

Online Edition

Charter of Corporate Behavior

We, EAGLE INDUSTRY CO., LTD. and the group businesses, are committed not only to being an economic entity that pursues profits through fair competition but also to being an entity that contributes to society at large, according to the following Management Principles, by developing the Management Policies in such a way that all its stakeholders are proud of us and chase their dream with us. We will behave according to the Principles of Corporate Behavior of Ten Articles both domestic and overseas so as to respect human rights, comply with related laws, regulations, and international rules as well as the spirit behind those, while acting independently and sensibly.

Management Principles

- 1. The Management has to run the Company based on feelings of commitment and trust in its employees.
- 2. The Management has to run the Company while uniting to ensure full ventilation without forming any cliques.
- 3. The Management has to run the Company while making absolutely incredible efforts against all odds and risks.
- 4. The Management has to run the Company while pursuing dreams with management plan.

Management Policies

- 1. We are committed to be a strong and unique parts supplier while focusing its managerial resources on core business areas.
- 2. We are committed to be a profitable and robust company while fulfilling company-wide cost reduction programs ranging from front-line sales to manufacturing floor.
- 3. We are committed to continuously improving our quality while producing and selling our products that are proven to be technologically unique and socially on a global scale.

Principles of Corporate Behavior

- 1. **Supply of Socially Useful Products**
We will develop and supply socially useful products while giving full consideration to their safety, thereby gaining deeper trust both from end users and customers.
- 2. **Fair, Transparent, and Free Trade**
We will engage in a fair, transparent, and free trade when selling products and purchasing materials.
- 3. **Proper Disclosure and Management of Information**
We will disclose accurate and fair information about the Company in a timely fashion and will neither control nor use the information in a manner that may diminish its value. Also, we will neither illegally obtain nor use intellectual property rights and/or confidential information owned by third-parties.
- 4. **Removal of Antisocial Forces and Groups**
We will not be related with any antisocial forces and groups that threaten the order and safety of civil society.
- 5. **Commitment to Environmental Conservation**
We will voluntarily conduct environmental conservation activities in a pro active manner while taking into account the fact that commitment to solving environmental issues is a prerequisite for a company to engage in business activities as a going concern.
- 6. **Promotion of Social Contribution Activities**
As a good corporate citizen, we will actively support community activities and other similar activities.
- 7. **Harmony with the International Community**
As a global corporation, we will comply with international rules and local laws, respect local cultures and habits, and contribute to the developments in the regions.
- 8. **Respect for Human Rights and Provision of a Safe and Comfortable Working Environment**
We will promote mutual respect for individuality among employees, draw a line between public and private matters, maintain order in the workplace, and provide a clean and safe working environment.
- 9. **Responsibilities of Directors**
Taking into consideration their roles as facilitators of this Charter of Corporate Behavior, the Directors will take the lead in achieving the objectives set out therein and ensure that all stakeholders are aware of and abide by the Charter. In addition, the Directors will constantly listen to opinions from both within and outside the company to effectively improve the corporate system and ensure compliance with business ethics.
- 10. **Response to Problems**
In the event of noncompliance with this Charter, the Directors will commit themselves to solving the problem, while identifying the cause, thus taking measures to prevent the recurrence of similar problems. Moreover, they will publicly disclose relevant information promptly and appropriately, fulfill their accountability requirements, indicate those who are in authority and those who are responsible, and severely punish those involved, including them.

High Technologies to Protect the Globe

The EKK Group boasts its precision sealing technology to the world. The numerous products created from this advanced technology not just support the safe operation of engines, plants, and industrial machinery but also prevent oils, solvents, refrigerants and other substances from leaking from those machineries, greatly contributing to keep the global environment clean.

Supporting Ultimate Clean Engines in Challenging Environments








Eagle Industry Co., Ltd. is the sole Japanese manufacturer capable of supplying seals for liquid fuel rocket engines' turbopumps. The company has been involved in all Japanese rocket development from its outset to the H-II A/B today. Japanese rocket engines use liquid hydrogen and liquid oxygen fuel, making them "ultimate clean engines" that discharge only steam.

The turbopump, the "heart" of such engines, must prevent hydrogen's contact with oxygen completely in a challenging environment where extremely low temperatures and high temperatures exist side by side in high pressure and high velocity. The EKK Group's sealing system technology in this area is rated highly globally, and the area for its applications is expanding worldwide, including development for the engine turbopump for the next U.S. National Flagship Launch Vehicle.



At Tanegashima Space Center
LE-9 engine set on a combustion test stand EKK turbopump seals are installed on the LE-9, the first stage engine under development for the H3, the next National Flagship Launch Vehicle.








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06		TOP MESSAGE	Tetsuji Tsuru, President & CEO of Eagle Industry Co., Ltd. discusses the philosophy behind the EKK Group's corporate social responsibility that allows all its stakeholders to take pride in the group and the group itself to help create a better society, both on an ongoing basis.
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Editing Policy

This report is intended to communicate the EKK Group's approach to and activities in its CSR programs to its stakeholders in an easily understood manner. To meet the needs for relevant information among many readers, we publish this report annually both in print and online.

	Online Edition In the Report's full context in a brochure format PDF file, with Environment Reports, efforts for different groups of stakeholders, and CSR management reports in more detail added to it		Printed Edition A digest focusing on those CSR subjects in which we consider our stakeholders are particularly interested		EKK Group CSR Website Carries the group's Environmental Policies, Risk Management Policies, Employee Compliance Guidelines, Safety & Hygiene Policies, Green Sourcing Guidelines and other relevant information to complement the printed and online editions.
Reporting Period — This issue mostly covers FY 2016 (April 1, 2016 – March 31, 2017) but includes some FY 2017 efforts.					
Scope of Reporting — Eagle Industry, EagleBurgmann Japan, Okayama Eagle, Shimane Eagle, Hiroshima Eagle, Eagle Service, Eagle Highcast, Eagle Industry Hokkaido, and Valcom.					
Date of Issue — July 31, 2017					
Public guidelines referred to — <i>Environmental Reporting Guidelines, 2012</i> , the Japanese Ministry of the Environment; and <i>Sustainability Reporting Guidelines V3.1</i> , the Global Reporting Initiative (GRI)					
For more information about the CSR Report — Eagle Industry Co., Ltd. Administration Section, Administration Department, Corporate Administration Office TEL: +81-3-3432-3892 FAX: +81-3432-5448 2-4-1, Shiba-koen, Minato-ku, Tokyo 105-8587, Japan https://www.ekkeagle.com/jp/					

18		Social Report: Approach to Quality	This section illustrates the group's ongoing pursuit of higher quality for FY 2016 under the constant goal of "Eternal Zero."
19		Social Report: Efforts in Health & Safety and Health Promotion	For the EKK Group, it is an important corporate responsibility to maintain a safe, healthy work environment for its employees.
20		Social Report: Working with Local Communities	We work hard to be a corporate citizen trusted by local communities where we operate. Read about our efforts to deepen our communication with such communities.
21		Social Report: Working with Customers and Business Partners	This section profiles our efforts for trusted quality through partnerships with our business partners, in order to deliver products/services that meet customers' needs precisely.
22		Management Organization: Corporate Social Responsibility Management	We have a fair, efficient management system in place and endeavor to operate it in a conscientious manner. Read about our corporate governance that ensures management transparency, organization and systems that manage risks appropriately, and our progress in the medium-term management plan.
26		EKK Group Outside Japan	The EKK Group promotes CSR activities at its overseas facilities as well. Some of their examples are introduced.
26		Global EKK Group Network	This section lists the group's major facilities and subsidiaries in Japan, as well as major group companies outside Japan.

Relationship with stakeholders



We are committed to the sort of CSR programs that allow all our stakeholders to take pride in the EKK Group, as well as allowing the group itself to help create a better society, both on an ongoing basis.

Tetsuji Tsuru
Eagle Industry Co., Ltd.
President and CEO

To Become Indispensable
for Industries Around the World

Eagle Industry Co., Ltd. was founded in 1964, the year of the first Tokyo Olympics, as a subsidiary of NOK Corporation for the purpose of manufacturing and marketing mechanical seals. Through manufacturing mechanical seals and providing various related services ever since, Eagle Industry has grown to become a global, public company with more than 100 subsidiaries and affiliates in Japan and the rest of the world.

All of us at Eagle Industry Co., Ltd. and its EKK Group strive to become a solutions provider in terms of pneumatic and hydraulic machinery seals, a strong medium-sized player with indispensable value to all its stakeholders. In engaging in our businesses, we ensure that our belief, “a company is owned in common by shareholders, employees, and society,” is directly reflected in every aspect of our operations.

It is our top priority in conducting our business to strictly comply with laws and regulations, always keep environmental protection in mind as a corporate commitment, practice proactive contributions to that end, exhaustively maintain work safety, and endeavor unceasingly to improve product quality. It is my strong belief that the firm establishment and practicing of these kinds of corporate positions that allows the company to become a good corporate citizen and leads to its employees’ pride in it, as well as their earnest attitudes toward work. I believe that this also wins over customer trust through higher-quality work and, eventually, leads to the securing of a reasonable profit, a company’s most important goal.

We do not pursue short-term earnings at the expense of long-term ones. We do not provide any products or services for whose quality or supply we cannot take

responsibility or which may be detrimental to the environment, no matter how lucrative they may be. It is the EKK Group’s desire to forever remain the sort of good company that all its stakeholders are proud of, regardless of changes in its management or employees. All of us at the EKK Group believe that only by doing so we can help make society better, and this is our sincere approach to CSR activities.

