

MEIDEN

ANNUAL REPORT 2010

For the year ended March 31, 2010



Empower for new days

Profile

Ever since its founding in 1897, Meidensha Corporation has been working on the relentless pursuit of new technology and product developments and witnessed steady growth. Our product offerings cover a wide area, such as generators, substation equipment, electronic equipment and information equipment. Our mission is not only to provide these products but also to recommend the best solutions on the basis of what a customer values best. In order to realize these best solutions, we engage in the supply of various products and provide related services such as engineering, facility management (including operation and maintenance), repair and product-life support.

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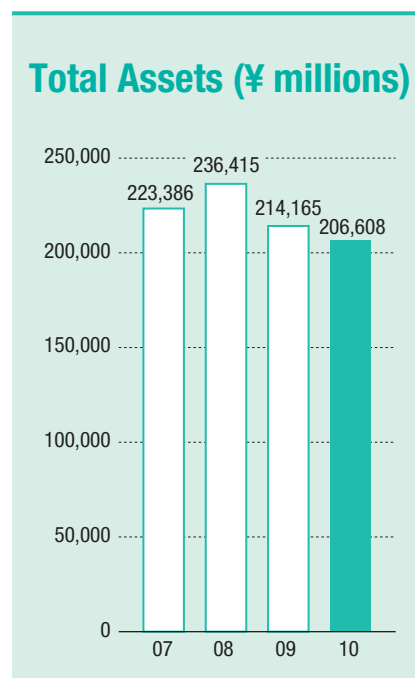
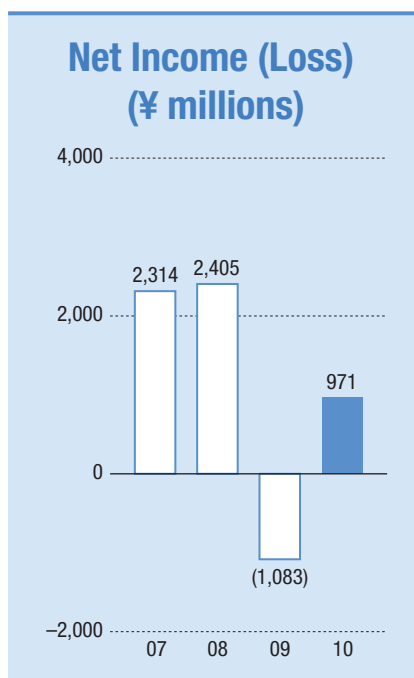
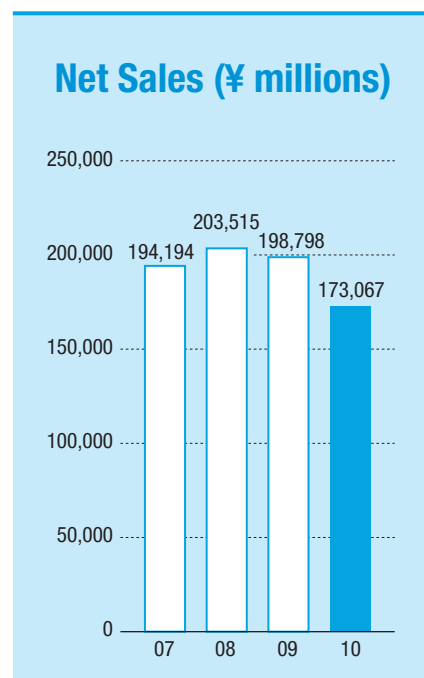
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Financial Highlights

Years ended March 31

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	2010
Net sales	¥173,067	¥198,798	¥203,515	\$1,860,935
Net income (loss)	971	(1,083)	2,405	10,441
Net income (loss) per share (yen, U.S. dollars)	4.28	(4.77)	10.59	0.05
Cash dividends paid	908	908	1,363	9,763
Total assets	206,608	214,165	236,415	2,221,591
Number of employees	7,144	7,133	6,825	—

The consolidated figures in this Annual Report are expressed in yen and solely for the convenience of the reader, translated into United States dollars at the rate of ¥93 = U.S.\$1, the approximate exchange rate prevailing on the Tokyo Foreign Exchange Market as of March 31, 2010. See Note 1 to Consolidated Financial Statements.



Message from Management

We, at Meidensha Corporation (“Meiden”) and its consolidated subsidiary companies (collectively the “Meiden Group” or “the Company”), share the same corporate philosophy. The mission is: “Illuminating a more affluent tomorrow.” The value is: “For customer peace of mind and satisfaction.” Meiden Group positively seeks to produce innovations in technology and new values to realize a more vibrant society and better living conditions in the future. For customer satisfaction and assurance, we produce eco-friendly designs and approaches. We strongly promote courteous customer-support service. With top quality products and services, we hope to help our customers in solving their various problems and in realizing their dreams.

Meiden Group products form a broad spectrum, from power systems, substation equipment, and electronic products to information and communication products. We not only perform the manufacturing and sales of these products, but also engage in the solutions business in Japan. This process includes finding customer-driven optimum solutions and offering engineering, system operations, and system maintenance and management to realize these solutions. Out of our business operations, we would like to positively seek to offer solutions to the various challenges of our times, such as the Global Climate Control problem. Through our contributions to building a more affluent future society, we would like to live up to our social responsibilities and seek sustainable growth as a company.

The Japanese Economy in fiscal 2009 showed a favorable turn in some industry sectors, but there was a continuous trend of reduced public investment, sluggish private capital spending, and a strong yen. Overall business confidence was still fragile. Even the Japanese heavy electrical industry faced a sluggish private sector market in Japan and increased competition in the overseas markets. The business environment continued to be very challenging.

Under these economic conditions, the Company made vigorous across-the-board efforts to boost sales, but in spite of this, sales for fiscal 2009 totaled ¥173,067 million (consolidated basis), a 12.9% decrease from the previous fiscal year.

With respect to earnings, the Company made efforts to reduce costs and cut back on fixed expenses, while implementing the policies for the growth driver and new business development under POWER 5, a new medium-term management plan. As a result, net income (loss) before income taxes came to ¥1,631 million (consolidated) and net income (loss) for the year came to ¥970 million (consolidated). Year-end dividends were 4 yen per share.

With respect to the Japanese Economic Outlook, it is expected that the recovery will happen in a gradual fashion and in the heavy electrical industry there are some partial signs of recovery. However, full-fledged economic recovery is not here yet. There is a concern that the trend of public investment cuts and private capital spending cuts will continue. Due to these factors, the business environment for Meiden Group remains very challenging.

Under these conditions, the Company has been solidly implementing the policies under POWER 5, a new medium-term management plan. The POWER 5 is a five-year business plan, running from fiscal 2009 to fiscal 2013, with the slogan, “The challenge of the Meiden Group: Contributing to society through the “power” of manufacturing excellence.” We are implementing the policies based on the following basic principles:

(1) Realize high growth and new business development

In preparing for the low-carbon society of the future, we will shift our unique heavy electrical engineering resources technology into new areas. To be specific, we have been developing new businesses by focusing on component businesses, such as motor drive units for pure electric vehicles, power conversion products, electric double layer capacitors, products for wind turbine applications, and other component products; we have to make these the growth drivers.

(2) Develop business further in the private sector and overseas markets

Accelerating new product development for the private sector and overseas markets, overseas production,

consolidation of our business organization and affiliated companies, and human resources development programs will give us a competitive advantage; we would also like to develop new markets.

(3) Improve profitability through selection and focus

With “component products” and “private sector and overseas markets” as our core business fields, we will focus our management resources into these selected areas.

(4) Enhance the power of manufacturing excellence

We believe that “the power of manufacturing excellence” refers to the overall integrated strength of a manufacturing company, which includes R & D, manufacturing, sales & marketing and services. We would like to increase our competence in each such stage and by working together, we would like to strongly promote productivity gains, quality improvement and cost reduction.

(5) Constantly promote CSR management

We will try to reduce the gas emissions that are a result of our corporate activities and fulfill our corporate social responsibility (CSR) by contributing to climate control and energy-savings with our products and services.

By implementing POWER 5, we aim to provide peace of mind and the best product experience to our customers through our products and services for social infrastructure building and the general industry and at the same time, we will try to generate high earnings. We also aim to be a company where each individual employee can work with pride for a higher level of job satisfaction.

We ask every shareholder, as well as our customers and business partners, to give us your continuous support and advice.



Keiji Kataoka, Chairman

Junzo Inamura, President

K. Kataoka

J. Inamura



▲ EVREVO catalogue



▲ Dynamometer

Sales Release of New Performance Evaluation System for EV and HEV, “EVREVO”

Meidensha Corporation made a sales release of “EVREVO,” a system for the performance evaluation of pure electric vehicles (EV) and hybrid electric vehicles (HEV).

The EVREVO is the first jointly developed product with Ono Sokki Co., Ltd., under a program set forth by “the Business and Capital Alliance Agreement” signed on July 29, 2009.

From now on, we expect the drive for more eco-friendly car development will be accelerated world- wide to solve the global climate control issue.

The new system will evaluate the performance in real physical testing (using the actual product being tested) and in virtual vehicle testing (using virtual models) in every step of product development: from the early stage of needs and concept level down to the integrated test and product release. This makes it possible to dramatically reduce the period required for EV and HEV development.

In the future, we would like to accelerate our development of the “EVREVO” series, focusing on the low inertia dynamometer drawing on our core technologies in mechanical and control technology.

In the automotive testing system field, we have “a competitive advantage in manufacturing” by providing integrated offerings of measuring and analysis systems and construction work service. We would like to develop an automotive testing system that will produce the best product experiences and the loyalty and would like to contribute to the ecology.



▲ SP series



▲ 1 MW package system

Sales Release of New SP Series PCS for Solar Power Use

Realizes world's highest level of power conversion efficiency: 97.8%
Complies with IEC Standard

Meidensha Corporation developed and started the sales release of a new power conditioning system (PCS) for solar power.

Our company so far has sold the SUNGENEC series large capacity PCSs to a large number of customers.

We developed a new SP series PCS with the world's highest level of power conversion efficiency and also it meets the related IEC standard, which is a common standard used in Europe, Asia and the Middle East. We commenced our sales of a 250 kW system.

Our target markets are not only Japan but also the world's most active solar market of Europe, the emerging China market and other Asian and Middle East markets, which have high potential. In addition, we are participating in the Mega Solar Project being conducted by the New Energy and Industrial Technology Development Organization (NEDO) in Wakkanai City, Hokkaido as a demonstrative research project of a mega solar system. We developed the world's first 1 MW package system using SP series PCS units for this Mega Solar Project.

This 1 MW package system is a groundbreaking system bringing together four (4) 250 kW PCSs, a control system and a transformer in a single package. We would like to provide various benefits to the future Mega Solar projects using this system.



▲ External view of Component Factory



◀ Inverter production line



◀ Vacuum capacitor production line



Commencement of Component Factory Operation

The Meiden Group set forth a key policy in its medium-term business plan, POWER 5: While enhancing the strength of existing businesses, we intend to increase the product portfolio ratio of component products that we can produce and sell in large numbers and that could contribute to a low carbon society in the future. “The Component Factory” was opened with a view to increasing our “strength in production” in line with one of the objectives of POWER 5.

In October 2008, we acquired the land and factory building of the Numazu Plant of JATCO, Ltd., which is located to the east side close to Meiden Numazu Works. We then renovated and repaired the building facilities.

In August 2009, as a first move, we relocated the inverter production lines to this new factory. In addition to medium-sized and large inverters for export, for elevators, etc., we started an inverter assembly shop for the pure electric vehicle, i-MiEV. We also started the related motor drive unit inspection shop. In February 2010, we relocated a vacuum capacitor production line there and started operation.

Vacuum capacitors are high-performance energy storage devices in which electrodes that store electrical energy are contained in a ceramic vacuum container. Because of the high level of technical expertise required to produce this product, only a few major suppliers exist in the world. Our company is the sole manufacturer of vacuum capacitors in Japan.

After relocating the production of strategic products to this new factory, we would like to increase production and at the same time reduce costs by reinforcing the production facility. In this manner, we would like to expand and increase the sales of our component products.

Operating Performance Highlights

Social Infrastructure Systems Business Sector

Due to the replacement demand for electrical systems for drinking water treatment plants and sewage water treatment plants, the performance of the water processing segment business showed steady growth. However, the demand for traction power systems and substation systems in the private sector was sluggish. As the result, sales in fiscal 2009 declined 9.1% from fiscal 2008 to ¥112,529 billion.

Power, Railways & Private Sector Business Segment

The order backlogs for the major traction power projects were mostly completed in fiscal 2008 and the demand for infrastructure investment for factories and buildings declined in Japan. The recovery of this segment remained unclear.

Amid this business environment, we commenced delivery of generators for the wind power system of Japan Steel Works, Ltd. This generator is in serial production. We also developed and released a new power conditioning system (PCS) for solar power. Our PCS realized the world's top level of power conversion efficiency. We also joined the demonstrative research project related to the smartgrid study funded by the Japanese Government. We focused on businesses with growth potential and on new business development.



Traction power system



Generator for a wind turbine by Japan Steel Works, Ltd.



