship with customers)
- Confirmation of changes and comments and the clarification of issues
- Incorporation of issue improvement method in the plan for the next fiscal year and implementation

We aim to use this survey as a contact point for further enhancing communication with customers and to conduct activities that better live up to the trust we have gained from customers.

FY2014 customer satisfaction by product (changes compared to FY2013)

	Products	Overall average
UP	A	0.78
	B	0.18
	C	0.16
	D	0.14
	E	0.12
	F	0.11
	G	0.06
DOWN	H	-0.07
	I	-0.18
	J	-0.20
	K	-0.23

FY2014 customer satisfaction by item

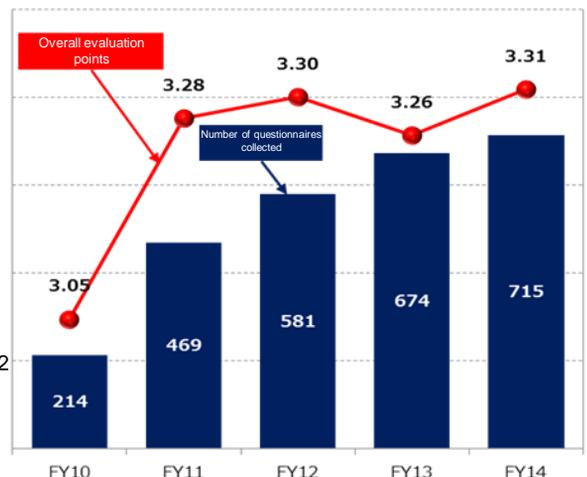


The data gained and the VOC by customer, by product, and by region are analyzed. Some examples of VOC gained during this fiscal year are as follows.

[Points for improvement by function]

- Sales:
 1. Issues related to costs and cost details (172 cases)
 2. Issues related to management (42 cases)
 3. Issues related to response and speed (38 cases)
- Development:
 1. Issues related to new development and advanced development (61 cases)
 2. Issues related to management (project management, etc.) (46 cases)
 3. Issues related to response and speed (41 cases)
- Quality:
 1. Issues related to management (119 cases)
 2. Issues related to response and speed (75 cases)
 3. Issues related to analysis and analysis capabilities (42 cases)

We hope that the planning and implementation of improvement proposals for each of these functions will lead to improved customer satisfaction and the establishment of better relationships.



Overall evaluation points in the past are displayed in the graph to the right.

11. Consumer Issues - Supply Chain Management

Activities Involving Suppliers

Calsonic Kansei considers suppliers as equal partners, and aims for mutual sustainable growth while maintaining equal and fair relationships based on mutual trust. As Calsonic Kansei becomes involved with more suppliers around the world in line with the globalization of our business development, we will aim to improve our CSR management by sharing our ideas and policies with suppliers in order to promote CSR activities.

Activity Overview

Calsonic Kansei thoroughly ensures fair, and impartial business processes in a transparent way when selecting suppliers. While providing opportunities for broad participation, regardless of nationality, company size, and trading experience, Calsonic Kansei reviews the details of proposals from suppliers across the relevant departments for the selection.

Furthermore, we comply with the CK Global Codes of Conduct to maintain the performance of equal and fair work at a high standard level. In addition, we hold briefing sessions on Calsonic Kansei's policies and regular liaison meetings in which we communicate with suppliers through surveys and exchanges of opinion. Furthermore, as an activity addressing compliance, we have worked to spread awareness within the company about important points related to the procurement principles, the Subcontractors Act, and the Antimonopoly Act. For major suppliers, we have held CSR briefing sessions and requested cooperation with CK's activities. In FY2015 as well as FY2014, we will strengthen our internal systems related to human rights, environmental issues, and CSR-related topics that are attracting great attention around the world.



Response to Disaster Risks

In addition to the business continuity plan (BCP) for the supplier chain developed in Japan and Thailand, we have commenced studies for BCP in overseas regions other than Thailand, and also conduct activities for quick initial response.

Supplier Award System

Suppliers that contributed to business development were selected by relevant internal departments. Six companies won the Outstanding Supplier Award in FY2013, and four companies won it in FY2014.



Development of Calsonic Kansei CSR Guidelines for Suppliers

In the briefing session on Calsonic Kansei's policies held in February, FY2011, we explained about CSR to major suppliers to request their cooperation with CSR activities.

In particular, we asked suppliers to comply with laws and regulations, and clarified measures in the event of compliance violation in order to thoroughly prevent its recurrence. Since FY2011, Calsonic Kansei has included "Compliance with Laws and Regulations" in its basic agreement, and has reflected it in its agreement with new suppliers. As we have created the Calsonic Kansei CSR Guidelines for Suppliers (Japanese and English versions), we will continue to provide briefings to major suppliers in events such as briefing sessions on policies to continuously request their cooperation with CSR activities.

Calsonic Kansei Supplier Guideline is [here](#).

11. Consumer Issues - Supply Chain Management

Strengthening Improvement Activities in Monozukuri with Suppliers

In FY2009, the Supplier Support Team (SST) was established as a dedicated structure related to Monozukuri in the CK Purchasing Department, in order to strengthen the Monozukuri structure of suppliers and further trust relationships with them. This team promotes joint activities for on-site improvement through CKPS based on agreements with suppliers. CK held exhibitions to show the best practices based on agreements with suppliers and to share this information with other suppliers. Accordingly, CK is creating an environment in which we can expect further, active improvements. Furthermore, since FY2013, CK has commenced activities to calculate the level of contributions to the environment by suppliers, while preparing numeric data on CO₂ emissions to quantitatively confirm the improvement effects on environmental issues that are receiving great attention. By clarifying the link between improvement activities and the environmental load, we will promote joint activities to expand the scope while improving the awareness of environmental issues among suppliers.



Number of Suppliers Involved in Activities by Fiscal Year

2009	2010	2011	2012	2013	2014
10 companies	10 companies	10 companies	8 companies	7 companies	6 companies

Promoting Calsonic Kansei Green Purchasing

Calsonic Kansei procures various items such as raw materials, indirect materials, and component parts and believes that it is important to manage procured items in order to control environmentally hazardous substances.

In accordance with the Calsonic Kansei Group Environmental Policy, in 2008, we summarized and issued the standards for environmental activities among suppliers as the "Calsonic Kansei Green Purchasing Policy" in which we request cooperation from suppliers.

We studied the substances contained in the procured items and verified their compliance with the requirements of IMDS, SDS, etc.

In addition, we studied if suppliers had acquired ISO14001 or any equivalent certification for their environmental management systems, to work on improving our control of environmentally hazardous substances.

Note that the guideline contents were partially revised in October, 2014.

Response Policy for Conflict Minerals

In August, 2012, detailed laws were enacted that require us to report the use of four major minerals mined from the Democratic Republic of Congo and the surrounding conflict areas that could be used as a source of funds for armed groups. Fully agreeing with the purpose of these laws, Calsonic Kansei decided on a policy where we would investigate the use of conflict minerals in the supply chain from the CRS standpoint and conduct activities to stop using those minerals.

- A preliminary survey was conducted from October to December 2012 (covering 40 companies).
- The main survey was conducted from 2013 (covering 224 companies in FY2013 and 288 companies in FY2014).
- We will continue to conduct the survey after FY2015 (covering 250 companies or more in FY2015).

12. Community Participation and Development

Supporting children that will lead the future *This description focuses on the activities of the Group in Japan.

Calsonic Kansei will continue a wide range of support activities for supporting children that will lead the future going forward.

Developing Future Engineers

We provide primary school pupils good opportunities to experience vehicle technology and manufacturing with our hope that they become familiar with vehicles and Monozukuri.

We consider this activity as an opportunity to develop our staff by having them learn principles and fundamentals of the technology to teach children as well as to let children feel how interesting it is to be involved in Monozukuri.



Participation in Kids Engineer

We have been taking part in Kids Engineer, a participatory exhibition sponsored by The Society of Automotive Engineers of Japan targeting primary school pupils, since 2008, when the exhibition started.

In 2010, we started having an exhibition booth managed by our voluntary staff. At Kids Engineer 2012, held in July, we provided about 2000 children with an opportunity to experience Monozukuri.

Project Supporting What You Want to Do (On-site Lessons at Elementary Schools)

This is an activity of on-site lesson at a primary school started in 2012. We provide our special lesson program on science.

Activities During FY2014

	Visiting classes at elementary schools	Events participated in other than on-site lessons at elementary schools
June	1 school: Sakuragi (Kumagaya City)	
July		Kids Engineer 2014 (venue: Pacifico Yokohama)
August		Summer Vacation Kids Community Center (venues: Mutsuji, Omiyaminami, Suzuya) Saitama City Industrial Culture Festival (venue: Saitama City Industrial Cultural Center)
September	2 schools: Inubushihigashi and Kuzuu	
October	3 schools: Tenmyou, Inubushi, and Sano	
November	3 schools: Ueno, Tonara, and Shimohikoma	CKY participated in chamber of commerce exhibition (Venue: Cherryna Sagae) Colabo Saitama (venue: Saitama Super Arena) Mini Kids Engineer (venue: Hachinohe Institute of Technology)
December	3 schools: Sakai, Hatagawa, and Azuma	
January	2 schools: Tada and Jouhoku	
February		Youth Development Children's Festival (Saitama City Uemizu Community Center)



12. Community Participation and Development

Participation in Saturday Learning Supporters Activities Led by the Ministry of Education, Culture, Sports, Science and Technology

As parts of its efforts to support children that will lead the future, at Calsonic Kansei we provide a program in support of the Saturday Education Volunteer Supporters activities.