In Pursuit of Sustainable Corporate Structure
—Fly Sky High—

A new 3-year management plan began at the start of FY 2017. Before the existing products end up their life cycles, we will create the sort of products that are backed by our strong technologies, unique, and useful for society by making the best of the multi-generational product plan (MGPP) method—including zero-torque, zero-leak products to contribute to energy and resource saving by pursuing the tribology approach. Our focus areas will be mobility including next-generation cars and energy, and environmental products.

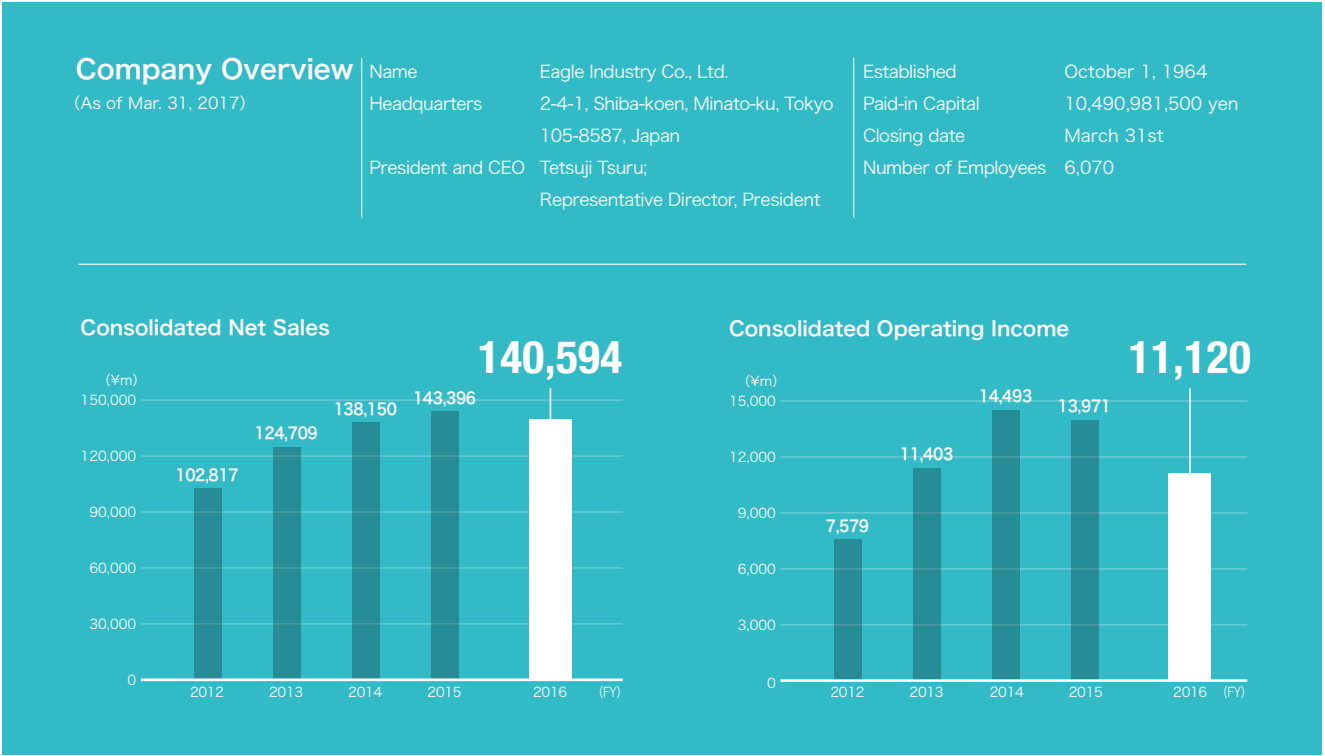
With regard to quality, “Eternal Zero” the global pledge by all EKK Group employees not to bring even one defective product out in the market regardless of an existing or new product, is an absolute requisite for the group to continue shining as a bright star among strong, long-life medium-sized global companies. Within the 3-year plan

period, all EKK Group companies around the world will share the Eternal Zero DNA.

Related to Business Continuity Management (BCM), we have seen signs of global climate change such as major earthquakes, tsunami, unexpected strong rain, landslides, major typhoons, unusually heavy snowfalls, and volcanic eruptions in recent years worldwide including Japan. Accordingly, Eagle Industry Co., Ltd., which provides large global market shares with many products, considers that fully establishing the BCM approach group-wide is of urgent necessity from the perspective of its corporate social responsibility.

Regarding the Practice of Humanistic Management, we will remind ourselves that, to realize our corporate philosophy of Profit and Pride for All Stakeholders, all we need to do is to maximize employee satisfaction by fully heeding the credo, “a company’s goal is to bring happiness to its employees and their families.” By doing so, we will build the sort of company structure in which all employees find their work rewarding and can demonstrate their abilities to the fullest, and where women, the elderly, and members of all other minorities can play an active part if they so desire.

CSR Report 2017 illustrates for the EKK Group’s stakeholders the group’s efforts in environment protection and safety and health , as well as its approach to and achievements in quality improvement and social activities. Readers’ candid opinions will be most welcome.



EKK Group Supports People's Living and Society

With technologies in seals, special welding, power transmission, and valves with its major pillars, the EKK Group delivers many types of mechanical seals, special valves, shipboard related products, aerospace products, bellows-related products, and diaphragm couplings, among other products. These products are used widely as indispensable parts of automobiles, ships, plants, aircraft and rockets, contributing to people's living and industries around the world.

1 Petrochemical, Steel, Pharmaceutical, Water, Paper, Food & Beverage

We provide widely varied products including gas-lubricated seals for large compressors in the area of petrochemical and other industrial equipment, mechanical seals for large industrial pumps and process pumps, and seal units for agitators effective in all chemical fields.



API682 Metal bellows seals



Gas-lubricated seals

2 Semiconductor

EKK products in this area include magnetic fluid vacuum seals used in vacuum seals for semiconductor and flat display manufacturing equipment, rotary joints and welded metal bellows used in chemical polishers and wrapping equipment for silicon wafers.



Welded Metal Bellows



Magnetic Fluid Vacuum Seals

5 Aerospace

Eagle Industry Co., Ltd. supplies varied seals including those for rocket engine turbopumps, aircraft engine mainshafts and gearboxes. The bellows accumulators used at Kibo, the Japanese Experiment Module of the International Space Station, are from the EKK Group.



Bellows accumulators



Seals for aircraft gas engines

6 Energy

Besides seals for pumps of power plants of different types and generators, Eagle Industry Co., Ltd. also provides a diversity of seals useable under high-temperature, high-pressure conditions. EKK's special valves are also used at many power plants, and diaphragm couplings are used mostly for power generation equipment and propeller shafts of LNG tankers.



Non-Contacting Seals



Diaphragm Coupling



Main Steam Isolation Valve

3 Automobile, Construction Machinery

We stably supply a wide diversity of products in these areas including seals for automotive air conditioners and water pumps, solenoid valves for engines and other equipment, reed valves for emission control in motorcycles and other vehicles, floating seals used in drive trains and accumulators for hydraulic circuits of construction and agricultural vehicles.



Valve products for Automobile



Floating Seals for construction machinery



Accumulators for construction machinery



Compact Mechanical Seals for water pumps

4 Housing Equipment

In this area we provide many types of valves for warmwater-Spraying toilet seats, fuel cells, heat pump water heaters, and other equipment for home use, as well as well water pumps and accumulators for water supply systems in office and condo buildings, supporting people's comfortable, healthy lifestyles.



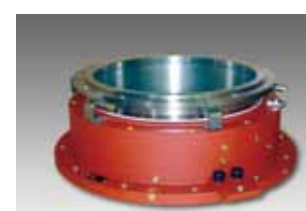
Valves for warm water-spraying toilet seats



Accumulators for housing equipment

7 Marine

In this field, Eagle Industry Co., Ltd. supplies stern tube seals and bearings that are mounted on propeller shafts to prevent lubricating oil leakages and seawater entrance. Our pollution-free stern tube air seals that use air to allow zero oil leakages are also used on many vessels.



Oil lubricated stern tube seals



Water lubricated rubber bearings

8 Others

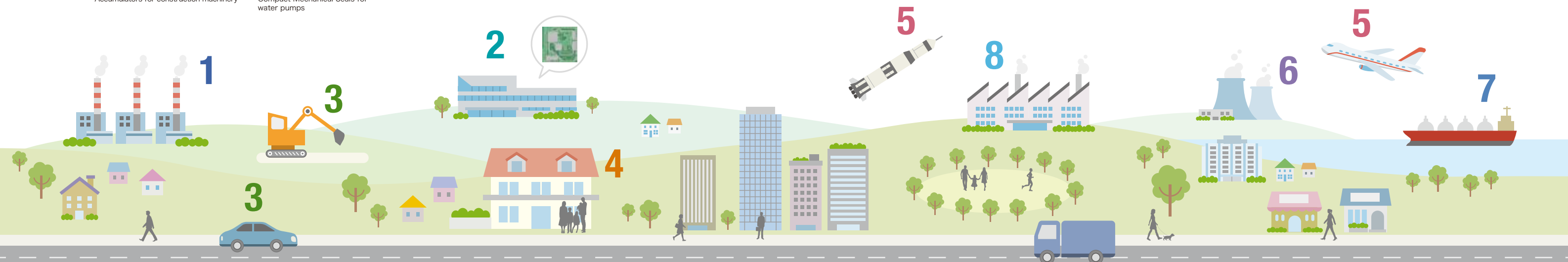
We supply members of many industries (automotive, rubber, semiconductor, water processing, industrial machinery, battery, food, drinking water, pharmaceutical, and others) with pressure sensors, load cells, digital controllers, and more for their facilities and equipment, helping them improve quality, productivity, and energy saving.