Generator for wind power

Environmental Engineering Business Segment

With the cuts in public investment and increased competition, the business climate became more challenging.

Amid this situation, we intensified our efforts to obtain new or replacement orders for electrical systems for drinking water treatment plants and sewage treatment plants. We also continued to focus on our outsourcing service for the operation and maintenance work of the drinking water treatment plants and on PFI (provision of public facilities, etc. using private funds, etc.) projects. This time, we received an order for the business process outsourcing service of operation and facility management of the water supply system from the Water Bureau of Aizuwakamatsu City, Fukushima Prefecture.



Outsourcing Service for Facility Management of Drinking Water Treatment Plant



Remote Monitoring and Control System

International Business Segment

We are actively working on orders for traction substation projects, mostly in Southeast Asia. In addition, we developed and released in the overseas market a new PCS for solar power. This PCS meets an international standard.



Dubai LRT (new transport system)



DC circuit breaker for railway

Industrial Systems Business Sector

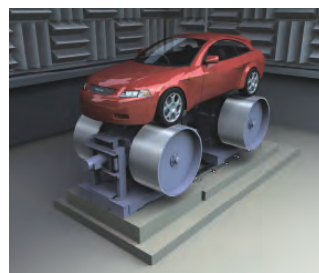
While signs of recovery are present in some industry sectors, capital investment caps are still on-going in key industries such as the automotive industry. Sales declined 36.1% from fiscal 2008 to ¥26.214 billion.

Dynamometer and Logistics Systems Business Segment

The business climate regarding orders from domestic automakers and forklift manufacturers remains very challenging due to the unexpectedly long economic slowdown.

Amid this business situation, we made a business and capital alliance with Ono Sokki Co., Ltd., a Kagawa Prefecture-based company in Japan, in the auto testing system field. Our first jointly developed product is the EVREVO, a testing system for the performance evaluation of electric vehicles (EV) and hybrid electric vehicles (HEV).

In the logistics system field, we developed and released heavy duty AGV (automatic guided vehicle) kits and an ultra-low-floor AGV, the U-Cart. We are working to expand sales to China, Thailand, and the U.S.



4WD chassis dynamometer

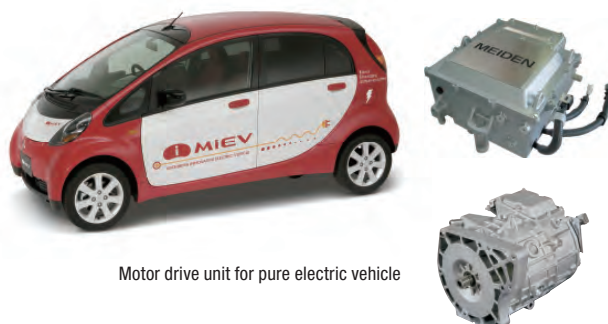


U-CART ultra-low level loading deck AGV

Component Business Segment

The component business mostly for the semiconductor industry is in the recovery phase. However, built-in component markets, such as motor drive units or energy storage devices, are experiencing a more competitive climate.

Against this background, we commenced shipment of motor drive units for the pure electric vehicle “i-MIEV” by Mitsubishi Motors Corporation. We are also working to develop a business for vacuum capacitors in the world market. This component is being used in the semiconductor manufacturing system, the solar cell panel manufacturing system, etc. At the same time, we are working to accelerate the development of next-generation industrial components, in addition to enhancing our existing production lines to improve our serial production system.



Motor drive unit for pure electric vehicle

Pulsed power supply system



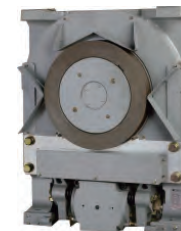
Industrial computer



Vacuum capacitors



Inverter



Motor for elevator

Engineering System Business Sector

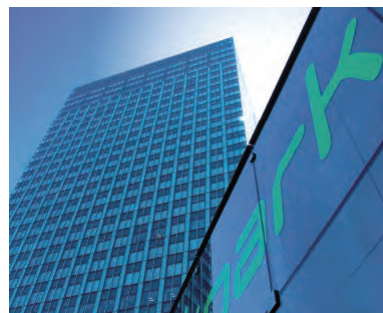
While demand for maintenance services showed a recovery, sales in fiscal 2009 declined 5.6% from fiscal 2008 to ¥21.996 billion due to a decline in the facility availability rate of the customers.

Amid such a business climate, we are actively working to increase the maintenance service business to meet the increasing eco awareness needs of the customers, such as product life expectancy analysis services and product life enhancement services for aging facilities, as well as removal services for transformer insulation oil with PCB, which is hazardous to the environment.



Real Estate Business Segment

We are conducting a real estate leasing business, focusing primarily on ThinkPark Tower, an office and commercial building located in Osaki, in Shinagawa City, Tokyo. Sales in this segment increased 9.4% from fiscal 2008 to ¥3.285 billion.



Other Business Segments

Sales for other businesses, including the trading firm business, welfare business, merchandising business, and contract corporate accounting services business declined 19.4% from fiscal 2008 to ¥28.389 billion.

Overseas Operations

During fiscal year 2009, following the deepest global downturn in recent history in fiscal 2008, the global economy rose more than 4%. Driving the global recovery was the extraordinary fiscal and monetary stimulus packages implemented in countries around the world. China and India continued to maintain growth of more than 6% while the advanced countries marked low growth of more than 2%. The Middle East showed mild growth.

Southeast Asia, which is Meidensha Corporation's major market, posted growth of more than 5% in fiscal 2009. Singapore was deeply impacted by the financial crisis and slump in global trade but rebounded strongly from the fourth quarter of 2009.

The US power sector showed about a 2.4% increase in total net power generation due to the increase in US industrial production. There was a rise in coal-fire generation at 5.0% and in natural gas-fired generation at 2.9%. Conversely, there was a decline in nuclear generation (1.5 %) and in petroleum liquid-fired generation (37.9%.)

The U.S. automotive industry experienced the most tumultuous year in its history - a period marked by recession and the bankruptcy and rebirth of General Motors Corporation and Chrysler LLC. US auto production for fiscal year 2009 was around 8.5 million vehicles.

Major products ordered in fiscal year 2009 were as follows:

In the field of distributed energy resources, we received an order for major electrical systems relating to the Demonstrative Project for Technology Development of Power Supply System to Maximize the Use of Solar and Other Power Resources in the Lao People's Democratic Republic. This is a project of New Energy and Industrial Technology Development Organization (NEDO), Japan, and was contracted to Okinawa Electric Power Company. We also received orders for a power conditioning system (PCS) from a photovoltaic system integrator in Korea.

In the field of utility power substations, we also received orders for power transformers and mobile substations for the Middle East.

In the field of electric railroad substations, we received orders for expansion and modification work of the existing traction substations in the South Asia and the Middle East.

In the North American automotive market, we received orders for drivetrain test systems, drivetrain end-of-line test systems and FREC Dynamometer TYPE-i series for automakers' technical centers and factories.

In the Asia-Pacific automotive market (outside Japan), we received orders for a drivetrain test system, engine end-of-line test systems, engine dynamometers, chassis dynamometers and FREC Dynamometer TYPE-i series for auto and motorcycle makers' technical centers and factories in Asia.

The major products manufactured and shipped during fiscal year 2009 were as follows:

In the field of power generation and power supply, we shipped GE LM6000 gas turbine generators for GE Aero Energy Products in Texas. We also shipped dynamic voltage compensator system to a TFT-LCD manufacturer in Taiwan.

In the field of electric railroad substations, we shipped and installed traction substation equipment for the South Asia and the Middle East.

In the North American automotive market, we shipped and supplied a 4WD chassis dynamometer, drivetrain test systems and a drivetrain end-of-line test system for automobile and truck transmissions, and vehicles.

In the Asia-Pacific automotive market (outside Japan), we also shipped and supplied chassis dynamometers for passenger cars and heavy duty trucks, a motor test system for Hybrid electric vehicles, and engine dynamometers and drivetrain end-of-line test systems.

In another noteworthy event in our overseas operation, Meiden Hangzhou Drive Systems Co., Ltd. started a knock-down assembly operation of Automated Guided Vehicles, MCAT, and supplied them to Chinese automobile factory market.



R & D Highlights

R&D at the Meiden Group is being conducted on core technology developments based on our long-term strategy and on new product development drawing on such technology developments.

In the core technology development area, we are working on the development of chemical analysis technologies on hazardous substances such as restricted materials under the RoHS Directive and on analysis simulation technologies to streamline the product development process. Especially in the chemical analysis technology development program, our chemical analysis testing facility received the certification of ISO/IEC 17025, which is an international standard relating to the competence of a chemical testing laboratory. This enabled us to issue internationally valid certifications.

In the area of new product development, we are working on developments for a high performance and high reliability motor drive unit for pure electric vehicles. We are also working on the core technology development of an electric double layer capacitor (“EDLC”) to realize higher output, higher performance and increased safety. EDLC is contributing to energy savings. In addition, we are conducting the development of new control technologies for high voltage inverters for drinking water treatment plants and sewage water treatment plants. These inverters have a big market potential in overseas markets in the future.



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CONSOLIDATED FINANCIAL REVIEW

Outline of Profits and Loss

Although there has been partial recovery in some industries during the current consolidated fiscal year, the overall economic climate continues to be harsh, typified by cutbacks in public sector capital investment, restraint in private capital expenditure, and a high yen trend. The operating environment will continue to be harsh for the heavy electrical industry market in Japan due to factors such as stagnant demand in the domestic market and increased competition in overseas markets.

Under these conditions, the Group has made company-wide efforts to reduce costs and fixed expenses while implementing the medium-term management plan POWER 5 aimed at growth and the strengthening of new businesses. Based on the factors above, results are as follows for the Company and its consolidated subsidiaries. Sales were ¥173,067 million (down 12.9% from the previous fiscal year), operating income was ¥3,321 million (down 18.7% from the previous fiscal year), resulting in a net profit of ¥971 million.

Financial Conditions

The amount of total assets on March 31, 2010 declined by ¥7,556 million (down 3.5%) compared to the amount of total assets at the end of the previous fiscal year, resulting in total assets of ¥206,608 million.

Due to a reduction in accounts receivables caused by a decline in sales and orders received and a reduction in inventory, current assets declined by ¥6,760 million (down 6.0%), resulting in total assets of ¥106,555 million at the end of the current fiscal year. Despite an increase in the value of investment securities due a recovery in the stock prices of securities held by the Company, fixed assets declined by ¥795 million (down 0.8%) due to the continual depreciation of property, plants, and equipment, resulting in fixed assets of ¥100,053 million at the end of the current fiscal year. The amount of total liabilities at the end of the current fiscal year was ¥152,475 million, a decline of ¥8,987 million (down 5.6%). The amount of current liabilities at the end of the current fiscal year was ¥107,722 million, a decline of ¥10,447 million (down 8.8%), due to a decrease in payables. The amount of long-term liabilities at the end of the current fiscal year was ¥44,754 million, an increase of ¥1,460 million (up 3.4%), due to an increase in employees' severance and retirement benefits. The amount of net assets at the end of the current fiscal year was ¥54,132 million, a decline of ¥1,430 million (down 2.7%). This was due to an increase in unrealized gains on securities and foreign currency translation adjustments and the net profit achieved during the current fiscal year. As a result, the capital to asset ratio increased from 23.7% to 25.2% at the end of the current fiscal year.

FIVE-YEAR SUMMARY

MEIDENSHA CORPORATION AND CONSOLIDATED SUBSIDIARIES (years ended March 31)

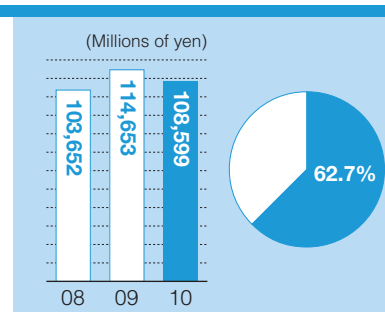
	Millions of yen				
	2010	2009	2008	2007	2006
Net sales	¥173,067	¥198,798	¥203,515	¥194,194	¥183,747
Net income (loss)	971	(1,083)	2,405	2,314	3,252
Net income (loss) per share (yen)	4.28	(4.77)	10.59	10.18	14.12
Cash dividends paid	908	908	1,363	1,137	909
Depreciation and amortization	7,611	7,797	6,334	4,369	3,872
Total assets	206,608	214,165	236,415	223,386	201,274
Net property, plant and equipment	63,341	65,909	66,822	61,523	46,501
Shareholders' equity per share (yen)	229.00	223.35	255.31	272.20	265.64

OPERATIONAL REVIEW

Social Infrastructure Systems

This segment includes business related to the construction of social infrastructure. We provide solution services of all kinds in relation to electric power quality, energy conservation, and related matters, and we engage in the manufacturing and marketing of all types of electrical equipment involved in power generation, transmission, transforming, distribution, and other related functions, for power companies, government and other public agencies and offices, railroads, highways, private facilities, and other such establishments.

