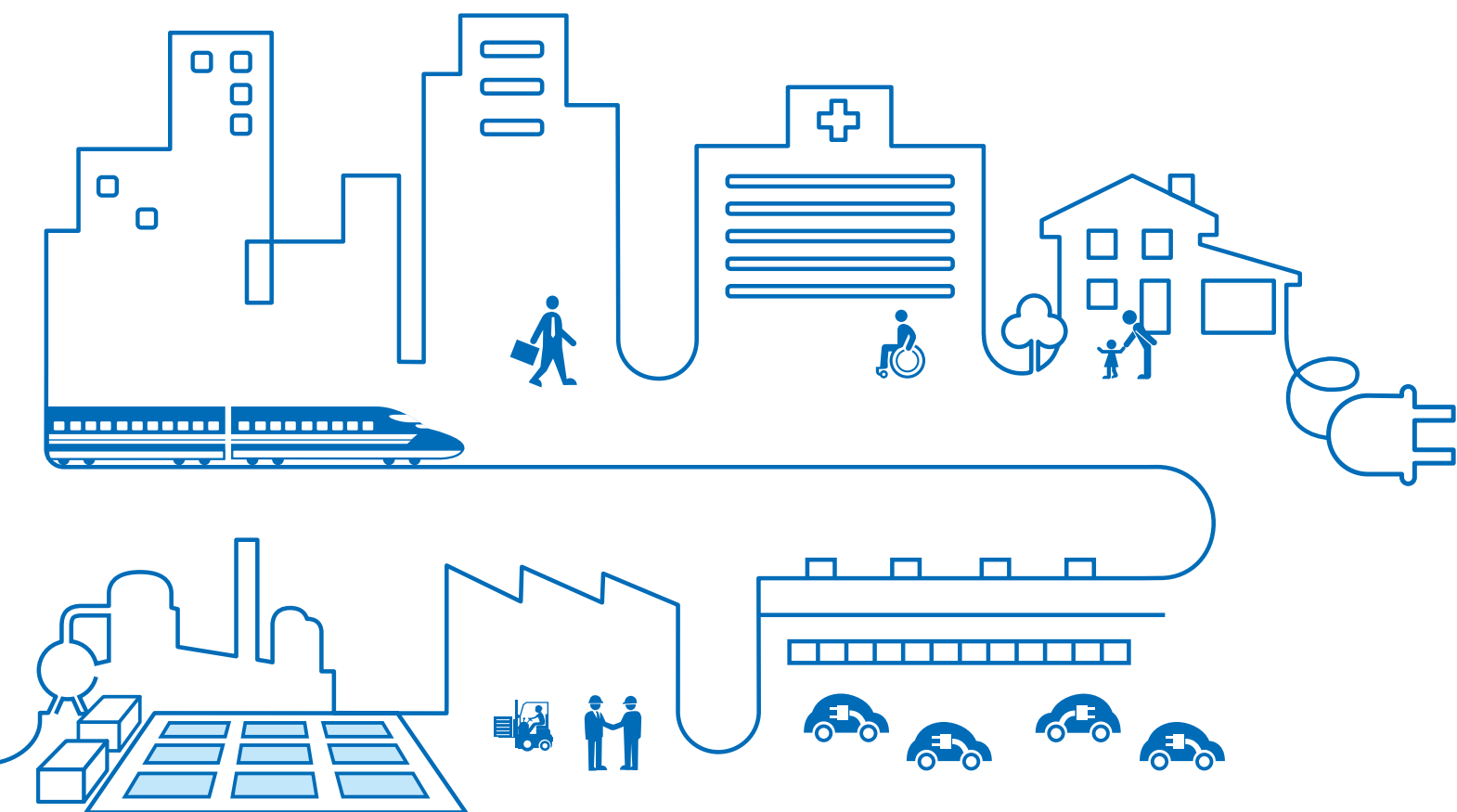


MEIDEN

MEIDENSHA REPORT 2015



Meiden Group Corporate Philosophy

Corporate Mission

illuminating a more affluent tomorrow

We continue to create value and technologies for the realization of a more affluent and environmentally aware society.