Industrial Camera



Round type Digital display



Pioneering a “Dream Mechanical Seal Technology”

The EKK Group’s mechanical seals, one of its key product categories, are used widely around the world in automobiles, aircraft/spacecraft, and general industrial machinery. Performance requirements grow more stringent every year, and better ecological features are now called for, too. This special introduces the EKK Group’s surface micro-texturing technology, which, meeting such societal needs, will lead to technological innovations, energy saving, and resource saving in many areas.

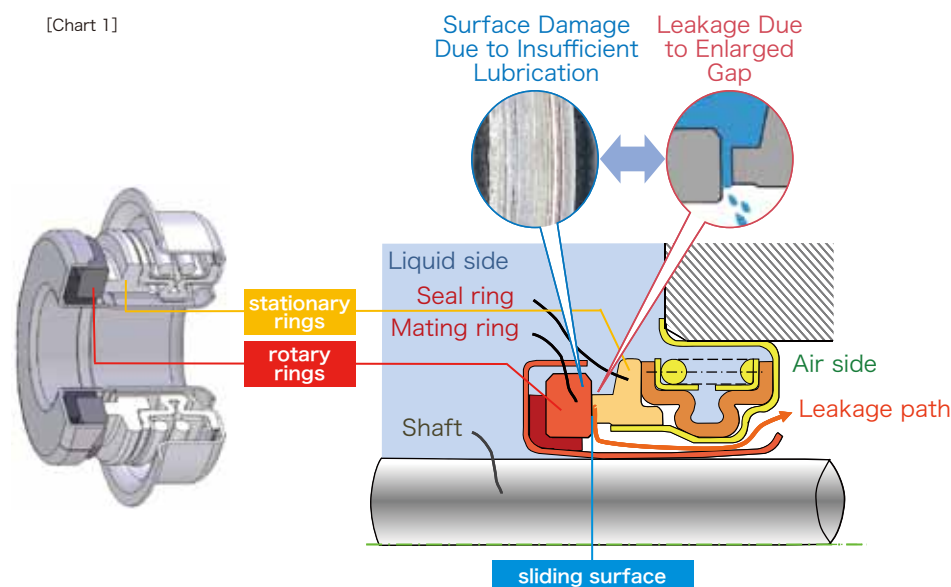
What Are Mechanical Seals?

A type of packing mounted on shafts, a component to transmit power, in pumps, compressors, and other power machines, mechanical seals have numerous applications ranging from automobiles, ships, rockets, and industrial plant equipment to home equipment. Their role is to seal in fluids such as water and oils and gases and not to let them out of the machines into the air or water.

Challenge for Mechanical Seals

The sliding surface of a mechanical seal is where the stationary ring and the rotary ring slide one another. It is the most important part of the mechanical seal that avoids fluid leakage. If those two rings are too close to one another, it causes insufficient lubrication, which shortens the life of the seal due to surface failure. If the two rings have an excessive clearance, however, it may cause leakages. The challenge for a mechanical seal, then, is to achieve both sealing and lubrication (Chart 1).

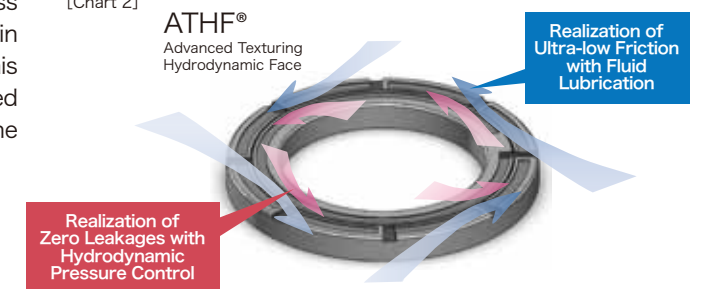
[Chart 1]



What Is Surface Texturing?

Surface texturing means the minute unevenness feature in the order of several microns formed in the sliding surface of a mechanical seal. With this minute texturing, fluid pressure is generated between the face materials by using the hydrodynamic effect of a fluid.

[Chart 2]

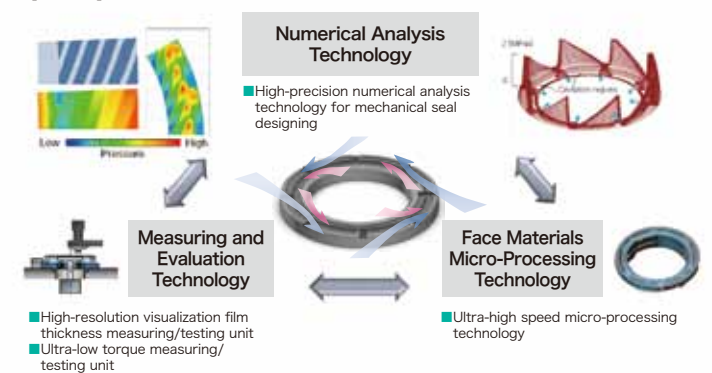


Surface-Texturing Seals Realize Zero Leakage and Ultra-Low Friction

Chart 2 shows an example of a surface-textured seal. Different unevenness patterns are used on the outer and the inner periphery to achieve zero leakage and ultra-low friction.

EKK has in place a development environment that allows designing based on numerical analysis, processing, and functional verification all done in-house (Chart 3). We engage in R&D day in and day out in this sort of environment with access to the world’s most advanced numerical analysis, micro-processing, and functional verification technologies.

[Chart 3]



Social Contribution by Surface Texturing Technology

Surface-texturing is a unique technology to achieve zero leakage, ultra-low friction, and maintenance-free for mechanical seals. This technology brings seals’ longer life and system simplification. With the spread of this technology, EKK is contributing

to technological innovations in automotive, aerospace, and industrial machinery areas and more. We are also contributing to environment protection through our cutting-edge seal technologies, which help energy- and resource-saving, among other things.

Application Example of Texturing Seals for Counter-Rotating Propeller-Type Tidal Current Power Generator

Expectations are high for surface texturing seals for application in counter-rotating propeller-type tidal current power generators, which are used for renewable tidal current energy.

Mechanical seals for this purpose need to rotate in both directions as tidal currents change directions. EKK has developed the sort of surface textured seals capable of achieving ultra-low friction and zero leakage even under such a taxing condition.

The EKK Group is responsible for this development project as commissioned by the New Energy and Industrial Technology Development Organization (NEDO) of Japan. We are determined to continue contributing to greater use of natural energy in the future.



EagleBurgmann
Taiwan Co., Ltd.
Health And Safety Section
I MIN Chiu

Workers are said to spend some one third of their lifetimes at their workplaces. Worksites are that closely related to people’s everyday lives. For us at the Health and Safety Section, the primary task is to manage environmental pollutants and reduce waste and costs. We respect each other’s responsibilities and are committed to complying with environmental laws and maintaining the safest and healthiest possible worksites.



Eagle Industry Co., Ltd.
Aerospace Division
Aerospace Quality Assurance Department
Quality Assurance Section Senior Staff
Ryo Kobayashi

Our section is engaged widely in CSR activities, ranging from response to defective products to the operation of the quality assurance system. We will continue working to help build a waste-less society and environment by maintaining the quality assurance system so that we will remain capable of stably supplying products of the quality customers are satisfied with.

Environmental Report

Environmental Report

Environment Management

To contribute to global environment protection, the EKK Group established the group-wide environmental policies and operates an environment management system based on ISO14001.

The EKK Group established its environmental policies in 2001 and has been engaged in vigorous environment protection efforts.

Desiring to become able to contribute more to the global environment, the group revised the environmental policies on April 1, 2017, in response to recent changes in the global environmental issues.

Environmental policy

Basic concept

Considering that a corporate is a part of society and Seal products, Precision products including valve and metal application product, and Accumulators manufactured by our company can contribute to the environment by preventing pollution and saving energy, Eagle Industry Co., Ltd. and its affiliated companies shall be aware that our activities, products, and services are deeply associated with the global environment. Setting "Compliance" as the basis of our corporate activities, we will pursue the preservation of the global environment voluntarily and continuously.

Activity policy

1. In the development of products, we will keep in mind how they will affect the environment.
2. Taking life cycle into consideration, we will strive to save resources and energy and to reduce greenhouse gas.
3. We will endeavor to reduce industrial waste and to promote recycling in order to use sustainable resources.
4. Taking biodiversity into consideration, we will make continual efforts to improve environmental effects and prevent pollution.
5. We will comply with regulations and other requirements to which a corporate subscribes. (Other requirements such as industry guidelines related to the environment.)
6. Through management review, we will set environmental objectives and a target, review them at appropriate intervals, and strive to improve environmental performance continuously.

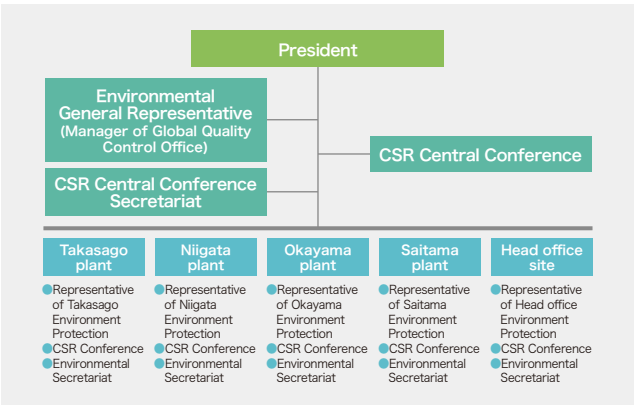
Revised April 1, 2017

Environment Management System

The EKK Group has a group-wide environment management system in place. At the center of the system is the CSR Central Conference chaired by the CEO of Eagle Industry and consisting of Representatives of Environment Protection at respective EKK Group plants. Objectives, targets, and activities to those ends determined by the conference are then brought to the respective EKK plants by the Environmental General Representative.