*The name Saturday Education Volunteer Supporter on the website is the former name for the activities.



(From the website of the Ministry of Education, Culture, Sports, Science and Technology)

Support for the Highschool International Conference Committee

As parts of its efforts to support children that will lead the future, at Calsonic Kansei we support the Highschool International Conference Committee that is run by only high school students that are mainly from the Kanto region. Approximately 80 high school students voluntarily participated in the 4th High School Students International Conference Committee for 2014 that was held over a period of two days on February 21 and 22. The participants debated global social problems such as diversity and water scarcity, and made presentations on things they could do in response. We will continue supporting this committee in the hope that it will lead to the further enhancement and expansion of improvement activities in response to social issues and the development of participants into global human resources capable of leading the future.

See here for the website of the High School Students International Conference Committee.



(The 4th Highschool International Conference Committee for 2014)



(From the website of the Highschool International Conference Committee)

Support for the Student Formula Japan Competition

We participate in and support the Student Formula Japan (SFJ) that has been held under the sponsorship of the Society of Automotive Engineers of Japan (JSAE) since 2003. The competition is an opportunity for students to develop skills related to manufacturing, which in turn contributes to the expansion of the Japanese automotive industry. This competition serves as a public activity for self-motivated students to cultivate various skills involved with object creation, and as training for those who will one day play critical roles in the future of the automotive industry.

Donations of Photo News Bulletin Board to Local Elementary Schools

In the hopes that it will get children in social issues such as global warming, we have partnered with Asahi Photo News Inc. to deliver photo news to local elementary schools.

12. Community Participation and Development

Introduction of Workplace Charging *This description focuses on the activities of the Group in Japan.

(From a April 7, 2014 news release)

Introduction of Workplace Charging at Calsonic Kansei Corporation - Supporting the Spread of Electric Cars to Achieve a Sustainable Society -

2014.4.7

Calsonic Kansei Corporation (Headquarters: Kita-ku, Saitama City; President and CEO: Hiroshi Moriya) introduced workplace charging from April 2014 in order to support the spread of electric cars.

The corporate vision of Calsonic Kansei is to use its engineering capabilities to help realize a sustainable society through manufacturing as an automotive-related company. In fact, it is stated in our medium-term business plan GX4 T10 that we strive to be a technology leader in the field of energy management for environmental cars of the next generation under the Green strategy (developing innovative environment technologies and products that lead the world).

As part of these effort, Calsonic Kansei supplies inverters, lithium ion battery controllers, and other components for the ultimate zero-emission electric car Nissan LEAF, while putting effort into improving their performance.

In addition to these technological contributions, we try to help popularize electric cars by implementing workplace charging in Japan, which is an initiative by Nissan Motor that has started in North America.

What is Workplace Charging?

Workplace charging is an initiative that promotes the installation of EV charging stations at office buildings and factories so that employees and visitors can charge their electric cars while they work or do business. It aims to make it more pleasant to use electric cars.

Calsonic Kansei introduced this system in April 2014. For the neighbors, it has a positive impact on the environment by controlling the exhaust gas from commuters' vehicles, and for employees, it has increased the convenience of commuting to work on electric cars. Through this initiative, we strive to build a win-win-win relationship among our community, company and employees.

General chargers for electric vehicles were installed at each location (16 units, 32 charges points for the entire company) in order to develop an environment that makes it easy to commute using electric cars and encourage the purchase of electric cars among employees. In addition, quick chargers for electric vehicles (7 units for the entire company) were installed in an effort to encourage use among the general public and promote the spread of electric cars.



*See here for the topics website that introduces workplace charging.

12. Community Participation and Development

Introduction of Other Local Community Activities *This description focuses on the activities of the Group in Japan.

Cleaning Activities

All employees at each business location voluntarily conduct local beautification activities on a regular basis.

Activities on the Takasaki Line railway close to the Headquarters



Activities around the Headquarters by new employees



Communication with the Local Community

As we believe corporate business activities cannot survive without communication with the local community, we cooperate with various activities in the local community in order to gain the recognition and trust of people in the local community.

- Sponsorship of cultural activities in Saitama Prefecture Sponsorship of the D SKIP CITY International Film Festival, etc.
- Donations to organizations for people with disabilities, etc.
- Donations to elementary schools
- Support for and donations to Bon festival dances and fireworks displays that are enjoyed together with people in the local community
- Provision of quick chargers for electric vehicle to visitors and local residents at each business location
- Others

We also cooperate with residents' associations through the above activities, as we work to listen more carefully to the needs of people in the local community and make improvements in response.

• Provision of quick chargers for electric vehicle to visitors and local residents



Social Contribution Investment Amount (Not Including Labor Costs) *This description focuses on the activities of the Group in Japan.

During FY2011, the main investments were contributions in response to the Great East Japan Earthquake and major flooding in Thailand. During FY2014, quick chargers for electric vehicles that had not been installed yet were installed at Calsonic Kansei's business locations. With this investment, the installation of quick chargers for electric vehicles at all of Calsonic Kansei's business locations was completed.

Unit: thousand yen

	FY2011	FY2012	FY2013	FY2014
Total social contribution investment amount	30,497	5,175	33,874	20,935
Donations excluding general sponsorship	28,578	1,566	1,797	2,434
Contribution expenses excluding general sponsorship	30,218	4,896	33,435	20,545
Contribution expenses excluding general sponsorship and donations	1,640	3,330	31,639	18,111

Category	CSR issues	KPI	Target	FY2013 results	FY2014 results
Organizational governance	Strengthening governance	Number of independent outside directors	—	0	0
		Number of outside auditors	—	2	2
	Improvement of profits	Sales volume	FY2016 1 trillion yen	918.7 billion yen	965.6 billion yen
		Value added operating income margin	FY2016 Approximately 7%	5.00%	5.40%
Human rights	Respecting diversity	Rate of disabled person employment	At least 2%	1.89%	1.85
		Rate of female managers	—	1.74	2.2
		Number of non-Japanese employees	—	53	53
	Supporting issues in developing countries	Supply chain due diligence	(Implementation scheduled from FY2015)	—	—
	Contributions to social structure improvements	Number of conflict minerals survey companies	—	224 companies	288 companies
Labor practices (Calsonic Kansei non-consolidated)	Work environment	Rate of female employees	—	7.74%	7.62%
		Average length of continuous employment	—	20.3 years	19.6 years
		Number of union members	—	3127	2977
		Number of new graduate employees	—	53	37
	Improvement of working styles	Number of re-employed employees	—	65	58
		Usage rate of paid leave	—	55.1%	64.3%
		Number of employees taking time off from work for child care	—	9	10
		Number of employees obtaining child care leave	—	14	15
	Work health and safety	Number of employees taking time off from work for nursing care	—	1	2
		Frequency rate of accidents requiring time off from work	0	0.05	0.06
Environment	Response to climate change	Number of eco-products created (FY11-FY16)	10 products (cumulative) from FY2011 to FY2016	2 products (cumulative)	7 products (cumulative)
		Rate of reduction of CO ₂ emissions from production	17.6% decrease in FY2016 compared to FY2005	35.2% decrease	28.3% decrease
		Rate of reduction of CO ₂ emissions from logistics	22% decrease in FY2016 compared to FY2010	23.4% decrease	23.1% decrease
		Rate of reduction of CO ₂ emissions from offices	6% decrease in FY2016 compared to FY2010	3.5% decrease	6.5% decrease
	Prevention of environmental disruption	Rate of emissions reduction	28% decrease in FY2016 compared to FY2005	34.9% decrease	26.5% decrease
		Rate of water consumption reduction	21.4% decrease in FY2016 compared to FY2009	15.5% decrease	4.6% decrease
		Rate of PRTR reduction	6% decrease in FY2016 compared to FY2010	7% decrease	1.3% decrease
		Rate of landfill disposal	0% in FY2015	15%	2.90%
	Purchase management	Green procurement	100% acquisition of consent form at the time of new account opening	100% collection	100% collection
	Fair business practices	Thoroughly ensuring compliance	Number of serious violations	0	0
Number of compliance awards			—	127	265
Number of whistleblowing reports			—	48	234
Rate of information security training participants			—	100% (Japan) — (overseas)	100% (Japan) 89% (overseas)
Consumer issues	Customer issues	Level of customer satisfaction	—	3.26	3.31
Community Participation and Development	Social contribution activities	Total expenses for social contribution activities	—	33,874 thousand yen	20,935 thousand yen
		Activities to support children who will lead the future	—	On-site lessons at 13 schools	On-site lessons at 14 schools