Value Provision

For customer peace of mind and satisfaction

We offer complete environmental consideration and appropriate support for our customers. From product design to commissioning, our highly skilled staff help customers solve various issues and realize their dreams by providing high-quality, socially responsible products and services.

Meiden Group Corporate Philosophy

Corporate Mission

It defines the raison d'être and corporate mission

Value Provision

It defines the unique value provision and core competence

1 CSR Definition

2 Corporate Code of Conduct

3 President's CSR Policy Statement

4 MEIDEN CYCLE

1 CSR Definition

Under the Meiden Group's definition of CSR, "Each and every employee shall work to realize the Group's corporate philosophy so that the Meiden Group is needed by society."

2 Corporate Code of Conduct

This code defines compliance in conducting our CSR programs and activities.

3 President's CSR Policy Order

This policy sets forth the policy of our CSR programs and activities in the medium term. The Policy Order asks each Group employee to implement CSR programs and activities in their daily work. We will draw up specifications that reflect the given business climate and CSR challenges under the then current stage of the POWER 5 management plan.

4 MEIDEN CYCLE

MEIDEN CYCLE shows the guiding spirits shared by all members of the Group in realizing the Group's corporate philosophy.

Editorial policy

Since fiscal 2013, Meiden Group has issued the Meidensha Report combining our annual report and CSR report.

Meiden Group aims to fully integrate our business and CSR initiatives. This will let us better support the social infrastructure people need and lead the way to a more prosperous tomorrow. We hope that the Meidensha Report will inform and let our readers know about Group-wide initiatives for achieving our Corporate Philosophy.

Scope of Report

Reporting period

This report mainly covers initiatives taken in fiscal 2014 (April 1, 2014 - March 31, 2015)

Scope of Report

The report mainly covers initiatives of Meidensha Corporation ("Meiden") and its Group companies. Human resources data applies to Group companies in Japan, while environmental reporting data applies to Meiden and 41 major Group companies (23 in Japan and 18 overseas).

Guidelines Used as References

- GRI "Sustainability Reporting Guidelines Version 4"
- * Although this report is based on the reporting principles, the content does not necessarily conform to them.
- Ministry of the Environment "Environmental Reporting Guidelines (Fiscal Year 2012 Version)"

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Disclaimer

In addition to past and current facts about Meiden Group, this report contains forecasts for the future based on plans, outlooks and business policies and strategies in effect at the time of publication. These forecasts are our assumptions and judgments as based on information available at the time they were stated, and may differ from actual business activity results and events in future owing to changes in conditions. Thank you for your understanding.

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SPECIAL FEATURE

Challenges of Meiden Group



We contribute to the spreading of renewable energy resources by converting rich water resources into power

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We support a stable power supply with lightning protection devices renowned worldwide for their reliability and track records

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We support various infrastructure systems in many parts of the world through our high-quality engineering services

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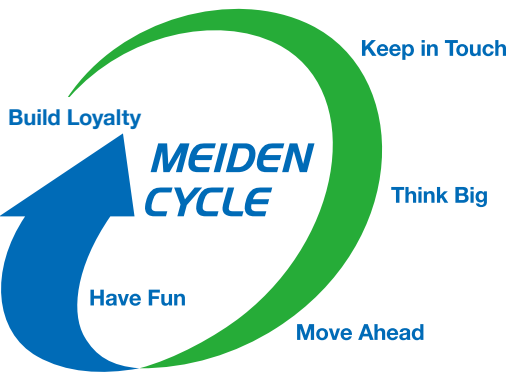
We promote diversity programs and increase the competitive edge of our Group

23

A Foundation for Building Value

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MEIDEN CYCLE



In order to realize our Group Corporate Philosophy, we must identify the direction for each individual employee to aim towards and provide signposts to help them proceed without losing their way. To enable us to do so, we have made these five actions our watchwords. The actions are mutually linked, with one action calling forth the next, creating a cycle of action and growth. Based on this image, we call this the Meiden Cycle.