In addition, each plants has the CSR Conference chaired by its Representatives of Environment Protection. CSR programs adopted at these conferences are reported to the CSR Central Conference and reviewed by the management team.

Environment Management System



States of ISO14001:2004 Acquisitions

Company	States of Acquisitions
Eagle Industry Co., Ltd.	Maintained
EagleBurgmann Japan Co., Ltd.	Maintained
Eagle Engineering Aerospace Co., Ltd.	Maintained
Okayama Eagle Co., Ltd.	Maintained
Shimane Eagle Co., Ltd.	Maintained
Hiroshima Eagle Co., Ltd.	Maintained
Eagle Industry Hokkaido Co., Ltd.	Maintained
Eagle Service Co., Ltd. Head Office and Okayama Office	Maintained

(As of July 31, 2017)



Internal Audit

To ensure that the environment management system is operated in an effective manner, every year we conduct an internal audit for all departments. During FY 2017, a program to educate internal auditors related to ISO14001: 2015, will be held.

Environmental Education

The EKK Group provides environmental awareness education for all its employees. The group created a textbook which explains the concept of ISO14001, the objective and target of the EKK Group's environmental efforts, and so forth so that its employees could learn even without expert environmental knowledge.

Emergency Response Training

We have a certain set of procedures for responding to accidents, natural disasters, and other emergencies for the purpose of preventing/reducing environmental pollution. Training sessions for such response are held on a regular basis.

Based on training results, we review those procedures to ensure they are suitable and to keep our preparedness at the best possible level.



Compliance with Environmental Laws and Regulations

Every year, we identify all the environmental laws and regulations that apply to the EKK Group, and check our compliance with them every half a year.

During FY 2016, 258 legal provisions applied, and we confirmed that there was no noncompliance.

Major environmental laws and regulations that apply to EKK Group	Compliance during FY 2016
Act on Rationalizing Energy Use	Complied with
Waste Management and Public Cleansing Act	Complied with
Air Pollution Control Act	Complied with
Noise Regulation Act	Complied with
Vibration Regulation Act	Complied with
Water Pollution Prevention Act	Complied with
Soil Contamination Countermeasures Act	Complied with

My CSR



Eagle Service Co., Ltd.
Maintenance Department
Okayama Office

Shoichi Endo

At our company, our business is to service EKK valves in use at nuclear power, thermal power, chemical, and other plants. We implement environmental safety measures by calling attention to a daily basis to related matters that we learned at preliminary education sessions held by customers, as well as in accordance with our compliance rules.

My CSR



Valcom Co., Ltd.
Engineering Department
Chief

Tamaki haratani

We make section-wide efforts to make products more compact, which leads to environment protection. I, personally, make it a point to ensure that materials and other substances used for component parts comply with all the environmental regulations. Put in other words, I try to increase my relevant knowledge to help reduce environmental impact.

Environmental Protection Activities

The EKK Group is aware that its business operations, products, and services are closely related to effects on the global environment and voluntarily engages in efforts to help protect the global environment on an ongoing basis.

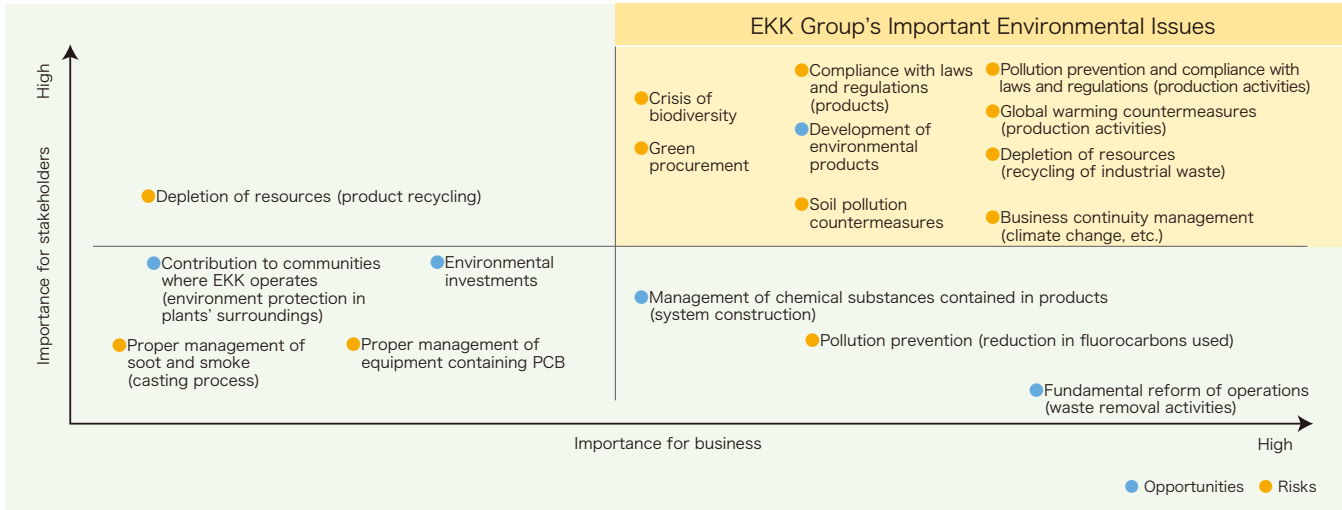
Analysis of Important Environmental Issues

The EKK Group works hard to understand the opinions and expectations of its stakeholders, analyzes environmental issues in terms of risks and opportunities, and engages in

those issues that have high priority for both the stakeholders and the group's business.

■Analysis of Important Environmental Issues

Note: In the chart below, the degrees of importance of the matters were determined by analyzing environmental activities being carried out based on the Eagle Industry Co., Ltd. top management's policies and management plan, as well as taking into account the latest environmental information (information published by industry organizations, research organizations' analyses, etc.).

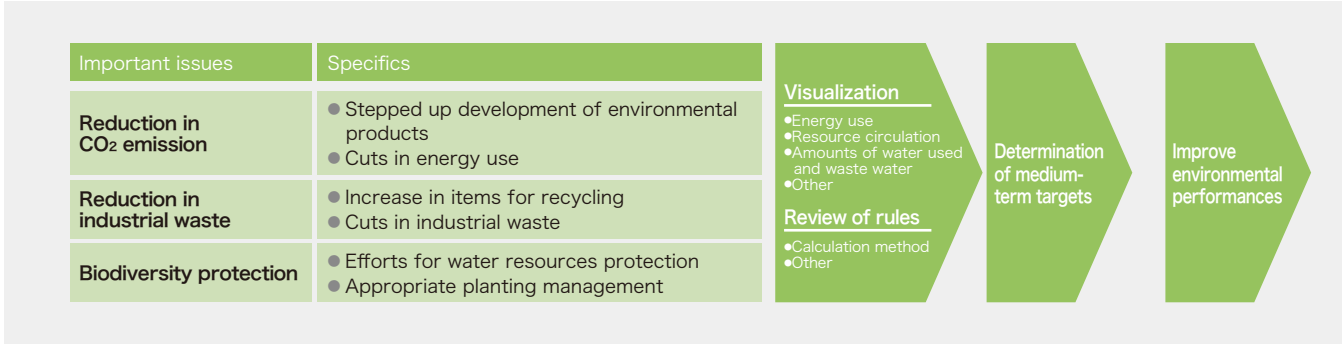


Medium- and Long-Term Environment Protection Efforts Based on Important Issues

The EKK Group will engage in efforts to protect the environment from a medium- and long-term perspective. First, we will work to visualize environmental performances such as amounts of energy use, industrial waste, water

used, etc. We will then energize activities to improve issues that become apparent as a result and establish concrete medium- and long-term targets to improve our overall environmental performances.

■Medium- and Long-Term Flow of Environment Protection Activities



Response to EU Environmental Regulations

To reduce the environmental impact of end-of-life cars and electric/electronic equipment, the EU applies the End-of-Life Vehicles (ELV) Directive and the Directive on Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS Directive). The ELV Directive bans the use of lead, mercury, cadmium, and hexavalent chromium, and the RoHS Directive also bans those same four substances plus two brominated flame retardants, or

polybrominated biphenyl (PBB) and polybrominated diphenyl ether (PBDE), as well as four phthalate esters, or di-ethylhexyl phthalate (DEHP), benzylbutyl phthalate (BBP), di-n-butyl phthalate (DBP), and diisobutyl phthalate (DIBP). Some of the EKK Group's products use some of these substances; we are providing customers with appropriate information and are working with them to come up with alternatives.

Reduction in Use of Fluorocarbons

The EKK Group uses dichloropentafluoropropane (HCFC-225), an ozone depleting substance, to clean precision parts. We have been working hard to reduce the release of this substance into the air by replacing it with safe alternatives for some products and increasing the maintenance

frequency of HCFC-225 recovery equipment. As a result, our HCFC-225 emissions during FY 2016 were down by 75.2% from FY 2003 when our relevant statistics began. We are working with specialized companies to replace HCFC-225 with safe alternatives, with a view to complete replacement by FY 2020.

Management of Chemical Substances

Observing the pollutant release and transfer register (PRTR) system, the EKK Group reports to the Japanese

government the amounts of its emissions and transfers of chemical substances as stipulated by the PRTR Law^{※1}.