Calsonic		Kansei	
Nihon Radiator Manufacturing Co., Ltd. established.	1938		
Renamed Nihon Radiator Co., Ltd.	1952	1956	Kanto Seiki Co., Ltd. established.
Listed on Tokyo Stock Exchange, 2nd section.	1962	1960	Headquarters and plant relocated to Omiya City, Saitama Pref.
Los Angeles Office established in the US	1972		
Listed on Tokyo Stock Exchange, 1st section.	1973		
Calsonic Inc. established (former Calsonic North America Inc. California plant).	1976	1978	Listed on Tokyo Stock Exchange, 2nd section.
TI NIHON U.K established (currently Calsonic Kansei UK Limited, Washington Plant).	1986	1984	Kantus Corporation established (currently Calsonic Kansei North America's Lewisburg Plant).
Renamed Calsonic Corporation.	1988	1990	Listed on Tokyo Stock Exchange, 1st section.
Climatizadores Calsonix S.A. established (currently Calsonic Kansei Spain, S.A.). Daihan Calsonic Corporation established.	1991	1991	Renamed Kansei Corporation. Kantus Mexicana, S.A. de C.V. established. (currently Calsonic Kansei Mexicana, S.A. de C.V.).
Calsonic Mexicana, S.A. de C.V. established (currently Calsonic Kansei Mexicana, S.A. de C.V.).	1997	1998	Kansei UK Limited established (currently Calsonic Kansei Sunderland Limited).
Calsonic Kansei Corporation established through merger of Calsonic Corporation and Kansei Corporation.	2000	2001	Calsonic Kansei (Thailand) Co., Ltd. established. Calsonic SII Compressors Sdn.Bhd (currently Calsonic Kansei (Malaysia) Sdn. Bhd.) established.
Calsonic Kansei (Wuxi) Corporation established.	2002	2005	Capital increased through a third party allocation to Nissan Motor Co., Ltd., making Calsonic Kansei a consolidated subsidiary of Nissan Motor. Calsonic Kansei China Holding Company established.
Calsonic Kansei Romania S.R.L. established.	2006	2007	Calsonic Kansei Motherson Auto Products Limited established in India.
R&D Center, Headquarters moved in Saitama city.	2008	2012	Calsonic Kansei do Brasil Industria e Comercio Ltda. established. Calsonic Kansei RUS LLC.established.

Summary of Financial Statements for the Fiscal Year Ended March 31, 2015 [Japanese GAAP] (Consolidated)

Consolidated Statements of Income

	(A)	(B)	(Unit: 100 million yen)
	FY2013 results	FY2014 results	Changes
			(B)-(A)
Sales	9,187	9,656	469 5.1%
Operating income (Operating income margin %)	288 3.1%	316 3.3%	28 0.2%
Ordinary income (Ordinary income margin %)	295 3.2%	283 2.9%	(12) (0.3%)
Net income (Net income margin %)	250 2.7%	201 2.1%	(49) (0.6%)
Net income per share	93.36 yen	75.05 yen	(18.31)
Breakdown of sales			
Companies in Japan	3,871	3,520	(351)
Subsidiaries in the Americas	2,956	3,602	646
Subsidiaries in Europe	1,047	1,231	184
Subsidiaries in Asia	1,953	1,955	2
Subtotal	9,828	10,308	480
Consolidation adjustments	(641)	(652)	(11)
Total	9,187	9,656	469
Breakdown of operating income			
Companies in Japan	108	63	(45)
Subsidiaries in the Americas	86	127	41
Subsidiaries in Europe	(4)	6	10
Subsidiaries in Asia	104	123	19
Subtotal	294	318	24
Consolidation adjustments	(6)	(2)	4
Total	288	316	28
Capital investment	292	243	(49)
Depreciation	227	232	5
R&D expenditures	271	277	6
Exchange rate (USD)	100.17	109.76	10

Total assets	4,278	4,598	320
Net assets (Equity ratio %)	1,782 38.6%	2,122 43.3%	340 4.7%
Net assets per share	616.59 yen	743.97 yen	127
Interest-bearing debt at the end of the period	75	(189)	(264)

Data - Financial Report

Consolidated Balance Sheets

	14.3.31	15.3.31	Changes		14.3.31	15.3.31	Changes
	a	b	b-a		c	d	d-c
Current assets	2,676	2,934	258	Current liabilities	2,222	2,181	(41)
Cash on hand and in banks	181	311	130	Trade payables	1,454	1,424	(30)
Trade receivables	1,637	1,648	11	Current portion of bonds and loans payable	278	231	(47)
Inventories	448	486	38	Others	490	526	36
Others	410	489	79	Long-term liabilities	273	295	22
				Current portion of bonds and loans payable	33	30	3
				Provisions for retirement	-	-	-
				Liabilities relating to retirement benefits	127	136	9
				Others	114	129	15
Long-term assets	1,602	1,665	63	Total liabilities	2,495	2,476	(19)
Property, plant and equipment	1,400	1,431	31	Capital	415	415	0
Intangible fixed assets	51	63	12	Capital surplus	596	596	0
Investment securities	101	118	17	Retained earnings	803	1,004	201
Deferred tax assets	45	47	2	Treasury stock	(37)	(38)	(1)
Others	6	6	0	Total shareholders' equity	1,776	1,977	201
				Cumulative adjustments for retirement benefits	(109)	(129)	(20)
				Valuation and translation adjustments	(15)		15
				Minority interests	130	129	(1)
				Total net assets	1,782	2,123	341
Total assets	4,278	4,598	320	Total net assets and liabilities	4,278	4,598	320

Calsonic Kansei Corporation

Gunma Plant

Address : 132 Shin-Nakano, Ouracho, Oura-gun, Gunma
Area : 224,781m²
Building area : 64,352m²
Major products : Air-conditioning units, condensers, exhaust products, metal supports



Items Regarding Waste Water Regulations	Regulation value	Results	
		Minimum	Maximum
pH	6.5-8.5	7.1	7.9
SS	30mg/l and less	4.7	23.6
BOD	20mg/l and less	3.2	7.7
N-Hex	3 mg/l and less	0.8	1.7
Fluorine	8 mg/l and less	0.5 and less	0.5
Zinc	2 mg/l and less	0.1 and less	0.2
Phosphorus	16 mg/l and less	0.1 and less	0.3
Nitrogen	120 mg/l and less	0.5	2.5
Copper	3 mg/l and less	0.1 and less	
Nickel	-	-	-
Iron	5 mg/l and less	0.1 and less	0.1
COD	-	-	-
Colon bacillus	3,000 and less	10	77
Dichloromethane	0.2 mg/l and less	0.02 and less	
Total volume of water discharge		183 (km ³)	
Drain field	Discharged into a river (subsidiary stream of the Tone River)		
BOD average		4.6 (mg/l)	
Amount of pollution load (BOD)		0.8 (t)	
So _x		-	
No _x		-	
Soot dust		-	
CO ₂		16,947 (t)	

Oppama Plant

Address : 18 Natsushima-cho, Yokosuka City, Kanagawa



Area : 22,514m²
Building area : 17,434m²
Major products : exhaust products

Items Regarding Waste Water Regulations	Regulation value	Results	
		Minimum	Maximum
pH	5.8-8.6	7.6	8.1
SS	300mg/l and less	1.0 and less	
BOD	300mg/l and less	1.0 and less	1.4
N-Hex	5 mg/l and less	0.5 and less	
Fluorine	-	-	-
Zinc	1.0 mg/l and less	0.1 and less	0.5
Phosphorus	6.25 mg/l and less	0.1 and less	
Nitrogen	50 mg/l and less	1.7	1.9
Copper	1.0 mg/l and less	0.1 and less	
Nickel	1.0 mg/l and less	0.1 and less	0.1
Iron	3 mg/l and less	0.1 and less	0.3
COD	-	-	-
Colon bacillus	-	-	-
Dichloromethane	-	-	-
Total volume of water discharge		7.5 (km ³)	
Drain field	Sewage		
BOD average		1.1 (mg/l)	
Amount of pollution load (BOD)		0.008 (t)	
So _x		-	
No _x		0.091 (t)	
Soot dust		0.018 (t)	
CO ₂		1,213 (t)	

Calsonic Kansei Corporation

Yoshimi Plant

Address : 628 Ooaza-Kumeda, Yoshimimachi, Hiki-gun Saitama



Area : 141,784m²
Building area : 49,700m²
Major products : instrument panels, center consoles