By sharing and practicing the Meiden Cycle as the ethos underlying our actions, we seek to maximize the growth cycle for each of our employees. And at the same time, this means that the Meiden Group continues to grow sustainably, looking towards the realization of the Group Corporate Philosophy.

I keep on doing. Act now and keep going.

Build Loyalty

To realize the "best product experiences" for the customers, let's produce the new added-value.
Take a pride and responsibility that you are engaged in the job that is creating the "backbone or social infrastructure of the society."
Make a solid growth as a personal level as well as the corporate level and should reach the level of being "admired" or "trusted" with loyalty by the stakeholders.

Keep in Touch

Do not be afraid the potential conflict of opinion with the "associates" and keep in touch with each other beyond the mental barrier.
Have a genuine dialogue with the "customers" to learn their insights.
Have a consciousness of being in touch with the community, the society and the global climate.

Think Big

"Is this O.K.?" : Put a question to the status quo.
"Inquisitive mind" and "curiosity." : You should keep such mind habit.
"The road leading to a solution is not just one" : Please explore every possibility.

Move Ahead

"Act now or perish." : Take a first step with your strong will.
"Action of today will make your future." : Make your way towards the goal without hesitation.
"Come from your own action with the challenging target" : Take a positive action.

Have Fun

Let's enjoy the moment of "personal growth."
Let's sincerely enjoy your "job."
Let's get "the passion for Manufacturing Excellence"

We aim to become a Company Group trusted by society through our social contributions. While keeping “Our Passion for Manufacturing Excellence,” we hope to grow our business.

Y. Hamasaki

Yuji Hamasaki

Representative Director
President
Meidensha Corporation



Reflecting the results of fiscal 2014

We worked hard to build the business's growth foundations and grow overseas. Our Group performance in fiscal 2014 produced solid results.

— What was your year of fiscal 2014 in review?

When I think back on the business environment of fiscal 2014, I view it as a year of mild sustained economic recovery. Against the backdrop of fiscal policy and monetary easing policy, it demonstrated the correction of the high yen and high stock prices throughout the year. However, when I look at the global situation, there was increasing tension in the Middle East and concern for the economic slowdown of the emerging nations. I view that uncertainty of business climate will remain.

For the Meiden Group, fiscal 2014 was the final year of our Medium-term Management Plan POWER 5 Phase III. In order to achieve at our target numeric, we worked hard to build foundations for growth and to grow overseas. This was made possible by offering competitive products such as transmission and distribution (T & D) products, power generation products and power conversion products, or by offering unique original products featuring ICT technologies.

These products are for three segments with medium and long-term growth potential: “Power Energy Systems,” “Auto and Public Transportation Systems like Rail” and “Water Treatment Systems.”

As a result, the Group recorded consolidated sales of 230.299 billion yen (up 14.122 billion yen year on year), operating income of 11.163 billion yen (up 1.616 billion yen year on year), ordinary income of 10.502 billion yen (up 2.711 billion yen year on year) and net income of 6.868 billion yen (up 0.287 billion yen year on year).

Results for consolidated orders, net sales, and income

	(million yen)	
	Fiscal 2014 (Planned)	Fiscal 2014 (Results)
Orders received	240,000	241,232
Net sales	230,000	230,299
Operating income	10,500	11,163
Ordinary income	9,500	10,502
Net income for the current period	6,000	6,868

*See pages 11-12 for details of results for each segment.

Wrap-up of POWER 5 Phase III and its Business Climate

We were able to pave a new way to expand overseas businesses in markets showing growth potential.

— Please wrap up the results of POWER 5 Phase III for us.

In our Medium-term Management Plan POWER 5 Phase III, we were able to expand growth areas such as environmentally conscious products including our “motor drive system for pure and hybrid EVs” and “PCSs for solar power,” and we were able to grow these businesses to the level contributing to the profitability of our overall business. As a result, despite a turbulent and challenging business environment, we positioned our Group on a new growth track by turning around our overall performance.

While we could not reach our target of an overseas sales contribution rate of 30%, we did increase our ratio significantly, from 13.9% in the initial year of POWER 5 Phase III, to 24.3% in the final year. We will continue to work hard and aim to make a leapfrog growth at our overseas markets.