■PRTR Law: Amounts of Emissions and Transfers of Class I Designated Chemical Substances

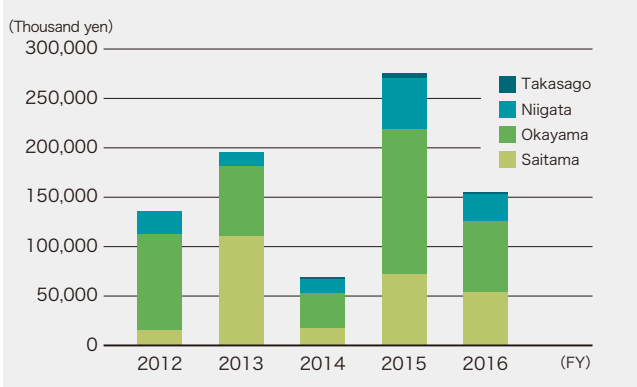
Law No.	Name of Class 1 chemical substance	Amount of emission (kg)				Amount of transfer (kg)	
		Air	Public waters	Plant's soil	Plant's landfill	Sewer	Outside Plant
258	Hexamethylenetetramine	0	0	0	0	0	750
300	Toluene	7,800	0	0	0	0	1,000
349	Phenol	0	0	0	0	0	500
Total		7,800	0	0	0	0	2,250

※1 : Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof

Major Environmental Investments During FY 2016

● Saitama plant: 54,360,000 yen	Replacement of indoor light bulbs with LED bulbs; updating of A/C units; repairs of domestic waste water plumbing
● Okayama plant: 71,783,000 yen	Improvement of rainwater drainage channels and expansion of oil-water separation tank; introduction of intermediate pressure compressor inverter; updating of A/C units
● Niigata plant: 27,157,000 yen	Upgrading of hot and chilled water generator; holding tank cleaning; regularly scheduled inspection of fluorocarbons
● Takasago plant: 1,950,000 yen	Switching to electric forklifts
● Total of all facilities: 155,250,000 yen	

■Environmental Investment Results



Environmental Report

Environmental Purposes

Goals and Results

During FY 2016, we attained our goals in all indices in the table below. We reduced our energy use in basic unit by 1.6% from the year before, whereas the Save Energy Law called for a 1% reduction. Our industrial waste was recycled by 99.1%, in comparison to the 98% goal. Overall, the EKK Group complied with all relevant laws and regulations applied to it.

Beginning in FY 2017, we now make efforts for water resources protection and planting management to help

contribute to biodiversity. During FY 2017, furthermore, we will establish medium-term goals for the three environmental “pillars,” i.e., reduction of CO₂ emission, reduction of industrial waste and biodiversity protection, for the larger purpose of continuing to reduce the environmental impact in our production activities.

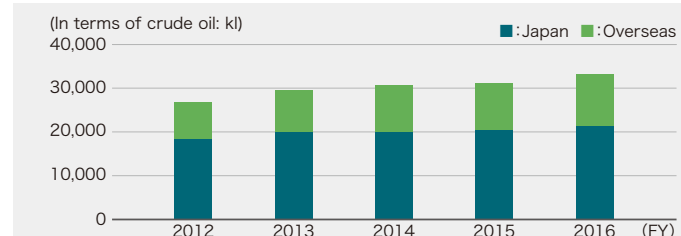
In FY 2018 and 2019, we will begin concrete efforts based on the policies we will have established during FY 2017.

Environmental Purposes		FY 2016 results	Evaluation	FY 2017 environmental goals	FY 2018 - 2019 environmental goals
Reduction in CO ₂ emissions	Step up development of environmental products	Done based on design departments' plans at respective facilities	Good	Step up development of environmental products	Step up development of environmental products
	Cuts in energy use	Basic unit in terms of crude oil: 1.6% reduction from previous year	Good	1. Visualize energy used 2. Make CO ₂ emission calculation method into a rule 3. Determine mid-term plan targets 4. Cuts in basic unit in terms of crude oil by 1% from previous year	Based on mid-term plan
Reduction in industrial waste	Increase items to recycle	Recycle rate: 99.1%	Good	1. Visualize resource circulation 2. Determine mid-term plan targets 3. Maintain 98% recycling rate 4. Cuts in industrial waste amount	Based on mid-term plan
	Cuts in industrial waste amount				
Protect biodiversity	Protect water resources			1. Visualize volumes of water used and drained 2. Determine mid-term plan targets	Based on mid-term plan
	Manage plantings properly			1. Manage plantings properly (determine rules) 2. Manage green areas at sites	1. Manage plantings properly 2. Manage green areas at plants
Comply with laws and regulations, and other requirements		100% compliance	Good	100% compliance	100% compliance

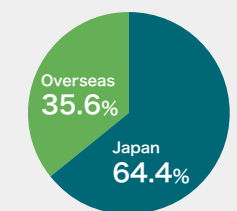
Environmental Report

Environmental Data

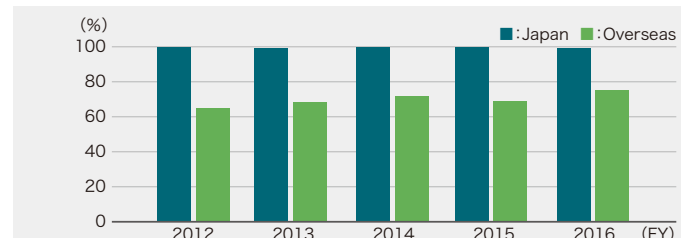
Trends in Energy Use



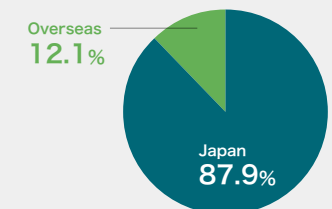
Ratio of Energy Use in Japan and Overseas (FY 2016)



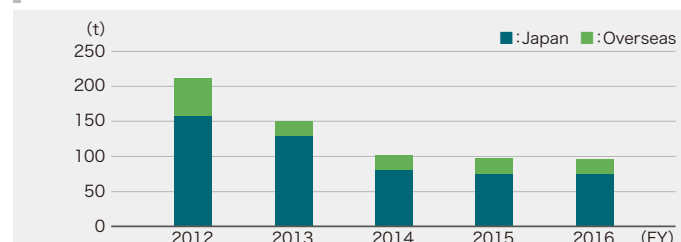
Trends in Recycling Rate



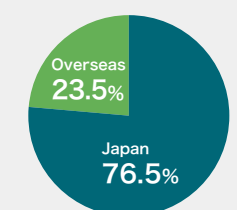
Ratio of Industrial Waste in Japan and Overseas (FY 2016)



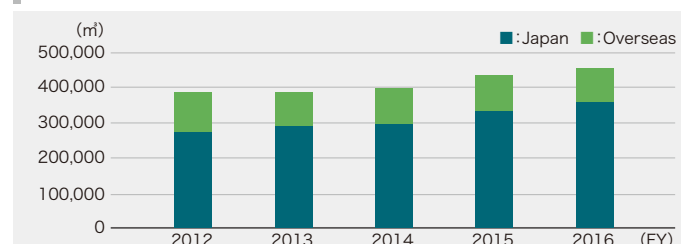
Trends in VOC Output



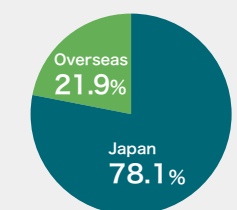
Ratio of VOC output in Japan and Overseas (FY 2016)



Trends in Water Use



Ratio of Water Use in Japan and Overseas (FY 2016)



Sites Covered by Environment Data

Energy use, VOC output and water use

Facility		2012	2013	2014	2015	2016
Japan	Head office	1	1	1	1	1
	Production facilities	12	11	11	11	11
	Sales operations	15	15	16	16	20
Overseas	Production facilities	8	8	9	9	9

Recycling rates, Industrial waste

Facility		2012	2013	2014	2015	2016
Japan	Production facilities	11	10	10	10	10
Overseas	Production facilities	8	8	9	9	9

Social Report

Social Report

Approach to Quality

It is the EKK Group's mission to continue providing trusted quality by standing in customers' positions. To this end, we make resolute group-wide efforts for quality improvements under the solid belief, "Eternal Zero."

"Eternal Zero" Movement

In response to the CEO's instruction of "Eternal Zero" in October 2015, the EKK Group makes all-out, group-wide efforts to build a well-defined quality control organization that never accepts flowing out of even a single failed product to the market.

For the EKK Group that seeks to become a true global corporation, globally standardized quality is essential in order to improve its quality even further in its unique technologies, products transferred outside Japan,

production methods, and design processes. To this end, we will work hard to establish systems and organizations to clearly define required manufacturing conditions, among other things, as well as to share information closely group-wide.

To make "quality mind" and "customer orientated" as EKK's DNA, we will begin systematic quality education not just for production and quality control sections but for entire employees as well.

Major Quality Efforts During FY 2016

During FY 2016, we focused on ensuring that relevant information was properly shared among all our global operations in terms of EKK's approach to quality-the individual importance of and interrelationships between and among Offline Quality, Online Quality, Market Quality, and Global Quality. We will continue our ongoing improvement efforts toward the "Eternal Zero" goal from FY 2017 onward.

■Areas of Quality EKK Group Should Address



Sharing of Quality Information in each plant

As the centralized body for reporting and discussing quality information, the Quality Meeting is held monthly with responsible personnel of various related sections of the manufacturing facilities attending. At the meeting, relevant information is shared among the attendees, which leads to improvement activities.



Sharing of Quality Information Within EKK Group

The Quality Managers' Meeting for those personnel responsible for quality (at the plants and involved in sales and engineering) within Japan is held every six months. Of the two such meetings per year, one is held as the International Quality Managers' Meeting for the personnel responsible for quality overseas, as well, to share relevant information with them too.

Other Examples of Sharing Quality Information

As the opportunity for announcing the results of employees' QC Circle Activities, teams selected at their respective plants, including those from overseas, attend the annual QC Circle Competition. These employee activities also help raise the level of quality mind among employees.