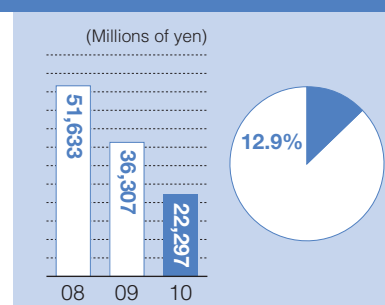
We are also involved in the field of water supply and sewerage treatment for local governments. Our activities include manufacturing and marketing products for the control of treatment equipment and processes of all kinds, and for the improvement of IT networks. We are further developing environmental solution services that include contracting for the maintenance management of water treatment plants, recycling industrial wastes and so on.



Industrial Systems

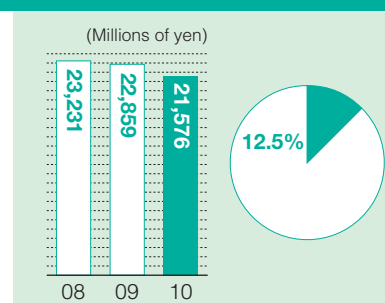
This segment includes business operations related to product systems used in the manufacturing industry, IT, and other general industry operations. In addition to providing private industry with motor vehicle testing systems, and logistics support systems, we engage in the manufacture and marketing of motors, inverters, and other products for use in textile machinery, elevators, and other such equipment.

We are active in the information and telecommunications field, manufacturing and marketing component products for industrial computer and networking systems.



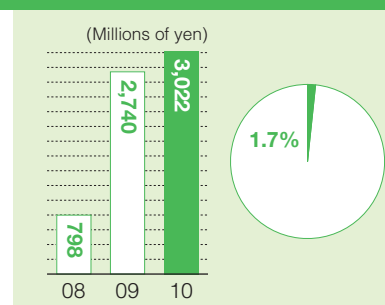
Engineering Systems

This segment provides services relating to the remote management and monitoring of facilities and the proposal of measures for extending the life of facilities, energy conservation, and other such services related primarily to the maintenance of products we supply. We also engage in the maintenance of semiconductor manufacturing equipment and the reconditioning of used manufacturing equipment.



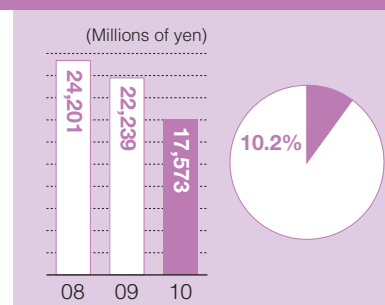
Real Estate

This segment includes rentals of real estate holdings, including ThinkPark (Osaki, Shinagawa City, Tokyo).



Others

This segment includes marketing companies not tied to specific business fields, and companies that contract accounting, payroll, and other administrative functions, as well as welfare services for employees.



CONSOLIDATED BALANCE SHEETS

MEIDENSHA CORPORATION AND CONSOLIDATED SUBSIDIARIES (as of March 31, 2010 and 2009)

	Millions of yen		Thousands of U.S. dollars (Note1)
	2010	2009	2010
Assets			
Current assets:			
Cash and time deposits (Note 17)	¥11,236	¥3,201	\$120,817
Receivables:			
Trade notes	2,387	3,272	25,667
Trade accounts	56,296	58,571	605,333
Loans receivable and advances	2,703	2,886	29,065
Due from unconsolidated subsidiaries and affiliates	1,351	2,027	14,527
Allowance for doubtful accounts	(656)	(1,095)	(7,054)
Inventories (Note 5)	28,040	37,253	301,505
Deferred income taxes (Note 15)	3,044	3,602	32,731
Other current assets	2,154	3,599	23,161
Total current assets	106,555	113,316	1,145,752
Property, plant and equipment:			
Land (Note 8)	9,114	9,251	98,000
Buildings and structures (Notes 6 and 8)	74,674	72,602	802,946
Machinery and equipment (Note 6)	56,078	55,745	602,989
Construction in progress	633	1,354	6,807
Less: Accumulated depreciation	(77,158)	(73,043)	(829,656)
Net property, plant and equipment	63,341	65,909	681,086
Investments and other assets:			
Investment securities (Notes 4 and 8)	16,553	13,948	177,989
Investments in unconsolidated subsidiaries and affiliates (Note 4)	9,241	8,924	99,366
Long-term loans receivable	384	387	4,129
Deferred income taxes (Note 15)	4,857	5,054	52,226
Other assets	5,765	6,714	61,989
Allowance for doubtful accounts	(88)	(87)	(946)
Total investments and other assets	36,712	34,940	394,753
Total assets	¥206,608	¥214,165	\$2,221,591

See accompanying notes.

	Millions of yen		Thousands of U.S. dollars (Note1)
	2010	2009	2010
Liabilities and net assets			
Current liabilities:			
Short-term borrowings (Note 7)	¥13,027	¥42,698	\$140,075
Commercial paper (Note 7)	30,000	—	322,581
Current portion of long-term debt (Notes 7 and 8)	4,463	6,255	47,989
Payables:			
Trade notes	5,469	6,882	58,806
Trade accounts	18,408	20,372	197,935
Due to unconsolidated subsidiaries and affiliates	4,046	3,804	43,505
Advances received from customers	7,930	11,247	85,269
Accrued income taxes	547	520	5,882
Accrued bonuses for employees	4,694	4,890	50,473
Provision for product warranties	46	551	495
Provision for loss on orders	494	679	5,312
Other current liabilities	18,598	20,272	199,979
Total current liabilities	107,722	118,170	1,158,301
Long-term liabilities:			
Long-term debt (Notes 7 and 8)	19,792	19,987	212,817
Employees' severance and retirement benefits (Note 9)	21,148	19,342	227,398
Reserve for retirement allowance for directors and corporate auditors	115	124	1,237
Provision for environmental measures	551	564	5,925
Deferred income taxes (Note 15)	37	85	398
Other Long-term liabilities	3,111	3,191	33,451
Total Long-term liabilities	44,754	43,293	481,226
Contingent liabilities (Note 11)			
Net assets (Note 10):			
Common stock			
Authorized – 576,000,000 shares			
Issued and outstanding – 227,637,704 shares	17,070	17,070	183,548
Capital surplus	13,197	13,197	141,903
Retained earnings	19,244	19,180	206,925
Less: Treasury stock, at cost	(145)	(116)	(1,559)
Unrealized gains on securities, net of taxes	3,530	2,401	37,957
Unrealized losses on hedging derivatives, net of taxes	(51)	(82)	(548)
Foreign currency translation adjustment	(871)	(945)	(9,366)
Minority interests	2,158	1,997	23,204
Total net assets	54,132	52,702	582,064
Total liabilities and net assets	¥206,608	¥214,165	\$2,221,591

CONSOLIDATED STATEMENTS OF OPERATIONS

MEIDENSHA CORPORATION AND CONSOLIDATED SUBSIDIARIES (years ended March 31, 2010, 2009 and 2008)

	Millions of yen			Thousands of U.S. dollars (Note1)
	2010	2009	2008	2010
Net sales (Note 14)	¥173,067	¥198,798	¥203,515	\$1,860,935
Cost of sales (Notes 13 and 14)	134,720	158,403	159,094	1,448,602
Selling, general and administrative expenses (Notes 13 and 14)	35,025	36,310	36,835	376,613
Operating income	3,322	4,085	7,586	35,720
Other income (expenses):				
Interest and dividend income	418	545	548	4,495
Interest expense	(1,051)	(1,322)	(1,027)	(11,301)
Equity in net income of affiliated companies	428	150	344	4,602
Gain on sales of marketable securities and investment securities (Note 4)	1	11	242	11
Loss on devaluation of securities	(32)	(288)	(168)	(344)
Loss on disposal of inventories	(355)	(326)	(141)	(3,817)
Loss on disposal of fixed assets	(132)	(133)	(294)	(1,419)
Gain on sales of fixed assets	24	118	4	258
Provision of allowance for doubtful accounts	(11)	(487)	(16)	(118)
Loss on product warranties	(220)	(502)	—	(2,366)
Provision for product warranties	—	(522)	(53)	—
Moving expenses of office	—	—	(657)	—
Restructuring charges on a consolidated subsidiary	—	(662)	(382)	—
Others	(761)	(2,045)	(1,690)	(8,183)
Income (loss) before income taxes and minority interests	1,631	(1,378)	4,296	17,538
Income taxes (Note 15):				
Current	617	891	2,143	6,634
Deferred	(58)	(1,429)	(381)	(623)
Total	559	(538)	1,762	6,011
Income (loss) before minority interests	1,072	(840)	2,534	11,527
Minority interests	101	243	129	1,086
Net income (loss) (Note 19)	¥971	¥(1,083)	¥2,405	\$10,441
		Yen		U.S. dollars (Note1)
	2010	2009	2008	2010
Amounts per share of common stock (Note 20):				
Net income (loss)	¥4.28	¥(4.77)	¥10.59	\$0.05
Cash dividends applicable to the year	4.00	4.00	6.00	0.04

See accompanying notes.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY/CHANGES IN NET ASSETS

MEIDENSHA CORPORATION AND CONSOLIDATED SUBSIDIARIES (years ended March 31, 2010, 2009 and 2008)

	Number of shares issued	Millions of yen								
		Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Unrealized gains on securities, net of taxes	Unrealized losses on hedging derivatives, net of taxes	Foreign currency translation adjustment	Minority interests	Total
Net assets at April 1, 2007	222,637,704	¥17,070	¥13,204	¥20,681	¥(57)	¥11,063	¥(37)	¥(73)	¥2,284	¥64,135
Net income				2,405						2,405
Cash dividends				(1,136)						(1,136)
Decrease in retained earnings due to addition of consolidated subsidiaries				(325)						(325)
Acquisition of treasury stock					(24)					(24)
Disposal of treasury stock			1		4					5
Net changes during the year			1	944	(20)	(4,822)	(28)	76	(111)	(3,960)
Balance at March 31, 2008	222,637,704	17,070	13,205	21,625	(77)	6,241	(65)	3	2,173	60,175
Net assets at April 1, 2008	222,637,704	17,070	13,205	21,625	(77)	6,241	(65)	3	2,173	60,175
Effect of changes in accounting policies applied to foreign subsidiaries				1						1
Net income				(1,083)						(1,083)
Cash dividends				(1,363)						(1,363)
Decrease in retained earnings due to addition of consolidated subsidiaries										
Acquisition of treasury stock					(64)					(64)
Disposal of treasury stock			(8)		25					17
Net changes during the year						(3,840)	(17)	(948)	(176)	(4,981)
Balance at March 31, 2009	222,637,704	¥17,070	¥13,197	¥19,180	¥(116)	¥2,401	¥(82)	¥(945)	¥1,997	¥52,702
Net assets at April 1, 2009	222,637,704	17,070	13,197	19,180	(116)	2,401	(82)	(945)	1,997	52,702
Net income				971						971
Cash dividends				(908)						(908)
Change of scope of equity method				1						1
Acquisition of treasury stock					(30)					(30)
Disposal of treasury stock			0		1					1
Net changes during the year						1,129	31	74	161	1,395
Balance at March 31, 2010	222,637,704	¥17,070	¥13,197	¥19,244	¥(145)	¥3,530	¥(51)	¥(871)	¥2,158	¥54,132

	Number of shares issued	Thousands of U.S. dollars (Note 1)								
		Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Unrealized gains on securities, net of taxes	Unrealized losses on hedging derivatives, net of taxes	Foreign currency translation adjustment	Minority interests	Total
Net assets at April 1, 2009	222,637,704	\$183,548	\$141,903	\$206,237	\$(1,247)	\$25,817	\$(881)	\$(10,162)	\$21,473	\$566,688
Net income				10,441						10,441
Cash dividends				(9,763)						(9,763)
Change of scope of equity method				10						10
Acquisition of treasury stock					(323)					(323)
Disposal of treasury stock			0		11					11
Net changes during the year						12,140	333	796	1,731	15,000
Balance at March 31, 2010	222,637,704	\$183,548	\$141,903	\$206,925	\$(1,559)	\$37,957	\$(548)	\$(9,366)	\$23,204	\$582,064

CONSOLIDATED STATEMENTS OF CASH FLOWS

MEIDENSHA CORPORATION AND CONSOLIDATED SUBSIDIARIES (years ended March 31, 2010, 2009 and 2008)