— How do you see the coming management climate for the Meiden Group?

For infrastructure markets in Japan, we can expect some construction demand impact from the 2020 Tokyo Olympics and Paralympics. At the same time, we can now see large changes in market needs and challenges in the power-related businesses due to the business model changes in the power utilities (such as separating the power generation and distribution operations) and rethinking of the energy resources portfolio. However, given the medium and long-term perspective, it is difficult to predict a market scale increase. We need to face the issues from the declining population, financial difficulty in the national and local governments and the drive towards offshoring at private companies. We expect such factors are the prelude to the age of downsizing of our markets in Japan.

In overseas markets, medium- and long-term growth is expected in the

emerging economies, particularly in Asia. We expect there will be solid market demand in the infrastructure markets such as power, sewage and drinking water treatment and rail.

The new Medium-term Management Plan, V120

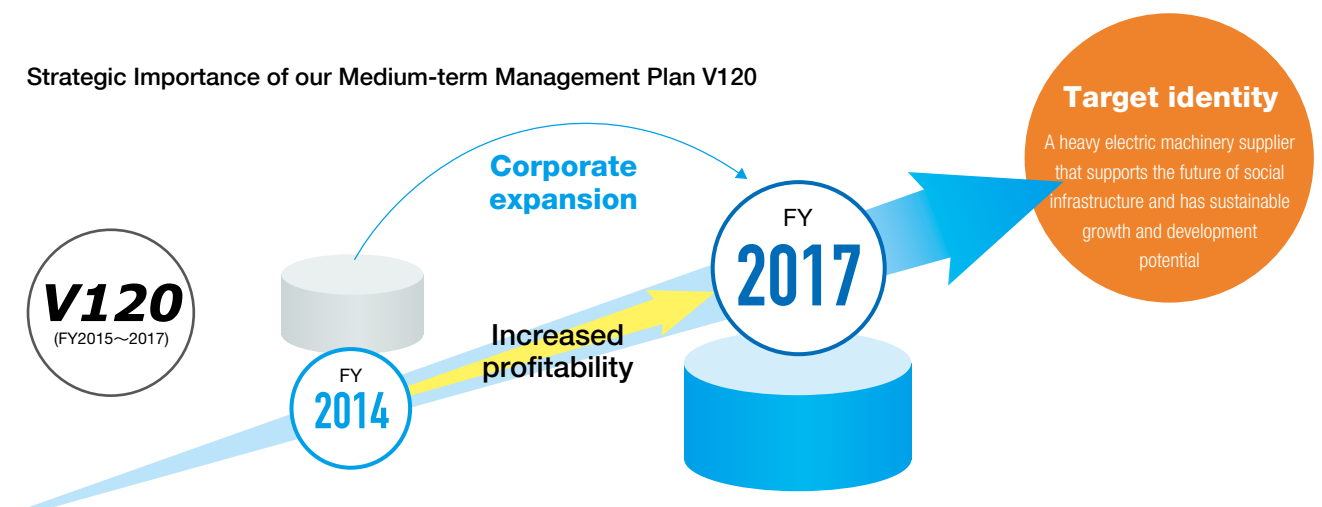
By projecting our ideal future in fiscal 2017 (120th anniversary year) and beyond, we aim to have a strong market presence and become a company group trusted by society.

— You created a new Medium-term Management Plan, V120.

Fiscal 2017 will mark the 120th anniversary of the Meiden Group. In formulating our new Medium-term Management Plan, we looked beyond fiscal 2017 and visualized a future ideal image of the Meiden Group as a “heavy electric machinery supplier in support of social infrastructure building and with sustainable growth and development power.” In order to get there, we drafted our “V120” management plan as the Group's ideal image in fiscal 2017.