My CSR



Eagle Industry Sales (Shanghai) Co., Ltd.
Sales Department
Senior Manager
Tomohisa Izumi

In China, the world's largest auto and construction machinery producer, we market mechanical seals, lip seals, floating seals, equipment products, and accumulators, among other EKK products. Through our work, we are contributing to the conservation of the global environment by helping prevent the leakages of oils, fluorocarbons, and other refrigerants, as well as helping improve fuel efficiency.

Social Report

Efforts in Health & Safety and Health Promotion

If an EKK employee left home in the morning for work to support his family but came home seriously injured, the group's greatest management objective, to make employees and their families happy, would not be met. We make ongoing efforts to ensure that our employees' worksites are safe and healthy.

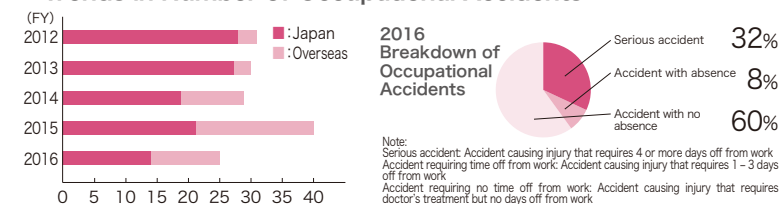
Occupational Health & Safety Management System

The EKK Group has the Health & Safety Policies, and the heads of its plants serve as Health & Safety Managers and establish line and staff-type Health & Safety management organizations where line functions and staff functions, the latter of which involve members of those sections dedicated to Health & Safety, work together through heads of different sections. The OHSAS18001 approach is also employed in this setup. This and the Head Office Health & Safety Department work together organically, ensuring company-wide Health & Safety activities.

Means to Prevent Occupational Accidents

Occupational accidents are said to occur due to unsafe conditions (e.g., absence of safety device in equipment) and/or unsafe behavior (of a person). In order to remove and prevent any real and potential unsafe conditions, accordingly, we thoroughly inspect newly installed equipment and machinery and, to prevent unsafe behavior, in 2012 we introduced the unit regarding imitative risk experience on the safety education due to unsafe behavior. These units are programmed to sense as many potential dangers as possible, including an electrical accident or a swing of a crane load that may potentially cause a part of the body being caught. We also now provide more stringent training on predicting near misses and other dangers during normal work, as well as improving our risk assessment. After we virtually completed educating employees on the aforementioned sensor/alarm units in FY 2013, we have been providing similar education for new recruits in Japan and employees in general overseas since FY 2014. We are thus working hard to prevent occupational accidents.

■Trends in Number of Occupational Accidents



■Number of Attendees at Imitative Risk Experience on the Safety Education (for FY 2016, as of end of March 2017)

Facility	No. of attendees (aggregate total)
Saitama plant	15
Eagle Industry Taiwan Corporation	338
EagleBurgmann Taiwan Co., Ltd.	
Eagle Highcast Co., Ltd.	13
Okayama Eagle Co., Ltd.	97
NOK Corporation Affiliated Company	64
Total	527

My CSR



Eagle Industry Co., Ltd.
Mito Branch
Sales Section
Junpei Umei

We engage in our sales work with a recognition that our daily work leads to environmental pollution prevention. By selling seals and couplings for rotary equipment used at various types of plants, we help prevent toxic substances from leading into the air and conserve energy.

Physical and Mental Health

To promote employees' physical and mental health, the EKK Group provides a free 24-hour phone health counseling service in Japan. The group vigorously supports its employees' overall health as seen in its system of having industrial physicians, public health nurses, nurses, and EKK managers work jointly to care for employees' mental health.

■Telephone Health Counseling Results, FY 2016

Contents	No. of calls
Physical checkups	11
Maintenance/promotion of health	7
Worrying symptom(s)	270
Care for recuperation at home	70
Existing treatment(s)	228
Mother-child health	3
Parenting	60
Information on healthcare providers open at night/on holidays	20
Stress/mental health	180
Healthcare providing facilities	15
Other	73
Total	937

※Note: Above are totals of NOK and EKK Group.

Traffic Safety Efforts

The EKK Group engages in a traffic safety program as part of its traffic safety education. We recognize every five years those employees who have had no accident and no violations in Japan. Those employees who have been involved in a traffic accident or committed traffic violations are required to submit an Accident Report or a Violation report regardless of whether the relevant drive was for a business or private purpose, and by work unit, all employees are reminded to always use caution when they drive to help prevent reoccurrences.

Major Safety-Related Equipment Investments and Statutory Inspection Costs

Major FY 2016 spending (including repairs; ¥97,000,000 in total)

- | | |
|--|---|
| (1) Saitama plant (15,129,000yen)
• Replacement of outdoor fire hydrants, water tanks and pumps
• Assessment of work environments
• Statutory firefighting equipment inspection and repairs
• Rotary beacon lights equipped on engine forklifts | (3) KEMEL Company (7,254,000yen)
• Countermeasures for near misses
• Flashlights equipped on jib cranes
• Measures for isolating smoking |
| (2) Okayama plant (67,853,000yen)
• Safety measures for seal-lip cutting and finishing machines
• Installation of additional safety fences in the casting building.
• Improvement of work environment at mist collecting process | (4) Eagle Burgmann Japan Co., Ltd. Niigata plant (6,764,000yen)
• Replacement of LPG supply equipment
• Regularly scheduled annual inspections |

WEB You may read the Health & Safety Policies on the Eagle Industry website:
https://www.ekkeagle.com/en/csr/saf_env.html

Working with Local Communities

Aiming to become a trusted corporate citizen of communities where it operates, the EKK Group carries out local community activities on an ongoing basis. The fact that our employees lead these activities deepens communication with the local communities even more.

Eagle Burgmann Japan. Co., Ltd. Niigata plant - First Summer Festival Since Our Founding

On July 30, 2016, we hosted a summer festival for the first time since the founding of our plant in 1989, under the slogan, "Summer Festival for Employees and Their Families." The festival featured a performance by the brass band of a local high school, refreshment stands by different sections of the facility, a contest of men dressed in drag, and a lottery, among other things.

The refreshment stands included those for fried noodles, chicken fries, and yo-yo fishing, the regulars at festivals. The drag contest proved to be a high-quality one, with female employees helping male employees representing their sections wear beautiful makeup.

Other features included a performance by a balloon artist, a dance by members of the management including the president and the vice chairman, and others that were not something one would see everyday. The event was a great success overall.

Through word of mouth and publicity in advance in the surrounding areas, as many as over 1,000 members of the local community attended the event. Despite some minor mess-ups as this was the first such attempt, it was an excellent opportunity to interact with people of the local community, and hopefully it will become a regular, local annual event.



Eagle Highcast Co., Ltd. - Blood Pressure Measurements Offered at Fall Festival



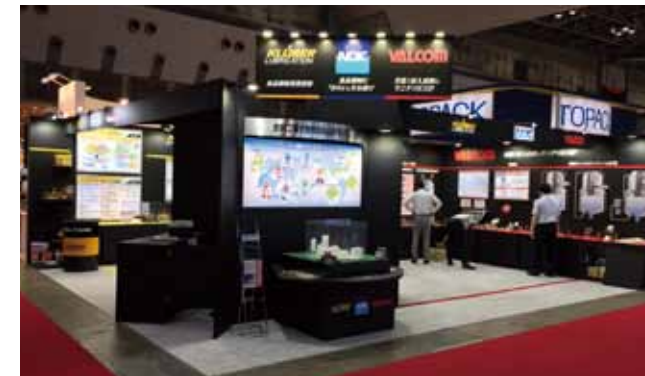
In October 2016, Eagle Highcast hosted its 2nd Fall Festival for members of the local community, employees, and their families.

In addition to a food court serving fried noodles, chicken fries and drinks, blood pressure measurements and health and quitting smoking counseling were offered by public health nurse Ms. Sasagawa of EKK's Safety & Health Promotion Department. Quite a few members of the local community who attended the festival also had their blood pressure taken and listened Ms. Sasagawa's health advice. At the quitting smoking counseling section, the advice for quitting by Ms. Sasagawa and some employees under the Blue Ribbon Movement helped inspire people along with the blood pressure measurements.

Working with Customers and Business Partners

The EKK Group establishes partnerships of mutual trust with its business partners that make up its supply chain to thereby deliver products and services that place customers first. Through this effort, the group strives to provide quality that meets society's needs and society trusts.

To Deliver Safety and reassurance to Customers -Efforts by Valcom Company



A joint exhibit with NOK and NOK Klüber, arranged in an easily understood manner classified by each food manufacturing process

We at Valcom Co., Ltd. manufacture many kinds of pressure sensors. Pressure sensors are essential to control manufacturing processes and maintain quality stably. Sanitary pressure sensors with no sealed liquid, in particular, are in high demand for use in food manufacturing machinery and equipment, greatly contributing to the maintenance of the quality of your favorite beverages. To provide even more customers with safety and reassurance, Valcom participates in the International Food Machinery & Technology Exhibition (FOOMA Japan) each year to showcase its technologies.

Contributing to Customers with Quality Improvement and Cost Reduction-Efforts by EKK Eagle Industry Mexico (EIM)

All of us at EIM make ongoing efforts to reduce costs, not to mention providing quality that customers trust. In fact, JATCO Mexico has given us the Quality Award and the Best Performance Award for the fact that the company has never had to complain about the solenoid valves since we supplied them some two years ago and that we reduced costs by starting in-house production of some parts that are formerly imported. We are set to continue contributing to customers in both quality and cost.



(Left) EIM, President Goto
(Right) JATCO Mexico, S.A. de C.V., President Yoshino

Contribution to Marine Industry Through Support for Academic Society -Efforts by Eagle Industry Co., Ltd Marine Division



(From the left) Eagle Industry Co., Ltd Marine Division
Mr. Sada, Director Matsuoka, Mr. Saito

We manufacture and sell stern tube seals and bearings, essential for supporting safe, comfortable navigation and protecting seawater from environmental pollutions. To contribute widely to the marine industry, we proactively participate in programs to solve issues and educate engineers at the Japan Institute of Marine Engineering, which engages in academic research in ship machinery and equipment. For these efforts, we have received the Contribution Award from the institute.