	Millions of yen			Thousands of U.S. dollars (Note1)
	2010	2009	2008	2010
Operating activities:				
Income (loss) before income taxes and minority interests	¥1,631	¥(1,378)	¥4,296	\$17,538
Adjustments to reconcile income before income taxes to net cash provided by operating activities:				
Depreciation and amortization	7,611	7,797	6,335	81,839
Increase (decrease) in allowances	730	4,020	1,891	7,849
Interest and dividend income	(418)	(545)	(548)	(4,495)
Equity in net loss (income) of affiliated companies	(428)	(150)	(344)	(4,602)
Interest expense	1,051	1,322	1,027	11,301
Gain on sales of marketable securities and investment securities	(1)	(11)	(242)	(11)
Gain on sales of fixed assets	—	(118)	(4)	—
Loss on disposal of fixed assets	—	133	294	—
Loss on devaluation of securities	140	288	168	1,505
Decrease (increase) in receivables	623	6,368	2,494	6,699
Decrease (increase) in inventories	9,396	(995)	(7,854)	101,032
Increase (decrease) in payables	(3,977)	(8,491)	(2,794)	(42,763)
Other-net	1,392	1,239	5,823	14,968
Sub-total	17,750	9,479	10,542	190,860
Interest and dividend received	438	543	532	4,710
Interest expense paid	(1,145)	(1,259)	(1,206)	(12,312)
Income taxes paid	(769)	(1,509)	(5,517)	(8,269)
Net cash provided by operating activities	16,274	7,254	4,351	174,989
Investing activities:				
Purchase of marketable securities and investment securities	(742)	(786)	(492)	(7,978)
Proceeds from sales of marketable securities and investment securities	1	20	260	11
Purchase of property, plant and equipment	(4,244)	(7,038)	(12,647)	(45,634)
Proceeds from sales of property, plant and equipment	254	140	65	2,731
Proceeds from sale of investment in consolidated subsidiary in resulting change in scope of consolidation	—	—	56	—
Other-net	(780)	(1,117)	(112)	(8,388)
Net cash used in investing activities	(5,511)	(8,781)	(12,870)	(59,258)
Financing activities:				
Increase (decrease) in short-term bank loans	(29,737)	28,663	4,791	(319,753)
Increase (decrease) in commercial paper	30,000	(30,000)	10,000	322,581
Proceeds from long-term debt	4,435	50	830	47,688
Repayment of long-term debt	(6,426)	(2,435)	(1,516)	(69,097)
Cash dividends paid	(908)	(1,388)	(1,125)	(9,763)
Other-net	(107)	(73)	137	(1,151)
Net cash provided by (used in) financing activities	(2,743)	(5,183)	13,117	(29,495)
Effects of exchange rate changes on cash and cash equivalents	37	(336)	71	398
Net increase (decrease) in cash and cash equivalents	8,057	(7,046)	4,669	86,634
Cash and cash equivalents at beginning of year	3,123	10,169	5,486	33,581
Increase in cash and cash equivalents due to addition of consolidated subsidiaries	—	—	14	—
Cash and cash equivalents at end of year (Note 17)	¥11,180	¥3,123	¥10,169	\$120,215

See accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MEIDENSHA CORPORATION AND CONSOLIDATED SUBSIDIARIES

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of Meidensha Corporation (the “Company”) and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

Prior to the year ended March 31, 2009, the accounts of consolidated overseas subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles prevailing in the respective countries of domicile. As discussed in Note 2 (t) (1), the accounts of consolidated overseas subsidiaries for the year ended March 31, 2009 and 2010, are prepared in accordance with either International Financial Reporting Standards or U.S. generally accepted accounting principles, with adjustments for the specified six items as applicable.

The accompanying consolidated financial statements have been reformatted and translated into English (with some expanded descriptions) from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Japanese Financial Instruments and Exchange Law. Certain supplementary information included in the statutory Japanese language consolidated financial statements is not presented in the accompanying consolidated financial statements.

The translations of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers outside Japan, using the prevailing exchange rate on March 31, 2010, which was ¥93 to U.S. \$1. The convenience translations should not be construed as representations of

what the Japanese yen amounts have been, could have been, or could in the future when converted into U.S. dollars at this or any other rate of exchange.

2. Summary of Significant Accounting Policies

a) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its 38 consolidated subsidiaries in 2010, 2009 and 2008.

Meiden Aqua Business Company was newly established this year and has been added to the scope of consolidation. In addition, MEIDEN POWER SOLUTIONS (SINGAPORE) PTE. LTD. has been absorbed through a merger with MEIDEN ASIA PTE. LTD. and removed from the scope of consolidation.

All significant inter-company accounts and transactions have been eliminated in consolidation. 11 unconsolidated subsidiaries, whose total assets, sales, net income (loss) and retained earnings are not significant in the aggregate in relation to the comparable figures in the consolidated financial statements, have not been consolidated in 2010.

In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are evaluated using the fair value when the Company acquired control of the respective subsidiaries.

b) Equity Method

Investments in affiliated companies (all 20% to 50% owned and certain others 15% to 20% owned) are accounted for by the equity method in the years ended March 31, 2010, 2009 and 2008.

The equity method was applied to 4 affiliates and 1 unconsolidated subsidiary during the fiscal year 2010. The equity method was not applied to Japan Motor & Generator Co., Ltd. from this fiscal year due to minor impacts on net income and retained earnings to the consolidated financial statements for the current year.

The equity method was applied to 5 affiliates and 1 unconsolidated subsidiary during the fiscal year 2009 and 6 affiliates during the fiscal year 2008. Investments in 10 unconsolidated subsidiaries and 4 other affiliated companies, that would not have material effect on the consolidated financial statements, are stated at cost in 2010.

c) Securities

Securities are classified based on the intent of holding as (a) securities held for trading purposes (hereafter, “trading securities”), (b) debt securities intended to be held to maturity (hereafter, “held-to-maturity debt securities”), (c) equity securities issued by unconsolidated subsidiaries and affiliated companies, or (d) all other securities that are not classified in any of the above categories (hereafter, “available-for-sale securities”).

The Company and its consolidated subsidiaries do not have trading securities and held-to-maturity debt securities. Equity securities issued by subsidiaries and affiliated companies which are not consolidated or accounted for using the equity method are stated at the moving-average cost. Available-for-sale securities with no available fair market values are stated at the moving-average cost.

If the market value of equity securities issued by unconsolidated subsidiaries and affiliated companies and available-for-sale securities declines significantly, such securities are stated at fair market value and the difference between fair market value and the carrying amount is recognized as loss in the period of the decline unless the declines are considered temporary. If the fair market value of equity securities issued by unconsolidated subsidiaries and affiliated companies not accounted for on the equity method is not readily available, such securities should be written down to net asset value with a corresponding charge in the statement of operations in the event net asset value declines significantly unless the decline is considered as recoverable.

Available-for-sale securities with available fair market values are stated at fair market value. Unrealized gains and unrealized losses on these securities are reported, net of applicable income taxes, as a separate component of net assets. Realized gains and losses on sale of such securities are computed using the moving-average cost.

d) Derivatives and Hedge Accounting

Derivative financial instruments are stated at fair value, and the Company and its consolidated subsidiaries recognize changes in the fair value as gains or losses unless derivative financial instruments are used for hedging purposes.

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Company and its consolidated subsidiaries defer recognition of gains or losses resulting from changes in fair value of derivative financial instruments until the corresponding losses or gains on the hedged items are recognized.

However, in cases where forward foreign exchange contracts are used as hedges and meet certain hedging criteria, forward foreign exchange contracts and hedged items are accounted for in the following manner:

1. If a forward foreign exchange contract is executed to hedge an existing foreign currency receivable or payable,
 - (a) the difference, if any, between the Japanese yen amount of the hedged foreign currency receivable or payable translated using the spot rate at the inception date of the contract and the book value of the receivable or payable is recognized in the statement of operations in the period which includes the inception date, and
 - (b) the discount or premium on the contract (that is, the difference between the Japanese yen amount of the contract translated using the contracted forward rate and that translated using the spot rate at the inception date of the contract) is recognized over the term of the contract.
2. If a forward foreign exchange contract is executed to hedge a future transaction denominated in a foreign currency, the future transaction will be recorded using the contracted forward rate, and no gains or losses on the forward foreign exchange contract are recognized.

Also, if interest rate swap contracts are used as hedge and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is

added to or deducted from the interest on the assets or liabilities for which the swap contract is executed.

e) Inventories

Inventories of the Company and its consolidated subsidiaries are stated at cost determined principally by the weighted-average method as to materials and supplies, and the specific identification method as to finished products and work-in-process. In the following paragraph, effective April 1, 2008, the Company and its consolidated subsidiaries adopted a new accounting standard for measurement of inventories, and the carrying amounts stated on the balance sheet have been calculated after a devaluation reflecting reduced profitability.

<Changes in Accounting Policy>

On July 5, 2006, the Accounting Standards Board of Japan issued ASBJ Statement No. 9, "Accounting Standard for Measurement of Inventories". As permitted under the superseded accounting standard, the Company and its consolidated subsidiaries previously stated inventories at cost. The new accounting standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net realizable value.

Replacement cost may be used in lieu of the net realizable value, if appropriate.

As a result of the adoption of ASBJ Statement No. 9, operating income decreased by ¥835 thousand, and loss before income taxes and minority interests increased by ¥835 thousand for the year ended March 31, 2009. The effects on segment information are described in Note 14.

f) Property, Plant and Equipment and Depreciation

The Company and its consolidated subsidiaries compute depreciation of the remaining assets principally by the declining-balance method at rates based on the useful lives and residual values determined in accordance with the Corporation Tax Law of Japan. However, the company computes depreciation by the straight-line method for buildings (exclusive of building improvements) acquired after March 31, 1998, and

building improvements, structures and machinery belonging to the Company's Real Estate Division (Osaki, Shinagawa City, Tokyo).

<Changes in Accounting Policy>

Following the amendments of the Corporation Tax Law of Japan, the method of depreciation applied to the tangible fixed assets acquired by the Company and certain consolidated subsidiaries after April, 2007, was changed. Due to this change, for the year ended March 31, 2008, the operating income and income before income taxes and minority interests decreased by ¥212 thousand, compared with what would have been reported if the depreciation method prior to the change had been applied. The effects on segment information are described in Note 14.

<Additional Information>

Effective April 1, 2007, due to the amendment of the Corporation Tax Law of Japan, amounts of depreciation limit (5% of acquisition costs) of tangible fixed assets acquired by the Company and certain consolidated subsidiaries before April 1, 2007, are recognized as depreciation equally over five years commencing from the later of the year ended March 31, 2008, or the year immediately following the year in which depreciation has been recognized up to the depreciation limit. Due to the change, operating income and income before income taxes and minority interests decreased by ¥309 thousand for the year ended March 31, 2008. The effects on segment information are described in Note 14.

Effective from the year ended March 31, 2009, the Company and certain consolidated subsidiaries changed the useful lives based on the reassessment of the useful lives in light of the change in the Corporation Tax Law of Japan. As a result, operating income decreased by ¥454 thousand, and loss before income taxes and minority interests increased by ¥454 thousand in the year ended March 31, 2009. The effects on segment information are described in Note 14.

g) Lease

Property, plant and equipment capitalized under finance lease arrangements are depreciated over the lease

term of the respective assets up to no residual values. However, as permitted, finance leases commencing prior to April 1, 2008, which do not transfer ownership of the leased property to the lessee, are accounted for as operating leases with disclosure of certain “as if capitalized” information.

h) Allowance for Doubtful Accounts

The Company and its consolidated subsidiaries provide the allowance for doubtful accounts in an amount sufficient to cover possible losses on collection by estimating individually uncollectible amounts and applying a percentage based on collection experience to the remaining accounts.

i) Accrued Bonuses for Employees

The Company provides for the payment of employee bonuses, based on the estimated projected amounts for employee bonus payments.

j) Provision for Product Warranties

The Company and its consolidated subsidiaries make provision for product warranty by estimating individually the expected charge-free expenses.

k) Provision for Loss on Orders

The Company makes provision for losses on orders by estimating the expected losses incurred after the balance sheet date.

l) Provision for environmental measures

An amount is posted for the expected future amount required to provide for expenditures related to environmental measures such as the processing of hazardous substances as required by laws and regulations.

m) Reserve for Retirement Allowance for Directors and Corporate Auditors

Certain consolidated subsidiaries recorded 100% of obligation based on their rules and regulations under the assumption that all directors and corporate auditors retired at the balance sheet date.

n) Employees' Severance and Retirement Benefits

The Company and its consolidated subsidiaries provide two types of severance and retirement benefit plans, unfunded lump-sum payment plans and funded non-contributory pension plans, under which all eligible employees are entitled to benefits based on the level of wages and salaries at the time of retirement or termination, length of service and certain other factors.

The liabilities and expenses for severance and retirement benefits are determined based on the amounts actuarially calculated using certain assumptions.

The Company and its consolidated subsidiaries provided allowance for employees' severance and retirement benefits based on the estimated amounts of projected benefit obligation and the fair value of the plan assets at each balance sheet date.

Prior service costs are recognized in expenses in equal amounts over the average of the estimated remaining service lives of the employees (10 years), and actuarial gains and losses are recognized in income or expenses using the straight-line method over the average of the estimated remaining service lives (from 12 to 15 years) commencing with the following period.

The net transition obligation (¥38,222 million) has been recognized in expenses in equal amounts over 15 years.