Items Regarding Waste Water Regulations	Regulation value	Results	
		Minimum	Maximum
pH	5.8-8.6	6.6	7.5
SS	90mg/l and less	2.0	9.6
BOD	25mg/l and less	1.0	15.2
N-Hex	5 mg/l and less	0.5 and less	0.5
Fluorine	-	-	-
Zinc	-	-	-
Phosphorus	8 mg/l and less	2.2	6.9
Nitrogen	60 mg/l and less	4.7	28.6
Copper	-	-	-
Nickel	-	-	-
Iron	-	-	-
COD	60 mg/l and less	5.8	14.6
Colon bacillus	3,000 and less	0	300
Dichloromethane	-	-	-
Total volume of water discharge		33.2 (km ³)	
Drain field	Discharged into a river (subsidiary stream of the Ichino River)		
BOD average		3.4 (mg/l)	
Amount of pollution load (BOD)		0.1 (t)	
So _x		-	
No _x		0.587 (t)	
Soot dust		0.006 (t)	
CO ₂		5,426 (t)	

Kodama Plant

Address : 540-7 kyoei, Kodamacho, Honjo City, Saitama



Area : 51,168m²
Building area : 15,838m²
Major products : electronic control units

Items Regarding Waste Water Regulations	Regulation value	Results	
		Minimum	Maximum
pH	5.8-8.6	7.0	7.6
SS	60mg/l and less	5.0	16.0
BOD	25mg/l and less	2.0	18.0
N-Hex	30 mg/l and less	3.0 and less	
Fluorine	-	-	-
Zinc	-	-	-
Phosphorus	-	-	-
Nitrogen	-	-	-
Copper	-	-	-
Nickel	-	-	-
Iron	-	-	-
COD	160 mg/l and less	3.0	24.0
Colon bacillus	3,000 and less	30 and less	
Dichloromethane	-	-	-
Total volume of water discharge		8.2 (km ³)	
Drain field	Discharged into a river (subsidiary stream of the Tone River)		
BOD average		4.4 (mg/l)	
Amount of pollution load (BOD)		0.04 (t)	
So _x		0.11 (t)	
No _x		0.461 (t)	
Soot dust		0.004 (t)	
CO ₂		2,609 (t)	

Calsonic Kansei Corporation

Experiment Study Center

Address : 8 Sakae-cho,
Sano City,
Tochigi
Area : 73,829m²
Building area : 47,141m²



Ordinance and Agreement	Tochigi Prefectural Ordinance, Sano Municipal Ordinance, Sewage Law		
	Regulation value	Results	
Items Regarding Waste Water Regulations		Minimum	Maximum
pH	5.0-9.0	6.5	8.4
SS	600mg/l and less	1.0 and less	193.0
BOD	600mg/l and less	1.0 and less	162.0
N-Hex	5 mg/l and less	1.0 and less	
Fluorine	-	-	-
Zinc	-	-	-
Phosphorus	-	-	-
Nitrogen	-	-	-
Copper	-	-	-
Nickel	-	-	-
Iron	-	-	-
COD	-	-	-
Colon bacillus	-	-	-
Dichloromethane	-	-	-
Total volume of water discharge		47.5 (km ³)	
Drain field		Sewage, Misugi River	
BOD average		28.6 (mg/l)	
Amount of pollution load (BOD)		1.36 (t)	
So _x		—	
No _x		—	
Soot dust		—	
CO ₂		6,502 (t)	

R&D Center and Headquarters

Address : 2-1917 Nisshin-cho, Kitaku, Saitama City, Saitama
Area : 33,047m²
Building area : 10,704m²



Ordinance and Agreement	Saitama Prefectural Ordinance, Saitama Municipal Ordinance, Sewage Law		
	Regulation value	Results	
Items Regarding Waste Water Regulations		Minimum	Maximum
pH	5.0-9.0	6.7	7.2
SS	600mg/l and less	145.0	486.0
BOD	600mg/l and less	60.1	360.0
N-Hex	5 mg/l and less	2.8	27.7
Fluorine	-	-	-
Zinc	-	-	-
Phosphorus	-	2.4	6.1
Nitrogen	-	7.3	26.3
Copper	-	-	-
Nickel	-	-	-
Iron	-	-	-
COD	-	-	-
Colon bacillus	-	-	-
Dichloromethane	-	-	-
Total volume of water discharge		24.6 (Km ³)	
Drain field		Sewage	
BOD average		179.5 (mg/l)	
Amount of pollution load (BOD)		4.4 (t)	
So _x		0.000 (t)	
No _x		0.14 (t)	
Soot dust		0.000 (t)	
CO ₂		2,087 (t)	

Domestic Affiliated Companies

CKK (Headquarters and Usa Plant)

Address : 111 Ooaza-Waki, Usa City, Ooita

Area : 99,146m²
Building area : 19,427m²
Major products : instrument panels



Ordinance and Agreement	Ooita Prefectural Ordinance, Usa Municipal Agreement		
	Regulation value	Results	
Items Regarding Waste Water Regulations		Minimum	Maximum
pH	6.0-8.6	7.3	7.9
SS	60mg/l and less	1.0	19.0
BOD	60mg/l and less	1.0 and less	2.0
N-Hex	2 mg/l and less	1.0 and less	
Fluorine	-	-	-
Zinc	-	-	-
Phosphorus	-	-	-
Nitrogen	-	-	-
Copper	-	-	-
Nickel	-	-	-
Iron	-	-	-
COD	60 mg/l and less	3.0	6.0
Colon bacillus	-	-	-
Dichloromethane	-	-	-
Total volume of water discharge		4.2 (km ³)	
Drain field		Discharged into a river (Yorimo River)	
BOD average		1.1 (mg/l)	
Amount of pollution load (BOD)		0.005 (t)	
So _x		0.538 (t)	
No _x		1.01 (t)	
Soot dust		0.036 (t)	
CO ₂		5,543 (t)	

CKK (Nakatsu Plant)

Address : 150-3 Oaza-Inumaru, Nakatsu-city, Oita

Area : 48,646m²
Building area : 17,803m²
Major products : air conditioning units, radiators, exhaust products



Ordinance and Agreement	Oita Prefectural regulations, Nakatsu City agreements		
	Regulation value	Results	
Items Regarding Waste Water Regulations		Minimum	Maximum
pH	6.0-8.5	6.6	7.2
SS	30mg/l and less	1.0 and less	6.0
BOD	30mg/l and less	0.66	11.0
N-Hex	5 mg/l and less	0.5 and less	0.78
Fluorine	-	-	-
Zinc	-	-	-
Phosphorus	8 mg/l and less	0.24	3.2
Nitrogen	60 mg/l and less	4.8	23.0
Copper	-	-	-
Nickel	-	-	-
Iron	-	-	-
COD	-	-	-
Colon bacillus	3,000 and less	0	14 and less
Dichloromethane	-	-	-
Total volume of water discharge		(Living water-purification tanks only) 7 (Km ³)	
Drain field		Discharged into a river (Inumaru River)	
BOD average		4.6 (mg/l)	
Amount of pollution load (BOD)		0.03 (t)	
So _x		0.264 (t)	
No _x		0.665 (t)	
Soot dust		0.146 (t)	
CO ₂		8,228 (t)	

Domestic Affiliated Companies

CKF (Headquarters and Nihonmatsu Plant)			
Address	: 5-1 Sumiyoshi, Nihonmatsu, Fukushima		
Area	: 68,400㎡		
Building area	: 13,800㎡		
Major products	: meters, tank units, a variety of sensors, switches		
			
Ordinance and Agreement	Fukushima Prefectural Ordinance, Nihonmatsu Municipal Ordinance		
Items Regarding Waste Water Regulations	Regulation value	Results	
		Minimum	Maximum
pH	5.8-8.6	7.0	7.5
SS	70mg/l and less	1.0 and less	22.0
BOD	25mg/l and less	1.0 and less	2.9
N-Hex	5 mg/l and less	0.5 and less	
Fluorine	-	-	-
Zinc	-	-	-
Phosphorus	-	-	-
Nitrogen	-	-	-
Copper	-	-	-
Nickel	-	-	-
Iron	-	-	-
COD	-	-	-
Colon bacillus	3,000 and less	0	
Dichloromethane	-	-	-
Total volume of water discharge	15.1 (Km ³)		
Drain field	Discharged into a river (subsidiary stream of the Abukuma River)		
BOD average	1.2 (mg/l)		
Amount of pollution load (BOD)	0.02 (t)		
So _x	No sulfur content due to the use of LPG		
No _x	0.111 (t)		
Soot dust	0.018 (t)		
CO ₂	3,734 (t)		

Tokyo Radiator MFG.Co.,Ltd.			
Address	: 2002-1 Endo, Fujisawa City, Kanagawa		
Area	: 88,254㎡		
Building area	: 41,004㎡		
Major products	: radiators, EGR coolers, oil coolers, intercoolers, fuel coolers, oil pans, vacuum tanks, fuel tanks, SCR tanks, etc.		
			