CSR Management

Management Organization

CSR Management

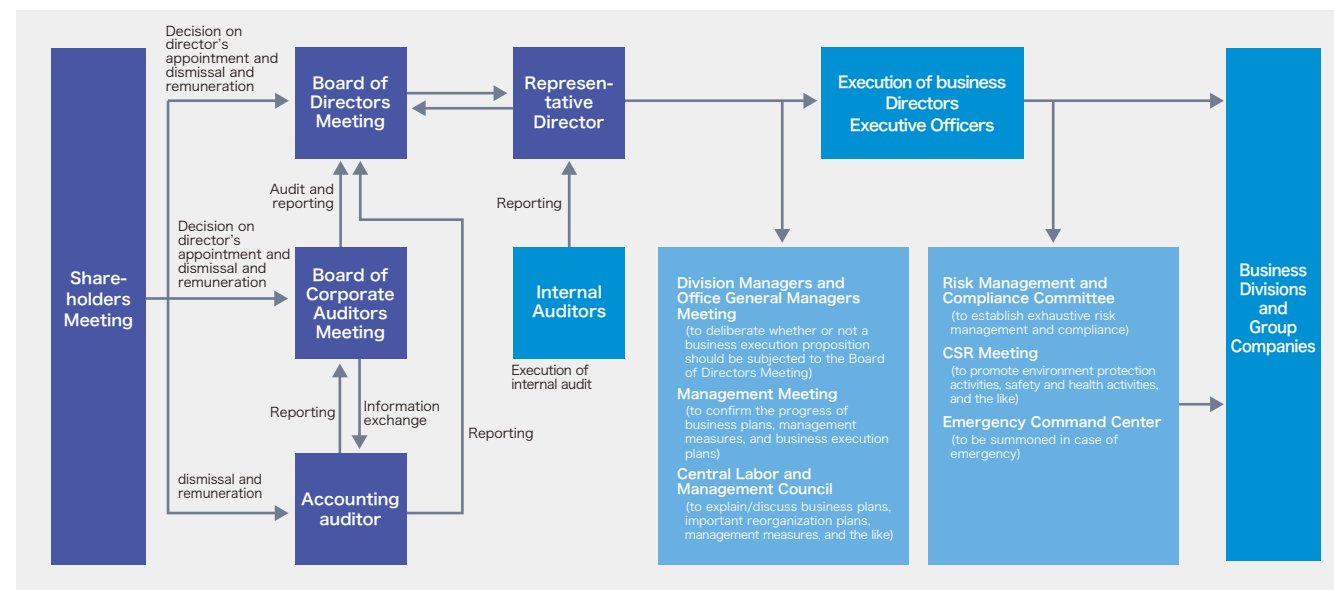
For the EKK Group to remain a corporate group that is trusted by society and continues to improve its corporate value, we strive to establish a fair and efficient management system and operate it on an ongoing basis.

Corporate Governance

To allow implementing management decisions right away, the EKK Group constantly reviews its organization and endeavors to delegate authority boldly and define responsibilities more clearly. Overall, Eagle Industry Co., Ltd. makes a continued effort to establish the organization that will allow the greatest possible results. In the Management Meeting and other corporate meetings, in particular, we ask a corporate auditor and representative of worker's union to participate depending on their importance to maintain management transparency. For the top management's review of business

divisions, we ensure that our organization allows members of the top management to understand issues and share common understanding among them. Since the importance of EKK's corporate risk management grows even more as the group's businesses become more diverse and globalized, we have the Risk Management Compliance Committee to lead our efforts for preparedness. In addition, we have the Code of Conduct for all employees in place to help ensure high standards of morality among all of us.

■Corporate Governance Organization (as of April 1, 2017)



Risk Management

To identify potential risks in business activities and prevent them from manifesting themselves, as well as determining concrete response in emergencies, Eagle Industry Co., Ltd. established in 2003 the Risk Management Policies and the Risk Management Rules. Based in the Risk Management Policies, Divisions and affiliated companies work to ensure exhaustive observance of corporate ethics and laws and regulations, as well as promoting risk management. Through these activities, they strive to generate higher-order corporate ethics.

■Risk Management Organization

The Risk Management and Compliance Committee

The Risk Management and Compliance Committee identifies and evaluates potential risks in EKK's business activities and work to establish preventive measures in an organizational recognition.

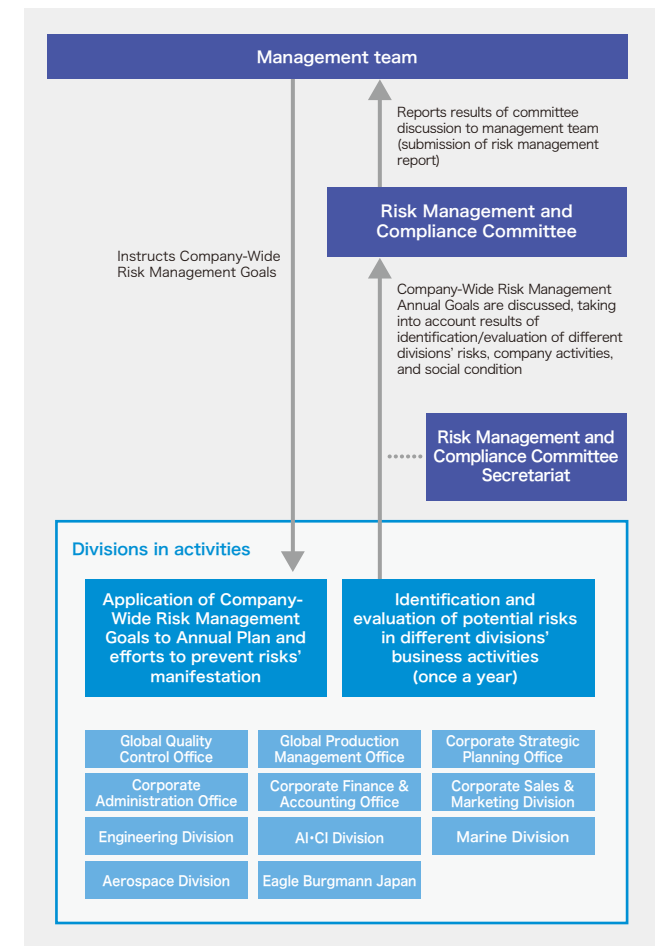
Emergency Command Center

In case of emergency, the Emergency Command Center makes an all-out effort to understand the situation immediately and establishes an initial response setup based on a quick and accurate judgment, thereby preventing a spread of damage.

Ethics Consulting Service

This service is for the purpose of solving ethical questions (e.g., whether certain business conduct violates laws, industry rules, or social norms) brought by employees and maintaining appropriate corporate behavior. The service represents EKK's self-corrective approach: rather than responding to external, compulsory accusations, employees' or other internal parties' charges, or external criticisms, it is designed to discover, by EKK's own ability and with cooperation from its employees, any suspected unfair business practices, illegal acts, and problematic transactions before they become full-blown and voluntarily solve them.

■Risk Management Organization



Mid-Term Management Plan

Reinforcing Business Structure for Sustainable Growth – Fly Sky High ! –

Results of Efforts Under Previous Medium-Term Management Plan

In the previous 3-year plan, we aimed to firm up the foundation for sustainable growth and produced certain results in terms of this core aim.

We, however, failed to attain the targets. The plan went well underway in its initial year thanks partly to a favorable

external environment. By the middle of the second year, however, the slowdown of Chinese economy had become apparent, which, combined with wildly fluctuating exchange rates, the shale gas "revolution" and the resulting sharp drop in the crude oil price, and the slowing of the marine industry due to the shipbuilding recession, prevented us from meeting the planned targets unfortunately.

Start of New 3-Year Plan

FY 2017 marks the start of the new 3-year plan ending in FY 2019. It is an important 3-year plan as in the following year, FY 2020, the EKK Group aims to achieve 202 billion yen in sales. Themed on "In Pursuit of Sustainable Corporate Structure -Fly Sky High-," the new 3-year plan

has seven focus initiatives: "Eternal Zero" ; development of next-generation products; thorough and active implementation of TCD and waste removal activity; business continuity management (BCM); 3-region total optimization management of Eagle Burgmann; implementation and full utilization of enterprise resource planning (ERP); and management that respects human dignity and health & safety.

None of the aforementioned focus initiatives can be postponed. That is because they all are in agreement with the EKK Group's position that it does not pursue short-term profits at the expense of long-term profits and that they lead to Profit and Pride for All Stakeholders.

■Main Initiatives

- Eternal Zero
- Development of Next-Generation products
- Thorough and active implementation of TCD, waste removal activity
- BCM
- Optimizing management of EagleBurgmann 3-Region (Japan, AP, India)
- Implementation and full utilization of ERP
- Management that respects human dignity / health and safety

■Management Targets

	2014 (Results)	2015 (Results)	2016 (Results)	2017 (Estimate)	2018 (Estimate)	2019 (Estimate) (FY)
Sales	138,200 mil yen	143,400 mil yen	140,600 mil yen	145,000 mil yen	160,000 mil yen	180,000 mil yen
Operating income	14,400 mil yen	14,000 mil yen	11,100 mil yen	11,500 mil yen	13,500 mil yen	18,000 mil yen

Compliance

EKK's Approach to Compliance

In the EKK Charter of Corporate Behavior, the EKK Group establishes ten Principles of Corporate Behavior for the purposes of having all its stakeholders take pride in it, engaging in the management that allows them to pursue the same dreams, and becoming a useful presence widely for society, as well as realizing those purposes. The group also lays down the Compliance Rules with this charter as

their basic policy, and as concrete guidelines for the rules it applies the EKK Employee Compliance Code of Conduct to its employees (including temporary and contract employees) as below, providing rules that they must observe. EKK Group companies in Japan and overseas are required to establish similar policies and rules and have their employees observe them.