<Change in Accounting Policy>

Effective from the year ended March 31, 2010, the Company and its consolidated domestic subsidiaries adopted the “Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)” (Accounting Standards Board of Japan (“ASBJ”) Statement No.19 issued on July 31, 2008). The new accounting standard requires domestic companies to use the rate of return on long-term government or gilt-edged bonds as of the end of the fiscal year for calculating the projected benefit obligation of a defined-benefit plan. Previously, domestic companies were allowed to use a discount rate determined taking into consideration fluctuations in the yield of long-term government and gilt-edged bonds over a certain period. This change had no impact on

the consolidated financial statements for the year ended March 31, 2010.

o) Income Tax

The Company and its consolidated subsidiaries recognize tax effects of temporary differences between the carrying amounts of assets and liabilities for tax and financial reporting. The provision for income taxes is computed based on the pretax income included in the consolidated statements of operations. The asset and liability approach is used to recognize expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

The Company and some subsidiaries adopted consolidated tax return system.

p) Interest Cost on Borrowing Included in Acquisition Cost of Fixed Assets

The company capitalizes interest cost on borrowing before the operation of the fixed asset as part of the cost of construction in progress on the Osaki Station West Exit Area Project. The capitalized interest cost recorded as a part of construction in progress for the year ended March 31, 2008 was ¥214 million.

q) Amounts per Share of Common Stock

The computation of net income (loss) per share is based on the weighted average number of shares of common stock outstanding during the year.

For the years ended March 31, 2010, 2009 and 2008, diluted net income per share was not shown since the Company had no securities with dilutive effect. Cash dividends per share presented in the consolidated statements of operation represent actual amounts applicable to the respective years.

r) Statements of Cash Flows

In preparing the consolidated statements of cash flows, cash on hand, readily-available deposits and short-term highly liquid investments with maturities that do not exceed three months at the time of purchase, are considered to be cash and cash equivalents.

s) Translation of Foreign Currency Accounts and Financial Statements

Receivables and payables denominated in foreign currencies are translated into Japanese yen at the yearend rates.

Financial statements of consolidated overseas subsidiaries are translated into Japanese yen at the yearend rate, except that net asset accounts are translated at historical rates and statements of operations items resulting from transactions with the Company at the rates used by the Company.

Foreign currency translation adjustments resulting from translation of foreign currency financial statements were presented separately in the foreign currency translation adjustment and minority interests in the consolidated balance sheets.

t) Change in accounting policies

1) Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements
Effective from April, 2008, the Practical Issues Task Force No. 18 “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (“PITF No. 18”), issued by the Accounting Standards Board of Japan on March 17, 2006, has been applied to the Company. PITF No. 18 requires that accounting policies and procedures applied by a parent company and its subsidiaries to similar transactions and events under similar circumstances should, in principle, be unified for the preparation of the consolidated financial statements. PITF No. 18, however, as a tentative measure, allows a parent company to prepare consolidated financial statements using foreign subsidiaries’ financial statements prepared in accordance with either International Financial Reporting Standards or U.S. generally accepted accounting principles. In this case, adjustments for the following six items are required in the consolidation process so that their impact on net income are accounted for in accordance with Japanese GAAP unless the impact is not material.

- ① Goodwill not subject to amortization
- ② Actuarial gains and losses of defined-benefit retirement plans recognized outside profit or loss

- ③ Capitalized expenditures for research and development activities
 - ④ Fair value measurement of investment properties, and revaluation of property, plant and equipment and intangible assets
 - ⑤ Retrospective treatment of a change in accounting policies
 - ⑥ Accounting for net income attributable to minority interests
- 2) New accounting standards for lease transactions as lessee

Prior to April 1, 2008, the Company and its consolidated subsidiaries accounted for finance leases that do not transfer ownership of the leased property to the lessee as operating leases with disclosure of certain “as if capitalized” information in the notes to the consolidated financial statements.

On March 31, 2007, the Accounting Standards Board of Japan issued Statement No. 13, “Accounting Standard for Lease Transactions” and Guidance No. 16, “Guidance on Accounting Standard for Lease Transactions”. The new accounting standards require that all finance lease transactions be treated as capital leases.

Effective April 1, 2008, the Company and its consolidated subsidiaries adopted the new accounting standards for finance leases commencing after March 31, 2008, and capitalized assets used under such leases, except for certain immaterial or short-term finance leases, which are accounted for as operating leases. As permitted, finance leases that commenced prior to April 1, 2008, and that have been accounted for as operating leases, continue to be accounted for as operating leases with disclosure of certain “as if capitalized” information.

3) Accounting Standard for Construction Contracts

Effective from the year ended March 31, 2010, the domestic companies adopted the “Accounting Standard for Construction Contracts” (Accounting Standards Board of Japan (“ASBJ”) Statement No.15, issued on December 27, 2007) and the “Guidance on Accounting Standard for Construction Contracts” (ASBJ Guidance No.18, issued on December 27, 2007). Accordingly, when the outcome of

individual contracts can be estimated reliably, the domestic companies apply the percentage-of-completion method to work commencing in the year ended March 31, 2010. The percentage/stage of completion at the end of the reporting period is measured by the proportion of the cost incurred to the estimated total cost.

As a result of the adoption, sales increased by ¥1,393 million (\$14,978 thousand), and operating income and income before income taxes and minority interests increased by ¥395 million (\$4,247 thousand) for the year ended March 31, 2010. Effects of the change on the segment information are described in Note 14.

3. Financial Instruments

Information on financial instruments for the year ended March 31, 2010 required pursuant to the revised accounting standards is as follows:

1. Items relating to condition of financial instruments

(1) Policy initiatives for financial instruments

It is Meiden Group policy to limit fund management to short-term deposits, and use bank loans and the issue of short-term bonds for financing. Derivatives are used only to hedge the market fluctuation risks described below and are not used for speculative transactions.

(2) Types of financial instruments and risks

Operating claims such as trade notes and trade accounts receivable are exposed to the credit risk of the customer. Operating claims denominated in foreign currencies that arise from our business operations overseas are also exposed to currency rate fluctuation risk. However, in principle, this exposure is hedged through forward exchange contracts, except for cases in which the claims are less than the balance of operating debt denominated in the same foreign currency.

Stocks that are investment securities, which mainly consist of stocks of corporations the Company has business or capital alliances with, are exposed to market value fluctuation risk.

The majority of operating debt such as trade notes and trade accounts payable has payment dates within one year. In addition there are some foreign currency-denominated notes and accounts payable related to raw materials purchases that are exposed to currency rate fluctuation risk. Short-term borrowings and commercial paper are mainly used for financing operations transactions, while long-term debt is used for financing capital investment and operating capital. Borrowings with a floating rate are exposed to interest rate fluctuation risk. However derivatives transactions are used as instruments to hedge the fluctuation risk for interest paid and to ensure that a fixed interest rate is paid.

Derivatives transactions consist of forward exchange contracts to hedge currency fluctuation risk associated with foreign currency-denominated operating debt and interest rate swaps to hedge interest rate payment fluctuation risk associated with borrowings.

Refer to the note 2 d) (Derivatives and Hedge Accounting) for information relating to hedge accounting concerning hedge instruments, hedged items, hedge policies, and the method used for evaluating the effectiveness of hedges.

(3) Risk management structure for financial instruments

(i) Credit risk (risk relating to counterparty not performing contracts, etc.) management

For each counterparty, operating claims balances are managed based on credit management regulations and structures are in place to allow regular assessment of the creditworthiness of major counterparties.

To reduce the credit risk of contracted financial institutions when using derivatives transactions, transactions are only conducted with financial institutions with a high credit ranking.

(ii) Market risk (currency and interest rate fluctuation risk) management

Forward exchange contracts are used to hedge future currency rate fluctuation risk associated

with foreign currency-denominated operating debt. In addition, interest rate swap transactions are used to control interest rate payment risk associated with borrowings.

The fair value of investment securities and financial position of the issuer are assessed regularly.

The purposes, types of transactions, and deciding authorities for derivative transactions are stipulated in derivatives transactions management regulations and approval regulations, and conduct and management of these transactions is in accordance with even more specific operation rules.

(iii) Management of liquidity risk (risk that payment cannot be conducted on payment date) associated with financing

Although operating debt and borrowings are exposed to liquidity risk, this risk is managed through methods such as preparing and renewing cash flow planning as required.

(iv) Supplementary explanation concerning fair value of financial instruments

The fair value of financial instruments includes amounts based on market value and amounts that have been reasonably estimated when no market value is available. Because the calculation of these amounts incorporate elements subject to fluctuation, if different preconditions are used the resulting amounts could vary. Please note that for the contract amounts related to derivatives transactions included in the note "Derivatives Transaction Related", the amounts themselves do not indicate the market risk associated with derivatives transactions.

2. Items related to the calculation of fair value of financial instruments, and securities and derivatives transactions

Assets

- (1) Cash and time deposits,
- (2) Trade notes and trade accounts receivable

These assets are settled in the short-term and fair

value is nearly equivalent with book value, so the book value is used.

(3) Investment securities

The fair value of stocks is the price at the exchange and the fair value of debt securities is the price at the exchange or price presented by correspondent financial institutions, etc. Refer to the note 4 (Securities) for information by the purpose of ownership for securities.

(4) Long-term loans receivable

The fair value of long-term loans is calculated by discounting by the interest rate assumed for a new loan of the same type.

Liabilities

- (1) Trade notes and trade accounts payable, (2) Short-term borrowings, (3) Commercial paper, (4) Accrued income taxes

These liabilities are settled in the short-term and fair value is nearly equivalent with book value, so the book value is used.

(5) Long-term debt

The fair value of long-term debt is calculated by discounting by the interest rate assumed for receiving

a new loan of the same type. For the fair value of long-term debt with floating rate interest subject to special treatment with interest rate swaps, the total of principal and interest that is treated together with the hedged long-term debt is discounted by the interest reasonably expected to be applied for a similar type of debt.

Derivatives transactions

Because the special treatment of interest rate swaps is treated together with the hedged long-term borrowings, the fair value is stated within the fair value of the relevant long-term borrowings. Because the allocation treatment of forward exchange contracts is treated together with the hedged account receivable, the fair value is stated within the fair value of the relevant account receivable. Please refer to the note f) Derivatives and Hedge Accounting for information on derivatives transactions.

3. Fair value of financial instruments

Book value and fair values of the financial instruments on the consolidated balance sheet at March 31, 2010 are as follows:

	Millions of yen		
	Amount posted	Fair value	Difference
Cash and time deposits	¥11,236	¥11,236	—
Trade notes and trade accounts receivable (*1)	59,327	59,327	—
Investment securities	15,851	15,851	—
Long-term loans receivable	386	401	¥15
Total assets	¥86,800	¥86,815	¥15
Trade notes and trade accounts payable (*2)	¥27,923	¥27,923	—
Short-term borrowings	13,027	13,027	—
Commercial paper	30,000	30,000	—
Accrued income taxes	547	547	—
Long-term debt	24,255	24,328	¥73
Total liabilities	¥95,752	¥95,825	¥73
Derivatives transactions	¥74	¥74	—

	Thousands of U.S. dollars		
	Amount posted	Fair value	Difference
Cash and time deposits	\$120,817	\$120,817	—
Trade notes and trade accounts receivable (*1)	637,925	637,925	—
Investment securities	170,441	170,441	—
Long-term loans receivable	4,150	4,312	\$162
Total assets	\$933,333	\$933,495	\$162
Trade notes and trade accounts payable (*2)	\$300,247	\$300,247	—
Short-term borrowings	140,075	140,075	—
Commercial paper	322,581	322,581	—
Accrued income taxes	5,882	5,882	—
Long-term debt	260,806	261,591	\$785
Total liabilities	\$1,029,591	\$1,030,376	\$785
Derivatives transactions	\$796	\$796	—

*1 Those for unconsolidated subsidiaries and affiliates are included.

*2 Those for unconsolidated subsidiaries and affiliates are included.

Additional Information

Effective from the year ended March 31, 2010, the Company adopted the revised Accounting Standard, “Accounting Standard for Financial Instruments” (Accounting Standards Board of Japan (“ASBJ”) Statement No.10, revised on March 10, 2008) and the “Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No.19, revised on March 10, 2008).

4. Derivatives and hedge accounting

(1) Derivatives transactions not subject to hedge accounting

Not applicable for the current fiscal year

(2) Derivatives transactions subject to hedge accounting

(i) Currency related

Millions of yen					
Hedge accounting method	Types of derivatives transactions	Major hedged items	Amount of contracts	Amount of contracts over one year	Fair value
Basic accounting method	US dollar-denominated forward exchange contracts	Accounts receivable (planned transactions)	¥229	¥229	¥224
Allocation treatment of forward exchange contracts	US dollar-denominated forward exchange contracts	Accounts receivable	125	—	128

Thousands of U.S. dollars					
Hedge accounting method	Types of derivatives transactions	Major hedged items	Amount of contracts	Amount of contracts over one year	Fair value
Basic accounting method	US dollar-denominated forward exchange contracts	Accounts receivable (planned transactions)	\$2,462	\$2,462	\$2,409
Allocation treatment of forward exchange contracts	US dollar-denominated forward exchange contracts	Accounts receivable	1,344	—	1,376

(Note) Fair value calculation

Calculation is based on the amount presented by the counterparty financial institution.

(ii) Interest rate related

Millions of yen					
Hedge accounting method	Types of derivatives transactions	Major hedged items	Amount of contracts	Amount of contracts over one year	Fair value
Basic accounting method	Interest rate swap transactions	Long-term debt	¥1,202	¥1,077	¥(69)
Special treatment for interest rate swaps	Interest rate swap transactions	Long-term debt	13,365	2,443	(491)

Thousands of U.S. dollars					
Hedge accounting method	Types of derivatives transactions	Major hedged items	Amount of contracts	Amount of contracts over one year	Fair value
Basic accounting method	Interest rate swap transactions	Long-term debt	\$12,925	\$11,581	\$(742)
Special treatment for interest rate swaps	Interest rate swap transactions	Long-term debt	143,710	26,269	(5,280)

(Note) Fair value calculation

Calculation is based on the amount presented by the counterparty financial institution.