Ordinance and Agreement	Kanagawa Prefectural Ordinance, Fujisawa Municipal Greening Agreement		
Items Regarding Waste Water Regulations	Regulation value	Results	
		Minimum	Maximum
pH	5.8-8.6	7.1	7.6
SS	90mg/l and less	1.0 and less	4.8
BOD	60mg/l and less	3.9	8.9
N-Hex	5 mg/l and less	0.5 and less	2.4
Fluorine	8 mg/l and less	0.4	2.0
Zinc	2 mg/l and less	0.1 and less	
Phosphorus	-	-	-
Nitrogen	-	-	-
Copper	-	-	-
Nickel	-	-	-
Iron	-	-	-
COD	60 mg/l and less	7.5	14.2
Colon bacillus	-	-	-
Dichloromethane	-	-	-
Total volume of water discharge	237.4 (Km ³)		
Drain field	Discharged into a river (Isshiki River)		
BOD average	6.1 (mg/l)		
Amount of pollution load (BOD)	1.45 (t)		
So _x	No sulfur content due to the use of town gas		
No _x	0.312 (t)		
Soot dust	0.00 (t)		
CO ₂	11,722 (t)		

Domestic Affiliated Companies

CKP (Sano Plant)			
Address	: 765 Ishihara, Takahagi-cho, Sano-city, Tochigi		
Area	: 12,012㎡		
Building area	: 5,670㎡		
Major products	: Resin molded parts, intake, motor fans, liquid tanks, relief valves		
			
Ordinance and Agreement	Tochigi Prefecture Ordinance, Sano City Ordinance		
Items Regarding Waste Water Regulations	Regulation value	Results	
		Minimum	Maximum
pH	5.0-9.0	7.2	
SS	600mg/l and less	1.0 and less	
BOD	600mg/l and less	1.1	
N-Hex	5 mg/l and less	1.0 and less	
Fluorine	-	-	-
Zinc	-	-	-
Phosphorus	-	-	-
Nitrogen	-	-	-
Copper	-	-	-
Nickel	-	-	-
Iron	-	-	-
COD	-	-	-
Colon bacillus	-	-	-
Dichloromethane	-	-	-
Total volume of water discharge	8.6 (Km ³)		
Drain field	Discharged into a river (subsidiary stream of the Misugi River)		
BOD average	1.1 (mg/l)		
Amount of pollution load (BOD)	0.009 (t)		
So _x	—		
No _x	—		
Soot dust	—		
CO ₂	2,429 (t)		

CKP (Itakura Plant)			
Address	: 7 Futoi-aza, Oookura-Ooaza, Itakura-machi, Ora-gun, Gunma		
Area	: 16,500㎡		
Building area	: 4,161㎡		
Major products	: control switch for heater air conditioner, controls, electronic base		
			
Ordinance and Agreement	Gunma Prefectural Ordinance, Itakura Town Agreement		
Items Regarding Waste Water Regulations	Regulation value	Results	
		Minimum	Maximum
pH	5.8-8.6	7.2	
SS	15mg/l and less	4.0	
BOD	15mg/l and less	9.0	
N-Hex	3 mg/l and less	1.0 and less	
Fluorine	-	-	-
Zinc	-	-	-
Phosphorus	-	-	-
Nitrogen	-	-	-
Copper	-	-	-
Nickel	-	-	-
Iron	-	-	-
COD	-	-	-
Colon bacillus	1,000 and less	30 and less	
Dichloromethane	-	-	-
Total volume of water discharge	5.7 (Km ³)		
Drain field	Discharged into a river (subsidiary stream of the Watarase River)		
BOD average	9 (mg/l)		
Amount of pollution load (BOD)	0.05 (t)		
So _x	—		
No _x	—		
Soot dust	—		
CO ₂	1,619 (t)		

Domestic Affiliated Companies

CKP (Tochigi Plant)

Address : 144-1
Shimokoyama,
Shimotsuke City,
Tochigi

Area : 18,886 m²
Building area : 10,497 m²
Major products: car interior
resin parts,
instrument
panels,
consoles, etc.



Ordnance and Agreement Items Regarding Waste Water Regulations	Tochigi Prefectural Ordinance, City agreement under		
	Regulation value	Results	
		Minimum	Maximum
pH	5.8-8.6	6.9	7.2
SS	50mg/l and less	1.0 and less	
BOD	30mg/l and less	1.0 and less	1.3
N-Hex	5 mg/l and less	0.5 and less	
Fluorine	-	-	-
Zinc	-	-	-
Phosphorus	-	-	-
Nitrogen	-	-	-
Copper	-	-	-
Nickel	-	-	-
Iron	-	-	-
COD	30mg/l and less	3.1	3.4
Colon bacillus	-	-	-
Dichloromethane	-	-	-
Total volume of water discharge			5.8 (Km ³)
Drain field		Discharged into a river (Sugata River)	
BOD average			
Amount of pollution load (BOD)			0.007 (t)
So _x			-
No _x			-
Soot dust			-
CO ₂			2,198 (t)

Calsonic Kansei Utsunomiya (CKU)

Address : 11-6 Kiyohara
Industrial Park,
Utsunomiya
City, Tochigi

Area : 66,100 m²
Buildings : 20,864 m²
Major products: compressors for
car air-
conditioners,
parts



Ordnance and Agreement Items Regarding Waste Water Regulations	Tochigi Prefectural Ordinance, Utsunomiya Municipal Agreement		
	Regulation value	Results	
		Minimum	Maximum
pH	5.8-8.6	6.8	8.1
SS	40mg/l and less	1.0 and less	
BOD	20mg/l and less	1.2	11.7
N-Hex	5 mg/l and less	0.5	0.8
Fluorine	-	-	-
Zinc	-	-	-
Phosphorus	-	-	-
Nitrogen	-	-	-
Copper	-	-	-
Nickel	-	-	-
Iron	-	-	-
COD	20 mg/l and less	1.6	15.6
Colon bacillus	-	-	-
Dichloromethane	-	-	-
Total volume of water discharge			2.1 (Km ³)
Drain field		Via the Kiyohara Industrial Park Disposal Plant to the Kinu River	
BOD average			4.3 (mg/l)
Amount of pollution load (BOD)			0.009 (t)
So _x			-
No _x			-
Soot dust			-
CO ₂			1,493 (t)

Domestic Affiliated Companies

Calsonic Kansei Iwate (CKI)

Address : 1-27-5
Tatekawame,
Wagacho,
Kitakami City,
Iwate

Area : 23,410 m²
Buildings : 9,742 m²
Major products : compressors
for car air-
conditioners



Ordnance and Agreement Items Regarding Waste Water Regulations	Iwate Prefectural Ordinance, Kitakami Municipal Agreement		
	Regulation value	Results	
		Minimum	Maximum
pH	5.8-8.6	6.6	7.4
SS	200mg/l and less	1.5	12.0
BOD	160mg/l and less	0.9	7.7
N-Hex	5 mg/l and less	0.5	
Fluorine	8 mg/l and less	0.07	0.17
Zinc	2 mg/l and less	0.056	0.06
Phosphorus	16 mg/l and less	2.4	3.0
Nitrogen	120 mg/l and less	18.0	32.0
Copper	3 mg/l and less	0.009	0.012
Nickel	-	-	-
Iron	10 mg/l and less	0.04	0.06
COD	160 mg/l and less	7.9	22.0
Colon bacillus	3,000 and less	30	800
Dichloromethane	-	-	-
Total volume of water discharge			5.9 (Km ³)
Drain field		Discharged into a river (Waga River)	
BOD average			3.8 (mg/l)
Amount of pollution load (BOD)			0.02 (t)
So _x			-
No _x			-
Soot dust			-
CO ₂			2,937 (t)

Calsonic Kansei Yamagata (CKY)

Address : 190 Chuo
Industrial Park,
Sagae City,
Yamagata

Area : 10,616m²
Building area : 5,077m²
Major products : aluminum die
casting, parts
processing



Ordnance and Agreement Items Regarding Waste Water Regulations	Yamagata Prefectural Ordinance		
	Regulation value	Results	
		Minimum	Maximum
pH	5.8-8.6	6.7	7.3
SS	200mg/l and less	4.8	29.2
BOD	160mg/l and less	2.6	8.5
N-Hex	5 mg/l and less	0.5 and less	
Fluorine	-	-	-
Zinc	-	-	-
Phosphorus	-	-	-
Nitrogen	-	-	-
Copper	-	-	-
Nickel	-	-	-
Iron	-	-	-
COD	-	-	-
Colon bacillus	-	-	-
Dichloromethane	-	-	-
Total volume of water discharge			15(Km ³)
Drain field		Sagae River	
BOD average			4.7 (mg/l)
Amount of pollution load (BOD)			0.07 (t)
So _x			-
No _x			-
Soot dust			-
CO ₂			3,299 (t)

<Contents>

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2. CSR Guidelines for Suppliers
 - A) Overview and Use of Guidelines
 - B) CSR Areas and Items
 - i. Safety and Quality
 - ii. Human Rights and Labor
 - iii. Environment
 - iv. Compliance
 - v. Information Disclosure
3. To Our Suppliers

1. Highlights of CSR Guidelines for Suppliers

1. Safety and Quality

- Providing products and services that meet Customer needs
- Providing products and services
- Ensuring quality of products and services

2. Human Rights and Labor

- Prohibiting discrimination
- Respecting human rights
- Prohibiting child labor
- Prohibiting forced labor
- Complying with the laws for wages
- Complying with the laws for working hours
- Practicing dialogue and discussion with employees
- Ensuring a safe and healthy working environment

3. Environment

- Implementing environmental management
- Reducing greenhouse gas emissions
- Preventing air, water, and soil pollution
- Saving resources and reducing waste
- Managing chemical substances
- Conservation of ecosystem

4. Compliance

- Complying with laws, in particular, competition laws and export laws
- Preventing corruption
- Managing confidential information
- Protecting intellectual property

5. Information Disclosure

- Disclosing information to stakeholders

2. CSR Guidelines for Suppliers

A) Overview and Use of Guidelines

These Guidelines outline common items by aiming at encouraging our suppliers to review their corporate activities from the perspective of CSR and to take clear actions to further improve. We have selected 24 specific items in five areas in which expectations of suppliers are especially high in the automobile industry.