The major missions of the Meiden Group are to make the Group sustainable, offer better products and services and contribute the progress of society. In the previous medium-term Management Plan, POWER 5, we realized our target of turning around our overall business and putting it on the proper recovery track. In our new management plan, “V120,” we aim to produce a virtuous cycle for our sustainable growth as a social infrastructure builder at home and abroad. To be specific, we will strengthen our profit generating bases in our Japanese businesses and work on expanding the Group's size by growing overseas. In order to get there, we will beef up our competitive edge, especially that of our core heavy electric products (e.g., electric motors, which have been our signature products since our founding.)

Strategic Importance of our Medium-term Management Plan V120



— Tell us about the basic concept and policies of V120.

Under V120, we will inherit the results of POWER 5 Phase III and will leapfrog from recovery phase to growth phase. Based on this basic concept, we will realize both targets: “Beef up the Profit Base in Japan Operations” and “Grow Overseas.”

First, regarding “Beef up the Profit Base in Japan Operations,” we will seek to innovate our business models in order to maintain our profit level against the expected demand decrease in the infrastructure markets in Japan. To be specific, we will seek to increase our product competitiveness and reinforce our system technologies by actively using ICT and IoT technologies. In addition, we will work hard to enhance our ability to provide solutions proposals to our customers and increase added value. These goals will be realized by improving our “one-stop services” for overall facilities, which covers product manufacturing, maintenance and inspection, facility management and operation management.

Regarding “Grow Overseas,” we aim to grow our businesses following the growth of the emerging nations by making inroads into the social infrastructure businesses there, with a key focus on Asian markets. To date, the Meiden Group has extensive track records in the area of private industry and rail in Southeast Asia and the Middle East. Going forward, we will create more business focused on overseas power utility fields by making inroads there. In addition to significantly increasing our local sales and technical personnel and improving quality assurance and after-sales maintenance service systems there, we will implement investments for growth in a speedy and proactive manner.

In order to realize the two strategic targets of V120, it is essential to beef

up the competitive edge of our products. In this regard, we created an reorganization on April 1, 2015 to produce “Strong Products” in our core Meiden Group products.

Under this reorganization, we established four “product-driven business units,” whose mission is to expand our product business by increasing product competitiveness (see page 14), and one “new product planning and development business unit,” whose mission is to launch new products for the future.



— Tell us about the strategy of each business segment

We can broadly divide the Meiden Group’s business into three segments: “Social Infrastructure Business,” “Industrial Systems Business” and “Maintenance and After-sales Service Business.”

First, regarding our “Social Infrastructure Business,” we aim to beef up the power transmission and distribution (T & D) products business by expanding our businesses for overseas rail companies and sales to the overseas production hubs of Japanese subsidiary companies. At the same time, we will make more inroads into the overseas power utilities markets, mainly focusing on the ASEAN and the Middle East markets. In the area of power generation products, we are seeking to increase our lot orders from Japanese and overseas prime mover (engine or turbine) suppliers. In our systems business, we will increase our revenue in existing fields in Japan by increasing our ability to provide proposals to our customers using ICT or our “one-stop services.” We will also focus our efforts to expand overseas, such as in overseas rail projects. We will seize the opportunity of renovation demand for small and medium-sized hydro power plants in Japan. We will seek to win overseas projects and aim to work on expanding new growth areas.

Regarding “Industrial Systems Business,” we will strive to develop the businesses of our unique products such as energy-saving and environmentally conscious high-efficiency products, motor drive products, vacuum condensers, etc. Specifically, we will focus special efforts on opening new business fields through our new innovations in technology, such as our recently developed transformer-less medium voltage inverter with the world’s highest level of efficiency and a compact design. In our systems business, we will reinforce our ability as a solutions provider and aim to leapfrog to be a system integrator in the automotive key component development process.

Lastly, concerning our “Maintenance and After-sales Service Business,” we will expand our maintenance service scope to include machinery and equipment. At the same time, we will reinforce our “One-Stop Service Offering” to overall facilities including key equipment production, maintenance and periodic inspection, facility management and operation management. Through such service offerings in Japan, we will capture the outsourcing needs for public utility facility management and operation, as well as those for extending the life of infrastructure facilities. In so doing, we aim to increase our profitability. In addition, we will reinforce our maintenance services system in the emerging nations – mainly in Asia – and work hard to grow our business in maintenance services for renewable energy system fields.