4. Securities

A. The following tables summarize acquisition costs and book values of securities with fair value as of March 31, 2010 and 2009.

2010	Millions of yen		
	Acquisition cost	Book value	Difference
Securities with book value (fair value) exceeding acquisition cost:			
Equity securities	¥7,506	¥13,930	¥6,424
Sub-total	¥7,506	¥13,930	¥6,424
Securities with book value (fair value) not exceeding acquisition cost:			
Equity securities	¥2,490	¥1,921	¥(569)
Sub-total	¥2,490	¥1,921	¥(569)
Total	¥9,996	¥15,851	¥5,855

2009	Millions of yen		
	Acquisition cost	Book value	Difference
Securities with book value (fair value) exceeding acquisition cost:			
Equity securities	¥7,019	¥11,469	¥4,450
Sub-total	¥7,019	¥11,469	¥4,450
Securities with book value (fair value) not exceeding acquisition cost:			
Equity securities	¥2,263	¥1,736	¥(527)
Others	55	49	(6)
Sub-total	¥2,318	¥1,785	¥(533)
Total	¥9,337	¥13,254	¥3,917

2010	Thousands of U.S. dollars		
	Acquisition cost	Book value	Difference
Securities with book value (fair value) exceeding acquisition cost:			
Equity securities	\$80,710	\$149,785	\$69,075
Sub-total	\$80,710	\$149,785	\$69,075
Securities with book value (fair value) not exceeding acquisition cost:			
Equity securities	\$26,774	\$20,656	\$(6,118)
Sub-total	\$26,774	\$20,656	\$(6,118)
Total	\$107,484	\$170,441	\$62,957

B. The following table summarizes book values of securities with no fair value as of March 31, 2010 and 2009.

(a) Available-for-sale securities;

	Book value		
	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Non-listed equity securities	¥702	¥694	\$7,548

(b) Equity securities issued by subsidiaries and affiliated companies;

	Book value		
	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Investments in unconsolidated subsidiaries	¥94	¥174	\$1,011
Investments in affiliated companies	9,147	8,750	98,355
Total	¥9,241	¥8,924	\$99,366

C. Total sales amounts of available-for-sale securities sold, gains and losses, in the years ended March 31, 2010, 2009 and 2008 are as follows:

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	2010
Sales amount	¥1	¥21	¥260	\$11
Gains	1	11	242	11
Losses	—	—	—	—

5. Inventories

Inventories as of March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Finished products	¥3,782	¥4,849	\$40,667
Work-in-process	22,831	30,501	245,494
Materials and supplies	1,427	1,903	15,344
Total	¥28,040	¥37,253	\$301,505

6. Subsidies Received from the Japanese Government

The Company received a portion of the acquisition costs of certain tangible fixed assets from the Japanese Government. The aggregated amount of the subsidies deducted from the acquisition costs of the tangible fixed assets as of March 31, 2010, and 2009, were ¥1,331 million (\$14,312 thousand).

7. Short-Term Borrowings, Long-Term Debt and Commercial Paper

Short-term borrowings are bank loans and represented by notes. The weighted average interest rate was 1.6% as of March 31, 2010 and 1.4% as of March 31, 2009, respectively.

Long-term debt and commercial paper as of March 31, 2010 and 2009 consisted of the following.

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
1.3% to 2.8% loans from banks and insurance companies	¥24,255	¥26,242	\$260,806
Less: Current portion	4,463	6,255	47,989
Total	¥19,792	¥19,987	\$212,817
Commercial paper, bearing interest rates of 0.3%	¥30,000	—	\$322,581

The annual maturities of long-term debts as of March 31, 2010 were as follows:

Year ended March 31	Millions of yen	Thousands of U.S. dollars
2011	¥4,463	\$47,989
2012	2,943	31,645
2013	2,576	27,699
2014	5,367	57,710
2015	2,634	28,322
2016 and thereafter	6,272	67,441

Commitment Line Agreement

The Company renewed an agreement with a syndicate of 15 Japanese banks to set up a commitment line by multiple finance institutions for the Company.

The unexecuted balance of lending commitments for the company as of March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Total lending commitments	¥40,000	¥30,000	\$430,107
Less amounts currently executed	11,600	15,600	124,731
Unexecuted balance	¥28,400	¥14,400	\$305,376

8. Pledged Assets

The following assets were pledged as collateral as of March 31, 2010 and 2009.

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Land	¥1,479	¥1,479	\$15,903
Buildings and structures	19,846	20,836	213,398
Investment securities	17	12	183
Total	¥21,342	¥22,327	\$229,484

Obligation with collateral pledged as of March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Long-term debt (Including current portion of long-term debt)	¥11,200	¥12,600	\$120,430

In addition to the above, investment securities of ¥2 million (\$22 thousand) as of March 31, 2010 and 2009 were pledged as collateral for borrowing from financial institutions by an affiliate.

An affiliate engaged in the wind farm business has a project finance loan that is secured by pledged business assets amounting to ¥1,642 million (\$17,656 thousand) and ¥1,980 million as of March 31, 2010 and 2009, respectively.

Total business assets of this affiliate are amounting to ¥2,618 million (\$28,151 thousand) and ¥3,003 million as of March 31, 2010 and 2009, respectively.

9. Employees' Severance and Retirement Benefits

The Company and its consolidated subsidiaries adopted the accounting standard for employees' severance and retirement benefits, under which the liabilities and expenses for severance and retirement benefits are determined based on the amounts obtained by actuarial calculations.

The liabilities for severance and retirement benefits included in the liability section of the consolidated balance sheets as of March 31, 2010 and 2009 consist of the following.

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Projected benefit obligation	¥54,386	¥54,984	\$584,796
Unrecognized prior service costs	1,062	1,400	11,419
Unrecognized actuarial differences	(6,760)	(9,589)	(72,688)
Less fair value of pension assets	(19,058)	(17,273)	(204,925)
Less unrecognized net transition obligation	(8,482)	(10,180)	(91,204)
Liability for severance and retirement benefits	¥21,148	¥19,342	\$227,398

Included in the consolidated statements of income for the years ended March 31, 2010, 2009 and 2008 are severance and retirement benefit expenses comprising the following.

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	2010
Service costs - benefits earned during the year	¥2,326	¥2,287	¥2,243	\$25,011
Interest cost on projected benefit obligation	1,431	1,392	1,344	15,387
Expected return on plan assets	(327)	(575)	(656)	(3,516)
Amortization of prior service costs	(337)	(337)	(337)	(3,624)
Amortization of net transition obligation	1,697	1,697	1,698	18,247
Amortization of actuarial differences	859	593	268	9,237
Severance and retirement benefit expenses	¥5,649	¥5,057	¥4,560	\$60,742

The discount rate and the rate of expected return on plan assets used by the Company and its consolidated subsidiaries are 2.7% and 2.0% for 2010, and 2.7% and 3.0% for 2009 and 2008, respectively.

The estimated amount of all retirement benefits to be paid at the future retirement date is allocated equally to each service year using the estimated number of total service years. (i) Severance and retirement benefit expenses of consolidated subsidiaries using the simplified method are included in the “Service Costs” above, excluding the amortization of net transition obligation. (ii) Major expenses of the universally-established welfare program service are included in the “Service Costs” above.

10. Net Assets

Under Japanese laws and regulations, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

Under the Law, in cases where a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in-capital and legal earnings reserve must be set aside as additional paid-in-capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Under the Code, companies were required to set aside an amount equal to at least 10% of the aggregate amount of cash dividends and other cash appropriations as legal earnings reserve until the total of legal earnings reserve and additional paid-in capital equaled 25% of common stock.

Under the Code, legal earnings reserve and additional paid-in capital could be used to eliminate or reduce a deficit by a resolution of the shareholders’ meeting or could be capitalized by a resolution of the Board of Directors. Under the Law, both of these appropriations generally require a resolution of the shareholders’ meeting.

Additional paid-in capital and legal earnings reserve may not be distributed as dividends. Under the Code, however, on condition that the total amount of legal earnings reserve and additional paid-in capital remained equal to or exceeded 25% of common stock, they were available for distribution by resolution of the shareholder’s meeting. Under the Law, all additional paid-in-capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the unconsolidated financial statements of the Company in accordance with Japanese laws and regulations.

At the annual shareholders’ meeting held on June 25, 2010, the shareholders approved cash dividends amounting to 908 million (\$9,763 thousand). Such appropriations have not been accrued in the consolidated financial statements as of March 31, 2010. Such appropriations are recognized in the period in which they are approved by the shareholders.

11. Contingent Liabilities

Contingent liabilities as of March 31, 2010 and 2009, were as follows:

	Millions of yen		Thousands of U.S.dollars
	2010	2009	2008
Repurchase of note discounted and endorsed	¥51	¥56	\$548
Guarantees of loans from banks to employees and unconsolidated subsidiaries and affiliates	183	245	1,968

12. Lease Information

(1) Prior to April 1, 2008, finance leases, which do not transfer ownership of properties to lessees, are not capitalized and are accounted for in the same manner as operating leases. Certain related information are summarized as follows:

(i) Assumed amounts (inclusive of interest) of acquisition cost, accumulated depreciation and net book value as of March 31, 2010 and 2009, are summarized as follows:

	Millions of yen		Thousands of U.S.dollars
	2010	2009	2010
Assumed acquisition cost			
Machinery and equipment	¥1,045	¥1,310	\$11,237
Others	97	124	1,043
Accumulated depreciation	(604)	(769)	(6,495)
Net book value	¥538	¥665	\$5,785

(ii) Future minimum lease payments, inclusive of interest, as of March 31, 2010 and 2009 totaled ¥538 million (\$5,785 thousand) and ¥665 million, including ¥101 million (\$1,086 thousand) and ¥127 million due within one year, respectively.

(iii) Lease payments, which are equal to assumed depreciation charges for the years ended March 31, 2010, 2009 and 2008, were ¥127 million (\$1,366 thousand), ¥179 million and ¥229 million, respectively.

(iv) Assumed depreciation charges are computed using the straight-line method over lease terms assuming no residual value.

(2) Future lease receivable under non-cancelable operating leases as lessor as of March 31, 2009 and 2008 totaled ¥14 million and ¥51 million due within one year, respectively.

As discussed in Note 2 (t), effective for the year ended March 31, 2009, the Company and its consolidated subsidiaries adopted the new accounting standard for leases to recognize leased property and lease obligations on the balance sheet. Finance leases commencing prior to April 1, 2008, which do not transfer ownership of the leased property to the lessee, are accounted for as operating leases.

13. Research and Development Expenses

Research and development expenses are charged to income as incurred. The amounts charged to income for the years ended March 31, 2010, 2009 and 2008 were ¥6,836 million (\$73,505 thousand), ¥6,939 million and ¥6,530 million, respectively.

14. Segment Information

Industry segments:

The Company and its consolidated subsidiaries operate principally in five industrial sectors: Social Infrastructure Systems, Industrial Systems, Engineering, Real Estate and Other sectors.

From this fiscal year, new segmentation has been applied to some subsidiaries upon consideration of their functions.