B) CSR Areas and Items

i. Safety and Quality

- Providing products and services that meet Customer needs
Identify customer needs to develop and provide socially effective products. It means in particular products that can be easily used by all of our customers regardless of age, gender or physical / mental handicap or products that save energy and resources or limit their impact on the environment.
- Ensuring safety of products and services
Produce and provide products and services that meet the safety laws and regulations set by each country and region.
- Ensuring quality of products and services
Establish and manage company-wide mechanisms for quality assurance.

Data - CSR Guidelines for Suppliers

ii. Human Rights and Labor

- **Discrimination**
Do not discriminate in any aspect of employment (recruitment, employment, promotion, wages, dismissal, retirement, assignment of duties, disciplinary measures, etc.) on the basis of race, nationality, gender, religion, physical / mental handicap, age, background, or any other reason.
- **Respecting human rights**
Do not allow any form of harassment in the workplace on the basis of race, nationality, gender, physical / mental handicap, age, background, or any other reason.
- **Prohibiting child labor**
Do not permit the employment of minors who do not meet the legal minimum working age of each country and region and in all cases if minors are below the age of 15.
- **Prohibiting forced labor**
Do not practice forced labor. Guarantee that all labor is voluntary and that employees are free to leave their jobs.
- **Wage**
Comply with the laws of each country and region regarding minimum wages, overtime, wage deductions, performance-based pay, and other remuneration.
- **Working hours**
Comply with the laws of each country and regarding the setting of employees' working hours (including overtime) and the granting of scheduled days off, paid annual vacation time and others.
- **Practicing dialogue and discussion with employees**
Practice dialogue and discussion with employees or their representatives in good faith.
Recognize employees' right to freely associate or not associate based on the laws of each country and region where the business operations are executed.
- **Safe and healthy working environment**
Make the safety and health of workers in their operation the top priority and make every effort to prevent occupational accidents.
- **Calsonic Kansei Standard**
For detailed standards, please refer to:
Calsonic Kansei Global Codes of Conduct

iii. Environment

- **Environmental management**
Strive to anticipate future changes in laws while complying with the laws in each country or region in order to promote a wide range of environmental activities. Structure and continuously operate / improve companywide management scheme. Record and report to Calsonic Kansei when the information is required.
- **Reducing greenhouse gas emissions.**
Strive to anticipate future changes in laws while complying with the laws in each country or region. Manage greenhouse gas emissions from business activities and promote reduction activities. Strive to use energy effectively. Record and report to Calsonic Kansei when the data is required.
- **Preventing air, water and soil pollution**
Strive to anticipate future changes while complying with the laws in each country or region regarding the prevention of air, water and soil pollution. Prevent pollution by undertaking continuous monitoring and reducing pollutants. Record and report to Calsonic Kansei when the data is required.
- **Saving resources and reducing waste**
Comply with the laws in each country or region regarding proper disposal and recycling of waste. Strive to reduce water consumption as well as the amount of final waste disposal by using resources effectively. Record and report to Calsonic Kansei when the data is required.

Data - CSR Guidelines for Suppliers

- **Managing chemical substances**
Strive to anticipate future changes while complying with the laws in each country or region.
Specify and safely manage chemical substances that have the potential to pollute the environment.
Do not include chemical substances prohibited by the laws of each country and region in products.
Do not use prohibited chemical substances in manufacturing processes. Confirm the amount of emissions of chemical substance designated by the laws of each country and region to report to the relevant authorities.
Record and report to Calsonic Kansei when the data is required.
 - **Conserving ecosystems**
Strive to conserve ecosystems regarding parts production including corporate activities and material procurement.
 - **Calsonic Kansei Environment Standards**
For detailed standards, please refer to:
Calsonic Kansei Green Purchasing Guideline
- iv. Compliance
- **Compliance with the laws**
Comply with the laws in each country or region.
Establish and operate policies, systems, codes of conduct, reporting systems, educational, and other mechanisms to ensure compliance.
 - **Compliance with the competition laws**
Comply with competition laws in each country and region. Do not engage in such practices as private monopolies, improper restraint of trade (cartels, bid rigging, etc.), unfair business practices or abuse of dominant position.
 - **Preventing corruption**
Make political contributions and donations based on the laws of each country and region and strive to establish transparent and fair relations with your suppliers. Do not accept from or provide to business partners any entertainment, gifts or money whose aim is to gain or retain improper benefit or preferential treatment.
 - **Managing and protecting confidential information.**
Obtain personal information about customers, third parties, and your employees and confidential information on customers and third parties through proper methods. Strictly manage this information and use it only within the appropriate scope of protection.
 - **Managing exports**
Undertake appropriate procedures and management of exports of technologies and goods restricted by the laws and regulations of each country and region.
 - **Protecting intellectual property**
Protect intellectual property rights owned by or affiliated with your own company. Do not improperly obtain, use the intellectual property of third parties, or infringe the rights.
- v. Information Disclosure
- **Disclosing information to stakeholders**
Disclose information such as financial situation, results and business activities to stakeholders in a timely and appropriate manner. Strive to maintain and develop mutual understanding and reliable relationships with stakeholders through open and fair communication.

3. To Our Supplier

As described in the previous clauses, due to considerations for the recent increasing demand in society to comply with laws/regulations and conventional wisdom and principles, and the situation in which CSR activities have already been implemented to suppliers, Calsonic Kansei requires suppliers to comply with these guidelines. Calsonic Kansei has also explained the measures to be taken if suppliers' activities do not meet the CSR guidelines.

Calsonic Kansei requests suppliers to understand the following:

1. Calsonic Kansei requests suppliers to comply with all of laws/regulations, including those which are included in the 2th B) iv clause of this guideline, "Compliance", and promote to comply with laws/regulations to your supply chain and outsourcing companies.

Meanwhile, if efforts or activities in Calsonic Kansei do not conform to the guidelines, Calsonic Kansei requests to immediately report the details through main responsible manager in Purchasing..

2. In order to ensure 1, Calsonic requests suppliers to establish and operate their own internal CSR organization and system.
3. If a supplier's activities violate this compliance, Calsonic Kansei requests the supplier to immediately report the detail and submit the investigation result / countermeasures to Calsonic Kansei.

Calsonic Kansei may stop any new RFQs until the measures are concluded as appropriate.
Calsonic Kansei included this CSR policy to Master Purchasing Agreement (MPA) or other agreement.

For suppliers that already have a current MPA with Calsonic Kansei, the MPA will remain as it is, however Calsonic Kansei does request that suppliers completely execute on points 1~3.

Data - GRI Guidelines Comparison Table

NA: not applicable, Omit: omitted from report, TBD: challenges

Disclosure contents		Guide NO.	Applicable page
Common standard disclosure items			
Strategy and analysis			
	Provide a statement from the most senior decision-maker of the organization	G4-1	3
Organization profile			
	Name of organization	G4-3	14
	Main brands and products	G4-4	14
	Headquarters address	G4-5	14
	Countries of key business locations	G4-6	14
	Legal form of the organization	G4-7	14
	Markets participated in (geographical breakdown, sectors participated in, and types of customers and beneficiaries)	G4-8	14
	Scale of organization	G4-9	14
	Breakdown of employees	G4-10	15
	Ratio of all employees covered by collective bargaining agreements	G4-11	Omit
	Organization supply chain	G4-12	62
	Major changes to the organization during the reporting period	G4-13	Omit
	Organization's proactive approach and support of precautionary principle	G4-14	30,31,53
	Economic, environmental, social charters, principles, and other initiatives that have been signed or supported by the organization	G4-15	2
	Membership qualifications for organizations and international and domestic advocacy organizations	G4-16	Omit
Specific material aspects			
	There are no business entities not stated in the consolidated financial statements or equivalent documents of an organization among business organizations subject to reporting in consolidated financial statements or equivalent documents	G4-17	16
	How principles concerning report contents are applied for the process organization that finalizes report contents and side boundaries	G4-18	2
	Specific material aspects in processes to finalize the contents of reports	G4-19	12
	Side boundaries within the organization for each material aspect	G4-20	Omit
	Side boundaries outside the organization for each material aspect	G4-21	Omit
	In the event of modification or restatement of information in past reports, the impact and the reason	G4-22	NA
	Major changes from past reporting periods related to the scope and side boundaries	G4-23	NA
Stakeholder engagement			
	List of stakeholders the organization has engaged with	G4-24	Omit
	Organization's standards for the identification and selection of stakeholders to engage with	G4-25	Omit
	Organization's method of approaching stakeholder engagement	G4-26	Omit
	Main themes and concerns arising from stakeholder engagement, and how the organization acted in response	G4-27	Omit