EKK Employee Compliance Code of Conduct

1 Ethical Spirit

2 Respect for Employees and Prohibition of Discrimination and Harassment

3 Fair and Appropriate Trading

4 Insider Trading Regulations

5 Import and Export Procedures (Security Trade Control)

6 Laws Concerning Intellectual Property

7 Severance of any Relationship with Antisocial Forces

8 Environmental Protection

9 Provision of Useful Products

10 Appropriate Management of Information

11 Prohibition of Acts that Undermine the Company's interests, etc.

12 Appropriate Accounting

13 Accurate Reports

14 Compliance and Whistle-blowing

Defining compliance as strict observance of laws and regulations, the EKK Group considers noncompliance a risk. As such, the group employs steps similar to those for risk management and every year treats the prevention of those noncompliance cases that pose a major risk (e.g., violation of the Antimonopoly Law and bribery) as one of risk management purposes. We also check compliance awareness improvement and related education by internal audit, as well as

determining certain supervisory sections by nature of noncompliance as contact points to which any noncompliance cases should be reported. Furthermore, the Whistleblower's Contact Office is in place, consisting of an internal report accepting section (Head Office Administration Department) and an external attorney at law. This office is capable of receiving reports by telephone or email.

Compliance Education

We conduct an education program to better inform employees of compliance and encourage them to become more compliance conscious within Japan and without on an ongoing basis.



Introduction to Compliance Version 2

Within Japan

Introduction to Compliance Version 2 has been distributed to all employees and, with this as the textbook, education is being provided at each of the facilities. The booklet carries the Charter of Corporate Behavior and the Employee Compliance Code of Conduct and explains what compliance is by citing concrete examples. It also states which contact points employees should access concerning compliance, as well as the Whistleblower's Contact Office.

Outside Japan

Introduction to Compliance Version 2 in English has been distributed to all overseas EKK facilities, where the booklet is being used as the textbook.

Rules on Antimonopoly Law Violation Prevention, and Rules on Bribery Prevention, and Their Guidelines

The EKK Group declares that all its members conduct fair and proper business transactions in its Charter of Corporate Behavior and Employee Compliance Code of Conduct. To respond to the sophistication of economic systems, increased needs for more stringent response to noncompliance, and increased potential risks, the group established and enforced in April 2016 the Rules on Antimonopoly Law Violation Prevention and the Rules on Bribery Prevention, as well as guidelines for both. We provide relevant education within Japan, while ensuring that our overseas facilities conduct business by observing these rules and guidelines. At the same time, we dispatch our qualified Japanese employees to our overseas facilities to educate local personnel who manage and respond to risks, while taking local conditions into account.



Employees being educated on bribery prevention

EKK Group Outside Japan

The EKK Group promotes CSR activities at its overseas facilities as well. Some of their examples are introduced.

P.T. Eagle Industry Indonesia

EJIP(East Jakarta Industrial Park)'s "Go Green" Program

In January 2017, we participated in the EJIP Go Green program. As the first step, we planted 500 kinds of trees in the northwestern area along the Cikarang River. We will repeat similar efforts in other areas as our next step.



All EJIP occupants support the EJIP Go Green program led by Mr. Wanhar, in charge of Health, Safety and Environment.

Donation to Those Afflicted by Flood

At the end of September 2016, torrential rains led to floods and landslides in Garut, West Java, on the Indonesian island of Java, where several employees of ours live. We collected donations internally and delivered them directly to Tarongong Kidul in Cimaesan Village, Garut, the following month.



Mrs. Sadiyah, Mrs. Nur Emilia, and Mrs. Nenti Haryanti reported that they had visited the afflicted area representing our company to present the donation and that it had been duly accepted by the BPBD, the regional disaster management authority in Garut office.

Fire Drill

In August 2016, a fire simulation and fire drill was held as an annual program led by the EJIP Fire Squad. Twenty-nine of us employees participated.



A firefighting drill

Firefighting Competition

In September 2016, we took part in the firefighting competition with the other EJIP-occupant companies. Our firefighting squad placed one of the top ten among the 30 competing teams.



Some of those who participated in the competition

Eagle Industry(Wuxi)Co., Ltd.

Zero Industrial Wastewater Drainage Recognized by Chinese Government -Receives Environment Protection Subsidy from Wuxi Bureau of Environment Protection

We are located near Taihu, Wuxi City, where environmental regulations are particularly strict within China. After a regional law prohibited the drainage of industrial wastewater containing phosphorus or nitrogen, we explored various disposal methods and, as a result, adopted a "chemical (pressure flotation) + physical (membrane purification)" system, achieving 99% recycling and zero drainage of untreated industrial wastewater. For this achievement, we became the only private enterprise company to receive an Environment Protection Subsidy from Wuxi City's Environment Protection Bureau. As government environmental policies grow more stringent by the day, we cut water usage and reduced the drainage of our wastewater containing pollutants to zero with the spirit of compliance and efforts of all those involved. It is an honor that this was recognized from the viewpoints of the environment protection spirit, technology, and economy.



Chemical (pressure flotation) + physical (membrane purification) system



Mr. Xie Guojun, Manager of Safe Environment Section, Administration Department, who led the award-winning project

EKK Eagle Industry Mexico S.A. de C.V.

Relations with Employees and Their Families

Every month we celebrate our employees' birthdays with a birthday cake (photo 1), an event attended by the President, Plant Manager, Area Managers and the superiors to whom the birthday employees directly report. We also treasure our employees' children, to be the backbone of Mexico's future. Each year, we recognize those children, from elementary school to college ages, who excel in terms of average annual academic grades (photo 2).



Photo 1: This program helps create a sense of unity throughout the company.



Photo 2: 19 persons were recognized in FY 2016.

Support for Local Communities

Villa de Reyes in San Luis Potosi City, home to our company, is one of the poorest areas in the country. As members of a company truly committed to society, every December we donate food and blankets to those in need in the area in cooperation with the local city government.



Donations were made to 50 families in FY 2016.

EKK Group Network in Japan and Overseas

Domestic

Sales Branch	Plants/ Major facilities	Group Companies
<ul style="list-style-type: none">Sendai BranchKita-Kanto branchMito branchTokyo branchNagoya BranchOsaka BranchKobe BranchHiroshima BranchKyushu BranchKEMEL Tokyo BranchKEMEL Kobe BranchKEMEL Hiroshima Branch	<ul style="list-style-type: none">Saitama plant (Aerospace Division / Engineering Division)Okayama plant (AI·CI Division)Takasago Plant (Marine Division)Kure Plant (Marine Division)Niigata plant (Marine Division)	<ul style="list-style-type: none">EagleBurgmann Japan Co., Ltd.Eagle Industry Hokkaido Co., Ltd.Valcom Co., Ltd.Okayama Eagle Co., Ltd.Shimane Eagle Co., Ltd.Hiroshima Eagle Co., Ltd.Eagle Service Co., Ltd.Eagle Highcast Co., Ltd.



Eagle Industry Co., Ltd. Saitama plant



Eagle Industry Co., Ltd. Okayama plant



Eagle Industry Co., Ltd. Takasago Plant



EagleBurgmann Japan Co., Ltd. Niigata plant



Shimane Eagle Co., Ltd.



Eagle Industry Hokkaido Co., Ltd.

Overseas (Group Companies)

Production and Sales Companies(32)	Sales and Service Companies(46)	Other Companies(15)
Automotive and Construction Machinery Industries <ul style="list-style-type: none">Eagle Industry Taiwan CorporationNEK Co., Ltd.EKK Eagle(Thailand) Co., Ltd.Eagle Industry(Wuxi) Co., Ltd.Eagle Simrax B.V.Eagle Industry France S.A.S.EKK Eagle Industry Mexico S. A. de C. V.Eagle Industry Hungary Kft. and 5 companies	Automotive and Construction Machinery Industries <ul style="list-style-type: none">EKK Sales Europe B.V.Eagle Industry Sales(Shanghai) Co., Ltd.Eagle Actuator Components GmbH & Co. KG and 2 companies	Automotive and Construction Machinery Industries <ul style="list-style-type: none">EKK Inc. and 4 companies
General Industrial Machinery Industry <ul style="list-style-type: none">EagleBurgmann India Pvt. Ltd.EagleBurgmann Australasia Pty. Ltd.P.T. EagleBurgmann IndonesiaEagleBurgmann Germany GmbH & Co. KG and 14 companies	General Industrial Machinery Industry <ul style="list-style-type: none">EagleBurgmann France S.A.S.EagleBurgmann Italia s.r.l. and 32 companies	General Industrial Machinery Industry <ul style="list-style-type: none">EBI Asia Pacific Pte. Ltd.EBI Atlantic A/SEBI Asia Pte. Ltd.EBI Middle East A/S and 6 companies
Marine Industry <ul style="list-style-type: none">Eagle Materials Korea Co., Ltd.	Marine Industry <ul style="list-style-type: none">KEMEL EUROPE LIMITEDKEMEL USA Inc.KEMEL Asia Pacific Pte. Ltd. and 1 companies	
	Aerospace and Optoelectronics Industry <ul style="list-style-type: none">Eagle Engineering Aerospace Singapore Pte. Ltd. and 2 companies	

■ Consolidated subsidiaries
■ Affiliated company accounted for under the equity method



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