Figures for the year ended March 31, 2010, 2009 and 2008 under new segmentation are as follows:

Year ended March 31, 2010	Millions of yen							
	Social Infrastructure Systems	Industrial Systems	Engineering	Real Estate	Others	Total	Eliminations or Corporate	Consolidated
Net sales:								
Outside customers	¥108,599	¥22,297	¥21,576	¥3,022	¥17,573	¥173,067	—	¥173,067
Inter-segment	3,930	3,917	421	264	10,815	¥19,347	(19,347)	—
Total	112,529	26,214	21,997	3,286	28,388	192,414	(19,347)	173,067
Operating expenses	107,414	30,490	20,100	2,094	28,559	188,657	(18,912)	169,745
Operating income (loss)	¥5,115	¥(4,276)	¥1,897	¥1,192	¥(171)	¥3,757	¥(435)	¥3,322
Identifiable assets	¥75,729	¥31,909	¥12,665	¥22,775	¥8,477	¥151,555	¥55,053	¥206,608
Depreciation and amortization	2,236	1,521	258	901	456	5,372	2,239	7,611
Capital expenditures	1,570	2,265	67	228	442	4,572	942	5,514

Year ended March 31, 2009	Millions of yen							
	Social Infrastructure Systems	Industrial Systems	Engineering	Real Estate	Others	Total	Eliminations or Corporate	Consolidated
Net sales:								
Outside customers	¥114,653	¥36,307	¥22,859	¥2,740	¥22,239	¥198,798	—	¥198,798
Inter-segment	9,184	4,707	435	263	12,971	¥27,560	(27,560)	—
Total	123,837	41,014	23,294	3,003	35,210	226,358	(27,560)	198,798
Operating expenses	120,580	41,946	21,931	2,102	34,642	221,201	(26,488)	194,713
Operating income (loss)	¥3,257	¥(932)	¥1,363	¥901	¥568	¥5,157	¥(1,072)	¥4,085
Identifiable assets	¥76,415	¥43,104	¥13,395	¥23,824	¥12,688	¥169,426	¥44,739	¥214,165
Depreciation and amortization	2,618	1,264	305	927	442	5,556	2,241	7,797
Capital expenditures	1,639	3,100	156	442	601	5,938	2,280	8,218

Year ended March 31, 2008	Millions of yen							
	Social Infrastructure Systems	Industrial Systems	Engineering	Real Estate	Others	Total	Eliminations or Corporate	Consolidated
Net sales:								
Outside customers	¥103,652	¥51,633	¥23,231	¥798	¥24,201	¥203,515	—	¥203,515
Inter-segment	10,915	5,727	348	241	14,225	31,456	(31,456)	—
Total	114,567	57,360	23,579	1,039	38,426	234,971	(31,456)	203,515
Operating expenses	110,422	55,851	21,929	902	37,269	226,373	(30,444)	195,929
Operating income (loss)	¥4,145	¥1,509	¥1,650	¥137	¥1,157	¥8,598	¥(1,012)	¥7,586
Identifiable assets	¥77,871	¥53,183	¥14,479	¥24,536	¥9,763	¥179,832	¥56,583	¥236,415
Depreciation and amortization	2,152	927	334	549	400	4,362	1,973	6,335
Capital expenditures	1,733	2,145	117	4,796	699	9,490	4,662	14,152

Year ended March 31, 2010	Thousands of U.S. dollars							
	Social Infrastructure Systems	Industrial Systems	Engineering	Real Estate	Others	Total	Eliminations or Corporate	Consolidated
Net sales:								
Outside customers	\$1,167,731	\$239,753	\$232,000	\$32,494	\$188,957	\$1,860,935	—	\$1,860,935
Inter-segment	42,258	42,118	4,527	2,839	116,290	208,032	(208,032)	—
Total	1,209,989	281,871	236,527	35,333	305,247	2,068,967	(208,032)	1,860,935
Operating expenses	1,154,989	327,849	216,129	22,516	307,087	2,028,570	(203,355)	1,825,215
Operating income (loss)	\$55,000	\$(45,978)	\$20,398	\$12,817	\$(1,840)	\$40,397	\$(4,677)	\$35,720
Identifiable assets	\$814,290	\$343,108	\$136,183	\$244,892	\$91,150	\$1,629,623	\$591,968	\$2,221,591
Depreciation and amortization	24,043	16,355	2,774	9,688	4,904	57,764	24,075	81,839
Capital expenditures	16,882	24,355	720	2,452	4,752	49,161	10,129	59,290

Changes in Accounting Policy

As noted in “NOTES TO CONSOLIDATED FINANCIAL STATEMENTS” 2 n), the Company and its consolidated subsidiaries have applied the “Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)” (Accounting Standards Board of Japan (“ASBJ”) Statement No.19, issued on July 31, 2008), effective from the year ended March 31, 2010. This change had no impact on the consolidated financial statements for the year ended March 31, 2010.

As noted in “NOTES TO CONSOLIDATED FINANCIAL STATEMENTS” 2 t), the Company and its consolidated subsidiaries have applied the “Accounting Standard for Construction Contracts” (Accounting Standards Board of Japan (“ASBJ”) Statement No.15, issued on December 27, 2007) and the “Guidance on Accounting Standard for Construction Contracts” (ASBJ Guidance No.18, issued on December 27, 2007), effective from the year ended March 31, 2010. Accordingly, when the outcome of individual contracts can be estimated reliably, the domestic companies apply the percentage-of-completion method to work commencing in the year ended March 31, 2010. The percentage of completion at the end of the reporting period is measured by the proportion of the cost incurred to the estimated total cost. As a result of the adoption, sales increased by ¥1,393 million (\$14,978 thousand), and operating income and income before income taxes and minority interests increased by ¥395 million (\$4,247 thousand) for the year ended March 31, 2010.

As noted in “NOTES TO CONSOLIDATED FINANCIAL STATEMENTS” 2 e), the Company and its consolidated subsidiaries have applied Accounting Standard for Measurement of Inventories, effective from the year ended March 31, 2009. As a result, operating expenses in this consolidated accounting period increased by ¥654 million in Social Infrastructure Systems business, ¥130 million in Industrial Systems business, ¥50 million in Engineering business, and ¥1 million in Other businesses. Operating profits also decreased by same amount.

As noted in “NOTES TO CONSOLIDATED FINANCIAL STATEMENTS” 2 f), with the revision of the Corporation Tax Law in FY2007 from the beginning of the current consolidated accounting period, the depreciation method for property, plants, and equipment acquired on or after April 1, 2007 has been changed to one based on the revised Corporation Tax Law. As a result, operating expenses in this consolidated accounting period increased by ¥82 million in Social Infrastructure Systems business, ¥43 million in Industrial Systems business, ¥7 million in Engineering business, ¥13 million in Real Estate business, and ¥4 million in Other businesses. ‘Eliminations or corporate’ increased by ¥64 million and operating profits also decreased by same amount.

Additional Information

As noted in “NOTES TO CONSOLIDATED FINANCIAL STATEMENTS” 2 f), with the revision of the Corporation Tax Law in FY2008 from the beginning of the current consolidated accounting period, the depreciation method for property, plants, and equipment acquired on or after April 1, 2008 has been changed to one based on the revised Corporation Tax Law. As a result, operating expenses for the current consolidated accounting year increased by ¥266 million for Social Infrastructure Systems business, ¥138 million for Industrial Systems business, ¥17 million for Engineering business, and ¥1 million for Other businesses. ‘Eliminations or corporate’ increased by ¥33 million and operating profits also decreased by same amount.

As noted in “NOTES TO CONSOLIDATED FINANCIAL STATEMENTS” 2 f), with the revision of the Corporation Tax Law in FY2007, due to the application of depreciation methods based on the Corporation Tax Law prior to its revision, property, plant and equipment acquired on or before March 31, 2007, was treated as follows: Beginning with the next consolidated accounting year after the consolidated accounting year in which the value reaches 5% of the acquisition price, the difference between 5% of the acquisition price and the memorandum price was amortized in equal amounts over a five-year period and included in the posting of depreciation expenses. As a result, operating expenses for the current consolidated accounting year increased by ¥159 million for Social Infrastructure Systems business, ¥80 million for Industrial Systems business, ¥15 million for Engineering business, and ¥4 million for Other businesses. ‘Eliminations or corporate’ increased by ¥52 million and operating profits also decreased by same amount.

Geographic information :

Geographic information is not disclosed due to its insignificance.

Overseas sales information:

Overseas sales information for the year ended March 31, 2010, 2009 and 2008 are as follows:

Year ended March 31, 2010	Millions of yen		
	Asia	Other Areas	Total
Overseas sales	¥27,186	¥4,391	¥31,577
Consolidated sales	—	—	¥173,067
Percentage of total sales	15.7	2.5	18.2

Year ended March 31, 2009	Millions of yen		
	Asia	Other Areas	Total
Overseas sales	¥27,393	¥4,260	¥31,653
Consolidated sales	—	—	¥198,798
Percentage of total sales	13.8	2.1	15.9

Year ended March 31, 2008	Millions of yen		
	Asia	Other Areas	Total
Overseas sales	¥31,325	¥2,773	¥34,098
Consolidated sales	—	—	¥203,515
Percentage of total sales	15.4	1.4	16.8

Year ended March 31, 2010	Thousands of U.S. dollars		
	Asia	Other Areas	Total
Overseas sales	\$292,323	\$47,215	\$339,538
Consolidated sales	—	—	\$1,860,935
Percentage of total sales	15.7	2.5	18.2

15. Income Taxes

The Company and its consolidated subsidiaries are subject to a number of taxes based on income, which in aggregate, resulted in normal statutory tax rates of approximately 39.69% for the year ended March 31, 2010, 2009 and 2008, respectively.

The following table summarizes the significant differences between the statutory tax rate and the Company's effective tax rate for financial statement purposes for the years ended March 31, 2010 and 2008.

	2010	2009	2008
Statutory tax rate	39.69%	39.69%	39.69%
Permanent difference (social expenses, etc.)	2.04	Intentionally omitted	3.25
Per capital inhabitant tax	6.69		2.60
Net changes in valuation allowance	11.28		1.37
Equity in loss (income) of affiliated companies	(10.41)		(3.18)
Tax deduction			(4.29)
Statutory tax rates variance of overseas subsidiaries	(18.72)		
Other-net	3.71		1.57
Effective tax rate	34.28%	39.05%	41.01%

Notes for 2009, on the above table were omitted due to the immaterial differences between the statutory tax rate and the Company's effective tax rate.

Significant components of deferred tax assets and liabilities of the Company and its consolidated subsidiaries as of March 31, 2010 and 2009 are as follows:

	Millions of yen		Thousands of U.S.dollars
	2010	2009	2010
Deferred tax assets:			
Net operating loss carry forwards	¥931	¥663	\$10,011
Allowance for retirement benefits	7,813	7,118	84,010
Bonuses	1,786	1,921	19,204
Others	2,940	3,364	31,613
Gross deferred tax assets	13,470	13,066	144,838
Less: Valuation allowance	(1,637)	(1,453)	(17,602)
Total deferred tax assets	11,833	11,613	127,236
Deferred tax liabilities:			
Reserve for special depreciation	391	260	4,204
Unrealized holding gains on securities	2,326	1,558	25,011
Deferred gain from division of corporation	1,131	1,131	12,161
Others	121	94	1,301
Gross deferred tax liabilities	3,969	3,043	42,677
Net deferred tax assets	¥7,864	¥8,570	\$84,559

16. Investment and Rental Property

The Company owns some rental office buildings and rental commercial facilities for the purpose of earning rent income in Tokyo and other regions. Pursuant to the new requirements, information about fair value of investment and rental property is disclosed as follows:

	Millions of yen			
	2009 end-of-year balance	Increase (decrease) during 2010	2010 end of year balance	2010 fair value
Rental real estate	¥20,979	¥(782)	¥20,197	¥46,954

	Thousands of U.S. dollars			
	2009 end-of-year balance	Increase (decrease) during 2010	2010 end of year balance	2010 fair value
Rental real estate	\$225,581	\$(8,409)	\$217,172	\$504,882

The profits and losses associated with rental real estate and real estate that contains portions that are used as rental real estate for the fiscal year ended March, 2010 are described below.

	Millions of yen		
	Operating income	Operating cost	Operating profit
Rental real estate	¥3,286	¥2,094	¥1,192

	Thousands of U.S. dollars		
	Operating income	Operating cost	Operating profit
Rental real estate	\$35,333	\$22,516	\$12,817

Additional Information

Effective from the fiscal year ended March 31, 2010, the Company adopted the “Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (Accounting Standards Board of Japan (“ASBJ”) Statement No.20, issued on November 28, 2008) and “Rental Property” (ASBJ Guidance No.23, issued on November 28, 2008) for the years ending on or after March 31, 2010.

17. Cash and Cash Equivalents

A. Reconciliations of cash and time deposits shown in the consolidated balance sheets and cash and cash equivalents shown in the consolidated statements of cash flows as of March 31, 2010 and 2009 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Cash and time deposits	¥11,236	¥3,201	\$120,817
Time deposits with maturities exceeding three months	(56)	(78)	(602)
Cash and cash equivalents	¥11,180	¥3,123	\$120,215

18. Related Party Transactions

Information on related party transactions for the years ended March 31, 2010, 2009 and 2008, and the related amounts as of those dates is summarized as follows:

Year ended March 31, 2010	Millions of yen	
	Purchase of finished products	Accounts payable
Japan AE Power Systems Corporation	¥9,635	¥2,762

Year ended March 31, 2009	Millions of yen	
	Purchase of finished products	Accounts payable
Japan AE Power Systems Corporation	¥11,272	¥3,233

Year ended March 31, 2008	Millions of yen	
	Purchase of finished products	Accounts payable
Japan AE Power Systems Corporation	¥10,042	¥3,069
Japan Motor & Generator Co., Ltd.	7,620	2,702

Year ended March 31, 2010	Thousands of U.S. dollars	
	Purchase of finished products	Accounts payable
Japan AE Power Systems Corporation	\$103,602	\$29,699

Additional Information

ASBJ Statement No.11, “Accounting Standard for Related Party Disclosures” and ASBJ Guidance No.13, “Guidance on Accounting Standard for Related Party Disclosures” issued by the Accounting Standards Board of Japan on October 17, 2006, require certain additional related party disclosures effective for years beginning on or after April 1, 2008. Even pursuant to the new accounting standard, applicable related parties within the new definition of additional related party disclosures remain unchanged from the previous year as per above.

19. Net Income (Loss) per Share

The basis of per share amount calculation for the year ended March 31, 2010, 2009 and 2008 were as follows:

	Millions of yen			Thousands of U.S. dollars
	2010	2009	2008	2010
Basic earnings per share:				
Net income (loss)	¥971	¥(1,083)	¥2,405	\$10,441
Earnings not attributable to common shareholders	—	—	—	—
Net income (loss) allocated to common stocks	971	(1,083)	2,405	10,441

Diluted net income per share is not presented, since the Company has never issued any dilutive securities.