Data - GRI Guidelines Comparison Table

NA: not applicable, Omit: omitted from report, TBD: challenges

Disclosure contents		Guide NO.	Applicable page
Common standard disclosure items			
Report profile			
	Reporting period for information provided (fiscal year, calendar year, etc.)	G4-28	2
	Date of the latest report released (if applicable)	G4-29	2
	Reporting cycle (annual, biennial, etc.)	G4-30	2
	Contact points for reports and question regarding contents	G4-31	2
	Options for standards for conformance selected by the organization	G4-32	2
	Organization's policy towards the external assurance of reports and current practices	G4-33	2
Governance			
	Governance structure	G4-34	27
Ethics and integrity			
	Vision, mission, and norms	G4-56	9
Specific standard disclosure items			
Disclosure items regarding management methods			
	Medium-term business plan	G4-DMA	13
Economics			
Economic performance			
	Direct economic value created and distributed	G4-EC5	Omit
	Financial effect on the organization's activities caused by climate change, and other risks and opportunities	G4-EC6	Omit
	Scope of organization's obligations in relation to the defined-benefit pension plan	G4-EC5	Omit
	Financial assistance received from government	G4-EC6	Omit
Presence in the region			
	Ratio of standard minimum wage (by gender) to regional minimum wage at key business locations	G4-EC5	Omit
	Ratio of senior management employed from the local community at key business locations	G4-EC6	Omit
Indirect economic impact			
	Impact of infrastructure investment and expansion of support service	G4-EC7	TBD
	Significant indirect economic impact (including the degree of impact)	G4-EC8	Omit
Procurement practices			
	Local supplier expenditure ratio at key business locations	G4-EC9	Omit
Environment			
Water			
	Total water intake by water source	G4-EN8	38
	Water sources significantly affected by water intake	G4-EN9	Omit
	Amount and percentage of recycled water and reused water	G4-EN10	39
Biodiversity			
	The impact of business locations and products on protected areas and outside protected areas	G4-EN11	Omit
	Significant impact caused by business activities or products on areas with high levels of biodiversity on protected areas and outside protected areas	G4-EN12	Omit
	Protected or restored habitat	G4-EN13	NA

Data - GRI Guidelines Comparison Table

NA: not applicable, Omit: omitted from report, TBD: challenges

Disclosure contents		Guide NO.	Applicable page
Specific standard disclosure items			
Environment			
Biodiversity			
	Total number of species on the IUCN Red List of Threatened Species or the domestic list of protected species that inhabit areas affected by business activities	G4-EN14	Omit
Air pollution			
	Direct green house gas (GHG) emissions (scope 1)	G4-EN15	38,39
	Indirect green house gas (GHG) emissions (scope 2)	G4-EN16	38,39
	Other green house gas (GHG) emissions (scope 3)	G4-EN17	TBD
	Other green house gas (GHG) emissions per unit	G4-EN18	38
	Reductions in green house gas (GHG) emissions	G4-EN19	47
	Ozone depletion substances (ODS) emissions	G4-EN20	39
	NOX, SOX, and other significant air pollution	G4-EN21	39
Wastewater and waste			
	Water quality and total volume of water discharge for each discharge location	G4-EN22	75
	Gross weight of waste by type and disposal method	G4-EN23	39
	Total number of major leaks and leakage quantity	G4-EN24	40,41
	Total volume of export, import, and import export handling of hazardous waste specified in Basel Convention Annex 2 I II, III, and VII, and the ratio of such wastes to internationally exported wastes	G4-EN25	Omit
	Location, scale, protection status, and biodiversity value of water areas and related habitats significantly affected by the organization's wastewater and runoff	G4-EN26	Omit
Products and services			
	Degree of environmental impact mitigated by products and services	G4-EN27	Omit
	Reuse and recycling rate of used products and packing materials (by category)	G4-EN28	39,52
Compliance			
	Number of violations of environmental regulations and amounts	G4-EN29	45
Transport and travel			
	Transport of product and raw materials, environmental impact from the movement of employees	G4-EN30	Omit
Environment in general			
	Total expenditures and total investment for environmental protection	G4-EN31	42
Society			
Labor practices and decent work			
Employment			
	Total number and ratio of newly employed employees and resigning employees (breakdown by age, sex, and region)	G4-LA1	15
	Benefits paid to full-time employees that are not paid to temporary employees and part-time employees (for each major business location)	G4-LA2	Omit
	Reinstatement rate and retention rate (by gender) after childbirth and childcare leave	G4-LA3	Omit

Data - GRI Guidelines Comparison Table

NA: not applicable, Omit: omitted from report, TBD: challenges

Disclosure contents	Guide NO.	Applicable page
Specific standard disclosure items		
Society		
Labor practices and decent work		
Labor-management relations		
Minimum notice period for work-related changes (including whether stipulated in the labor agreement)	G4-LA4	Omit
Occupational safety and health		
Ratio of total workforce that serves as the body that sends a representative to the Health and Safety Committee that conducts monitoring and provides advice on the health and safety program	G4-LA5	Omit
Types of injury, number of days off and ratio of absences for injuries or occupational injuries or diseases, and number of occupation-related deaths (by region and gender)	G4-LA6	35
Number of workers with high risk of work-related accidents and diseases	G4-LA7	Omit
Health and safety related-themes stipulated in formal agreements with the labor union	G4-LA8	35
Training and education		
Annual average hours of training per employee (by gender and employee category)	G4-LA9	Omit
Support for the continuous employment of employees and employment termination planning through skills management and lifelong learning programs	G4-LA10	Omit
Ratio of employees receiving regular evaluations of performance and career development (by gender and employee category)	G4-LA11	Omit
Diversity and equal opportunities		
Organization structure and breakdown by employee category (gender, age, minorities)	G4-LA12	Omit
Equal compensation for men and women		
Base salary for women and women's ratio of the total compensation amount compared to men	G4-LA13	Omit
Evaluation of the labor practices of suppliers		
Ratio of new suppliers screened based on labor practice criteria	G4-LA14	TBD
Measures taken that had a significant negative impact on labor practices in the supply chain (real and potential)	G4-LA15	TBD
System for handling complaints concerning labor practices		
Number of formal complaints concerning labor practices	G4-LA16	Omit
Human rights		
Investments		
Total number and ratio of important investment agreements and contracts that contain provisions on human rights that have received human rights screening	G4-HR1	Omit
Total number of hours of employee training on work-related human rights policies and procedures (including the ratio of employees that have received training)	G4-HR2	Omit
Non-discrimination		
Number of cases of discrimination and measures in response	G4-HR3	Omit
Freedom of association and collective bargaining		
Work and suppliers that infringes on the freedom of association and collective bargaining	G4-HR4	Omit

Data - GRI Guidelines Comparison Table

NA: not applicable, Omit: omitted from report, TBD: challenges

Disclosure contents	Guide NO.	Applicable page
Specific standard disclosure items		
Society		
Human rights		
Child labor		
Work and suppliers subject to the risk of child labor, and countermeasures in response	G4-HR5	NA
Forced labor		
Work and suppliers subject to the risk of forced labor, and countermeasures in response	G4-HR6	NA
Security practices		
Ratio of employees that have participated in training on work-related human rights policies and procedures	G4-HR7	Omit
Rights of indigenous people		
Number of cases of infringement of the rights of indigenous people	G4-HR8	Omit
Human rights assessments		
Total number of operations subject to human rights reviews and impact assessments	G4-HR9	TBD
Human rights assessments of suppliers		
Ratio of new suppliers screened based on human rights criteria	G4-HR10	TBD
Measures taken that had a significant negative impact on human rights in the supply chain (real and potential)	G4-HR11	TBD
System for handling complaints concerning human rights		
Number of formal human rights complaints and countermeasures	G4-HR12	Omit
Society		
Local community		
Engagement of businesses with the local community, impact assessment of businesses on the local community, ratio of community development programs implemented	G4-SO1	Omit
Businesses that have a significant negative impact on the local community (real and potential)	G4-SO2	NA
Corruption prevention		
Total number and ratio of businesses that have conducted risk assessment concerning corruption and significant risks identified	G4-SO3	Omit
Communication and training concerning corruption prevention policies and procedures	G4-SO4	53
Confirmed cases of corruption and measures implemented	G4-SO5	Omit
Public policy		
Political contributions	G4-SO6	Omit
Anti-competitive conduct		
Total number of legal action cases involving anti-competitive conduct, and countermeasures in response	G4-SO7	Omit
Compliance		
Penalties for violations of laws and number of punitive measures	G4-SO8	NA

NA: not applicable, Omit: omitted from report, TBD: challenges

Disclosure contents	Guide NO.	Applicable page
Specific standard disclosure items		
Society		
Society		
Assessments of impact of suppliers on society		
Ratio of new suppliers screened based on criteria for the impact on society	G4-SO9	TBD
Measures taken that had a significant negative impact on society in the supply chain (real and potential)	G4-SO10	NA
System for handling complaints concerning the impact on society		
Number of complaints handled	G4-SO11	Omit
Product liability		
Customer health and safety		
Ratio of major products and services for which a health and safety assessment has been conducted and improvements have been made	G4-PR1	Omit
Total number of violations of regulations concerning health and safety and voluntary standards in the product and service life cycle	G4-PR2	NA
Labeling of products and services		
In the case of organizations stipulating procedures concerning information and labeling for products and services, the types of information related to products and services for which the procedures apply and the ratio of main products and services for which information requirements apply	G4-PR3	NA
Total number of violations of regulations and voluntary standards concerning health and safety (by types of results)	G4-PR4	NA
Results of customer satisfaction survey	G4-PR5	61
Marketing communication		
Sales of products for which sales are prohibited and products that are under dispute	G4-PR6	NA
Total number of violations of regulations and voluntary standards concerning marketing communication (including advertisements, promotions, and sponsor activities) (by types of results)	G4-PR7	NA
Customer privacy		
Number of grievances concerning customer privacy data	G4-PR8	NA
Compliance		
Amount of fines for violations of laws concerning product provision and specifications	G4-PR9	NA

14. Third-Party Opinion

Third-party opinion on Calsonic Kansei's Sustainability Report 2015

**NLI Research Institute: Chief Researcher, ESG Research Director
Sustainable Management Forum of Japan Vice Chairman**

Masahiko Kawamura

Fields of research and specialization: environmental management, CSR, integrated reports He completed the masters program from the Faculty of Engineering of Kyushu University

1976: Joined Mitsui Ocean Development & Engineering Co., Ltd.

1988: Joined NLI Research Institute

Currently:

- Coordinator of Network for Sustainability Communication (NSC)
 - Part-time lecturer at Komazawa University, Seikei University, and Hosei University
- Graduate School His publications include the CSR Management Prefect Guide(sole Carbon Disclosure (editor and author),
New Trends in Information Disclosure in Integrated Reports (coauthor), among others



About the CSR Report

Fiscal 2015 is positioned as "The First Year of CSR" for Calsonic Kansei Corporation.

This report was suitable for this positioning. It continues on from the 2014 Sustainability Report that was issued in December of last year as a preliminary version, and it integrates the former environmental report with the key CSR areas of ESG (environmental, social, and governance). The overall structure is in accordance with the CSR international standard, ISO26000, and it is also in line with global trends.

However, the contents of the report are mostly focused on domestic activities despite the fact that CK has many overseas business locations and overseas sales are growing. One of the topics of the interview with top management during the previous fiscal year was that the stance of first making firm local efforts while giving consideration to the development of systems and reforming awareness towards global CSR seemed reasonable. Nonetheless, one possibility would be to leverage existing global risk management and compliance frameworks as an underlying base for future expansion while introducing the current state of CSR at business locations overseas.

I would like to present the following proposal for improvement in order to make CK's CSR management easier to understand.

1. While the "1. Editorial Policy" states that a new department in charge of CSR in the Corporate Headquarters as "The First Year of CSR", the structural diagram is simply stated in "5. Organizational Governance: Internal Control and Governance" with no explanation. So, perhaps a description of the CSR implementation system and the responsible officer in "2. Major Policies" could be added.
2. While of course the contents of environmental report were substantial due to the environmental management track record up until now, for social aspects (human rights, labor practices, business practices, consumer issues), in addition to the description of activities it would also be good to state performance and issues as much as possible.
3. In terms of environmental performance, data for each items and a description and review of activities are described, and we can see that the PDCA cycle is functioning. However, the single fiscal year and multi-year targets for each item and the boundaries and base years are not uniform, making it difficult to understand. In response to this, perhaps the periods could be reorganized when developing the CSR Mid-term Action Plan.
4. In relation to the items above, use CK, domestic affiliated companies, North America, Europe, and Asia as the reporting boundary for all ESG areas. In doing so, it will likely make CSR information gathering and decision-making easier.

About the CSR Activities

In this report, the CSR structure including CSR principles and policies are carefully explained in "2. Major Policies", in the same manner as the previous report. In addition, the responsibilities towards each stakeholder are also clear. If I had to suggest an improvement, in consideration of the ISO26000 definition of CSR as "the responsibility of an organization for the impacts of its decisions and activities on society and the environment", perhaps it would be better to expressively describe the contributions made through business activities to the resolution of social problems, and of course environmental problems from a global perspective.

While cases of CSR-related problems such as collusion, bribery, and human rights and labor issues involving the local subsidiaries or companies in the supply chain of Japanese companies have been on the rise, currently CK's key CSR issues (materiality) seem to be heavily focused on domestic issues. Accordingly, perhaps it would be more practical to separate domestic and overseas issues. I believe that doing so would be more effective in terms of global risk management.

As symbolized by the expression "great company" used in the top message at the beginning of the report, CK aims to be aware of environmental and social issues from a global perspective while improving value for various stakeholders in an aim for the sustainable development of society and CK. Furthermore, I also feel that the new CSR Mid-term Action Plan that is scheduled to be developed during the current fiscal year is a wonderful pioneering initiative.

The disclosures on the process for the refined selection of key CSR issues are exemplary, and the related data is stated in "Key CSR Issues and KPI Results." As also stated in interview with top management, I recommend that both internal and external stakeholders be consulted with when deciding on CK's CSR issues and KPI concerning their appropriateness and persuasiveness.

CK has embarked on a course for a new form of CSR management. I have high expectations for the creation of frameworks and improvement of performance going forward.

May 9, 2015

Masahiko Kawamura

15. Editor's Note and Acknowledgments

Editor's Note

This is the second issues of the "Sustainability Report." In April, we established a new dedicated department as part of our organizational structure to address CSR initiatives, and under this framework we have launched full-fledged CSR initiatives. Furthermore, in consideration of the suggestions received from the third-party opinion of Chief Researcher Kawamura of the NLI Research Institute from the previous fiscal year, for this fiscal year we have reviewed the KPIs for Calsonic Kansei's key CSR issues and disclosed these KPIs in this report. We plan to revise these KPIs once again during our activities for the current fiscal year in order to set targets that are in more accordance with the demands of society. There is still much room for improvement in the details of our activities, and accordingly we plan to make internal and external communication centered around the new organization more active and make improvements in all ways possible.

We would like to make the Sustainability Report more complete and full of information as we aim to produce a report that is satisfactory for all of our stakeholders.

We always welcome your honest feedback.

Acknowledgments

We received the support of many people in our activities this year. We are truly grateful. We plan to plan and implement various activities during the current fiscal year as "The First Year of CSR", and we would like to thank you for your further continued guidance and support to this end.

- NLI Research Institute: Chief Researcher Masahiko Kawamura
In addition to his cooperation with third-party opinion and interview with top management for this year as well, he also provided other various advice on the report.
- Canon Marketing Japan Inc.: Chairman Etsuhiro Hosoda
Continuing on from the officer's seminar and manager training from last year, he also served as the lecturer for the affiliated company manager seminar this fiscal year, and this seminar was also very popular among participants.
- Sustainable Management Forum of Japan: Director Harue Nakamura
He provided support for the development of tools for the implementation and review of sustainability, supply chain, and due diligence.
- Nissan Motor Co., Ltd.: CSR Department Manager Shu Kawamura
We look forward to his continued guidance this fiscal year on CSR activities going forward.
- All of our employees that supported us in our activities
We would like to once again thank everyone that helped in the creation of the CSR policy and report and all employees working devotedly in CSR related activities on a regular basis.

About the Cover

The cover displays the Sakitama Ancient Burial Mounds that serve as the word origin for Saitama Prefecture, which is where our Headquarters is located. The park contains over ten ancient burial mounds of various sizes, including the Maruhakayama Ancient Burial Mound that is said to be Japan's largest circular ancient burial mound. This Maruhakayama Ancient Burial Mound is displayed in the cover photo.

There are large cherry trees that have been planted at the top of the mound. While it was unfortunately cloudy when we visited, the balance with the cherry trees in the surroundings is great and the park is visited by many photo enthusiasts from the early morning. The cover photo is from a time of the year with verdant fresh leaves after the cherry blossoms have scattered.

Logo design concept

This sleek, sharp design is a symbol of power and technological capabilities. At the same time, it represents a refreshing breeze carrying the image of a comfortable environment, which expresses the company's policy of generating new winds that bring a new kind of value to the world.

Driven

"Driven" uses the word "drive" that we associate with cars, while the word "Inspiration" expresses elements related to our employees and "Innovation" expresses elements related to the things that we produce, how we work, and how we provide value to customers



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