	Thousands of shares		
	2010	2009	2008
Weighted-average number of common stocks	226,983	227,110	227,195

20. Subsequent Event

The following appropriation of retained earnings at March 31, 2010 was approved at the annual meeting of the Company's shareholders held on June 25, 2010.

	Millions of yen	Thousands of U.S. dollars
Cash dividends, ¥4.0 (\$0.04) per share	¥908	\$9,763

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of MEIDENSHA CORPORATION:

We have audited the accompanying consolidated balance sheets of MEIDENSHA CORPORATION and consolidated subsidiaries as of March 31, 2010 and 2009, and the related consolidated statements of operations, changes in net assets and cash flows for each of the three years in the period ended March 31, 2010, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of MEIDENSHA CORPORATION and subsidiaries as of March 31, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2010, in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2010 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Tokyo, Japan
June 25, 2010

KPMG AZSA & Co.

OVERSEAS AFFILIATES

(AS OF JULY, 2010)



CHINA

- **DONGGUAN MEIDEN ELECTRICAL ENGINEERING CO., LTD.**

Yan Wu Industrial District,
Wan Jiang Country, Dongguan,
Guangdong P.C. 523049, P.R.China
Phone: 86-769-2228-5210
Facsimile: 86-769-2228-5250

- **MEIDEN HANGZHOU DRIVE SYSTEMS CO., LTD.**

No.168, Hongxing Road, Qiaonan
District, Xiaoshan Economic &
Technological Development Zone,
Hangzhou, Zhejiang, P.C. 311231
P.R.China
Phone: 86-571-8369-6808
Facsimile: 86-571-8369-6818

- **MEIDEN ZHENGZHOU ELECTRIC CO., LTD.**

No.87 Hehuan Street,
Zhengzhou Hi-Tech Industries
Development Zone,
Zhengzhou, Henan Province,
P.C. 450001, P.R.China
Phone: 86-371-67848800
Facsimile: 86-371-67848797

- **MEIDEN SHANGHAI CO., LTD.**

15F, Hengji Plaza, No.99
Huaihai-Donglu, Huangpu-Qu,
Shanghai, P.C. 200021, P.R.China
Phone: 86-21-6386-0358
Facsimile: 86-21-6386-0058

HONG KONG

- **MEIDEN PACIFIC (CHINA) LTD.**

Unit 01-02A, 16/F, Tower 1, Ever
Gain Plaza, 88 Container Port Road,
Kwai Chung, N.T., Hong Kong
Phone: 852-2503-2468
Facsimile: 852-2887-8046

INDIA

- **MEIDEN INDIA PVT. LTD.**

910, International Trade Tower,
Nehru Place, New Delhi-110019,
India
Phone: 91-11-4653-9381
Facsimile: 91-11-4653-9385

INDONESIA

- **P.T. MEIDEN ENGINEERING INDONESIA**

20th Floor, Summitmas I,
Jl. Jenderal Sudirman Kaveling 61-62,
P.O.BOX 6920/KBY/Summitmas I
Jakarta Selatan 12190, Indonesia
Phone: 62-21-520-0612
Facsimile: 62-21-520-0240

KOREA

- **MEIDEN KOREA CO., LTD.**

Royal Building No.410,
5 Dangju-Dong, Chongro-ku,
Seoul, Korea
Phone: 82-2-736-0232
Facsimile: 82-2-736-0234



MALAYSIA

- **MEIDEN ASIA PTE. LTD. MALAYSIA BRANCH OFFICE**
G. 03, Ground Floor,
Wisma Academy, 4A, Jalan 19/1,
46300 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Phone: 60-3-7955-4646
Facsimile: 60-3-7954-6466

SINGAPORE

- **MEIDEN ASIA PTE. LTD.**
5, Jalan Pesawat, Jurong Industrial
Estate, Singapore 619363
Phone: 65-6268-8222
Facsimile: 65-6264-4292
- **MEIDEN SINGAPORE PTE. LTD.**
5, Jalan Pesawat, Jurong Industrial
Estate, Singapore 619363
Phone: 65-6268-8222
Facsimile: 65-6264-4292

THAILAND

- **THAI MEIDENSHA CO., LTD.**
15th Floor, Rasa Tower II,
555 Phaholyothin Road, Chatuchak,
Chatuchak, Bangkok 10900,
Thailand
Phone: 66-2792-4200
Facsimile: 66-2792-4299
- **MEIDEN ELECTRIC (THAILAND) LTD.**
898 Moo 2, Bangpa-in Industrial
Estate, Udomsornayuth Road.,
Klongjig, Bangpa-in, Ayutthaya
13160, Thailand
Phone: 66-35-258258
Facsimile: 66-35-221388

UNITED ARAB EMIRATES

- **MEIDENSHA CORPORATION**
Room 905, Al Reem Tower
Al Maktoum Street, Deira,
P.O.Box 117841, Dubai,
United Arab Emirates
Phone: 971-4-229-9653
Facsimile: 971-4-229-9654

THE UNITED KINGDOM

- **MEIDEN EUROPE LTD.**
NYK Complex Bradbourne Drive,
Tilbrook, Milton Keynes MK7 8BN,
England, U.K.
Phone: 44-1908-276000
Facsimile: 44-1908-276010

THE UNITED STATES

- **MEIDEN AMERICA, INC.**
15800 Centennial Drive, Northville
Township, MI 48168, U.S.A.
Phone: 1-734-656-1400
Facsimile: 1-734-459-1863
- **MEIDEN TECHNICAL CENTER NORTH AMERICA LLC**
15800 Centennial Drive, Northville
Township, MI 48168, U.S.A.
Phone: 1-734-656-1400
Facsimile: 1-734-459-1863

CONSOLIDATED SUBSIDIARY COMPANIES

MEIDEN SHOJI Co., Ltd.

Capital ¥300 million

Sales of electric products and components
ThinkPark Tower, 2-1-1, Osaki,
Shinagawa-ku, Tokyo 141-6029 Japan
Phone: 3-6384-6600 Fax: 3-6384-6601

Kofu Meidensha Electric Mfg. Co., Ltd.

Capital ¥400 million

Manufacture and sales of electric motors
825 Nakadate, Chuo-shi,
Yamanashi 409-3801 Japan
Phone: 55-274-7910 Fax: 55-274-7996

Meiden Plant Systems Corporation

Capital ¥400 million

Constructing service
Meiko Building, 5-5, Osaki 5-chome,
Shinagawa-ku, Tokyo 141-8616 Japan
Phone: 3-5487-6426 Fax: 3-5487-6487

MEIDEN CHEMICAL CO., LTD.

Capital ¥95 million

Insulating varnish and molded instrument transformer
515, Kaminakamizo, Higashimakado-aza,
Numazu-shi, Shizuoka 410-0865 Japan
Phone: 55-923-0238 Fax: 55-923-0886

MEIDEN KOHSAN CO., LTD.

Capital ¥100 million

Sales of products and materials, and agent service of insurance
Meiko Building, 5-5, Osaki 5-chome,
Shingawa-ku, Tokyo 141-8616 Japan
Phone: 3-3490-3737 Fax: 3-3490-3906

MEIDEN SOFTWARE CORPORATION

Capital ¥50 million

Engineering and programming of software
515, Kaminakamizo, Higashimakado-aza,
Numazu-shi, Shizuoka 410-0865 Japan
Phone: 55-923-4966 Fax: 55-923-1191

MEIDEN FOUNDRY INDUSTRIAL Co., Ltd.

Capital ¥50 million

Casting
4, Nyogetsu, Heisaka-cho, Nishio-shi,
Aichi 444-0305 Japan
Phone: 563-59-6181 Fax: 563-59-4132

MEIDEN SYSTEM ENGINEERING Co., Ltd.

Capital ¥50 million

System engineering of plants
2-8-1, Osaki, Shinagawa-ku, Tokyo 141-8565
Japan
Phone: 3-6420-8690 Fax: 3-6420-8727

Meiden Kankyo Service Co., Ltd.

Capital ¥30 million

Maintenance and control service of water treatment equipment
2-5-15, Osaki, Shinagawa-ku, Tokyo 141-0032
Japan
Phone: 3-3490-0630 Fax: 3-3490-0623

HOKUTO DENKO CORPORATION

Capital ¥25 million

Manufacture and sales of electric sensors
22-13, Himonya 4-chome, Meguro-ku,
Tokyo 152-0003 Japan
Phone: 3-3716-3686 Fax: 3-3793-8787

MEIDEN SYSCON Co., Ltd.

Capital ¥20 million

Manufacture and sales of switchgear and relays
515, Kaminakamizo, Higashimakado-aza,
Numazu-shi, Shizuoka 410-0865 Japan
Phone: 55-929-3792 Fax: 55-929-5946

Meiden Kiden Kogyo Co., Ltd.

Capital ¥20 million

Machining and repairing service
127, Nishishinmachi,
Oota-shi, Gunma 373-0847 Japan
Phone: 276-20-6371 Fax: 276-32-7999

MEIDEN MEDIAFRONT CORPORATION

Capital ¥40 million

Printing and copy service
Maruki Building, 13-7, Nishigotanda
1-chome, Shinagawa-ku,
Tokyo 141-0031 Japan
Phone: 3-3490-4767 Fax: 3-3779-3083

Meiden Sheet Metal Products Corporation

Capital ¥90 million

Manufacture and sales of sheet metal
515, Kaminakamizo, Higashimakado-aza,
Numazu-shi, Shizuoka 410-0865 Japan
Phone: 55-929-5555 Fax: 55-929-5566

MSA Co., Ltd.

Capital ¥400 million

Manufacture and sales of surge arresters
515, Kaminakamizo, Higashimakado-aza,
Numazu-shi, Shizuoka 410-0865 Japan
Phone: 55-929-4300 Fax: 55-929-4399

Meiden System Technology Co., Ltd.

Capital ¥30 million

Engineering and programming software
515, Kaminakamizo, Higashimakado-aza,
Numazu-shi, Shizuoka 410-0865 Japan
Phone: 55-923-1321 Fax: 55-923-0801

❖ MEIDEN SINGAPORE PTE. LTD.

Capital S\$25.4 million

Manufacture and sales of transformers, switchgears and circuit-breakers and related engineering and constructing service

❖ THAI MEIDENSHA CO., LTD.

Capital TB20 million

Engineering and constructing service

❖ MEIDEN ELECTRIC (THAILAND) LTD.

Capital TB70 million

Manufacture and sales of switchgears

❖ P.T.MEIDEN ENGINEERING INDONESIA

Capital US\$320 thousand

Engineering and constructing service

❖ MEIDEN EUROPE LTD.

Capital £750 thousand

Sales of electric products and components

❖ MEIDEN PACIFIC (CHINA) LTD.

Capital HK\$10 million

Sales of electric products and components, and constructing service

❖ MEIDEN AMERICA, INC.

Capital US\$16.5 million

Sales of dynamometer products and engineering and consulting services

❖ MEIDEN HANGZHOU DRIVE SYSTEMS CO., LTD.

Capital US\$11.6 million

Manufacture and sales of electrical motors

❖ DONGGUAN MEIDEN ELECTRICAL ENGINEERING CO., LTD.

Capital HK\$8.4 million

Manufacture and sales of switchgears and slaes of electric products and components

❖ MEIDEN ZHENGZHOU ELECTRIC CO., LTD.

Capital CNY40 million

Manufacture and sales of surge arresters

❖ MEIDEN SHANGHAI CO., LTD.

Capital ¥320 million

Sales of electric products and components

❖ MEIDEN TECHNICAL CENTER NORTH AMERICA LLC.

Capital US\$16.2 million

Testing service of engine and drive train

❖ MEIDEN ASIA PTE. LTD.

Capital S\$6.7 million

Business management for Southeast Asia operations

Plus 8 domestic subsidiaries and 1 foreign subsidiary.

❖ Please see page 44-45 to find contact information for overseas affiliates.

CORPORATE DATA

CORPORATE NAME

MEIDENSHA CORPORATION (Kabushiki Kaisha Meidensha)

HEAD OFFICE

ThinkPark Tower, 2-1-1, Osaki, Shinagawa-ku, Tokyo 141-6029 Japan

FOUNDED

1897

COMMON STOCK

Authorized 576,000,000 shares

Issued 227,637,704 shares

¥17,070 million (\$161,038 thousand)

SHAREHOLDERS

27,391

TRANSFER AGENT

The Sumitomo Trust & Banking Co., Ltd.

BOARD OF DIRECTORS

(AS OF JUNE 25, 2010)



CHAIRMAN

Keiji Kataoka



PRESIDENT

Junzo Inamura



EXECUTIVE VICE PRESIDENT

Hiroshi Sugiyama



EXECUTIVE VICE PRESIDENT

Noriyasu Nagai

DIRECTOR AND SENIOR MANAGING EXECUTIVE OFFICER

Yuji Hamasaki
Kozo Masaki

DIRECTORS

Tetsuro Kawakami
Botaro Hirosaki

SENIOR CORPORATE AUDITORS

Kazuo Hosoya
Kaoru Sutou

CORPORATE AUDITORS

Hideo Fujii
Sanpei Nozaki