— Tell us about the key policies under V120.

In order to support implementation of the growth strategy of V120, we will promote four key policies: “Build new partnerships,” “Shift management resources following the designated business directions,” “Set and implement financial targets” and “Reinforce corporate governance.”

In offering “One Stop Services” for the social infrastructure businesses, it

is essential to build a beneficial and strong partnership with local companies. Further, for the earliest development of innovation in technology, it is necessary to actively promote joint research programs with the leading universities, technical institutions and other companies of the same or different industries. Under V120, we will actively promote the policy of “Build new partnerships,” reinforce efficient and speedy technical development and secure new sales and business channels.

In addition, we will investigate the ideal future conditions of each business unit and each Meiden Group company and define the future directions (selection and focus) of our key businesses. In so doing, we will be able to allocate our management resources such as human resources (HRs) properly and implement the resource-shift to the high-growth areas.

In order to further increase our corporate value, we will also work on improving our corporate governance based on the Corporate Governance Code jointly drafted by Japan’s Financial Services Agency (“FSA”) and the Tokyo Stock Exchange (“TSE”), which entered into force on June 1, 2015. We will make efforts to formulate our policies and improve our systems to ensure proper corporate information disclosure and promote dialogues with investors. We will seek to further increase the efficiency and fairness of our corporate management.

The Meiden Group’s CSR activities

Through our business activities, we will promote our programs to contribute to society

— Tell us the Meiden Group’s programs to promote CSR activities.

In addition to working hard to reduce the carbon footprint from our business activities, it is important that we contribute to society in terms of energy and the environment through the Meiden Group’s businesses, products and service offerings. In fiscal 2012, we enacted the “Meiden Group Environmental Vision” to contribute to society with sustainable growth. With the changing energy policies in Japan and the challenges faced by global climate control issues, we were able to see that there will be growing opportunities to which we can contribute in alleviating energy and environmental issues through the Meiden Group’s technologies and innovation development power.

The source of power that promotes our business activities is definitely our human resources. The Meiden Group’s CSR activities imply “Practicing the Group’s corporate philosophy by each and every employee to make the Meiden Group needed by society.” We stand on the perspective that the common ground enabling all of our business strategies at the Meiden Group is our personnel. We will strive to secure global talent and will actively promote the deployment of right people at the right workplaces inside the Meiden Group. Specifically, we will assign young employees overseas, provide more training programs for our local engineers at our training facilities in Asia, and promote

President’s CSR Policy Statement



Management foundation of our business activities

Compliance, Corporate Governance and Risk Management
By strengthening these building blocks of management foundation, we hope to further cultivate the corporate culture necessary for CSR management.

[Environment]

Promote strategic environmental management

We contribute to society through the offering of products and services for the environment and energy. At the same time, we will work to reduce the environmental impact of our business activities.

[Society]

Provide values needed by society

We accept our responsibilities as good corporate citizens through many initiatives, including: resolution of customer issues; promotion of community involvement and proactive communication; proper information disclosure at the correct time, etc.

[Human resources]

Produce work that gives pride to our employees and creates positive working environments

We will tackle these issues: create a positive working environment that brings out the best potential and unique talents of each employee; promote better work-life balance; and develop abundant and diverse talent, as human resources are precious to the Group.

the appointment to management positions of our local staff members (engineers, sales and administration). In addition, we will promote diversity, by working to change awareness and upgrade our personnel system in order to provide female employees, the staff of Group companies, and employees over 60 years of age greater chances to demonstrate their abilities in the workplace.

By drawing on our long-standing technological power and by cultivating HR, we will make consistent efforts to make our Group needed by society.

To our stakeholders

We will steadily grow through our “Sense of Mission,” “Power of being in Touch,” “Agility” and “Passion for Manufacturing Excellence.”

The following three values are the greatest assets of the Meiden Group:

- “Sense of Mission” in support of the social infrastructure;
- “Power of being in Touch,” which refers to the deep level of communication across the wide spectrum of networks with our customers and across-the-board co-operation among Meiden Group companies; and
- “Agility,” which refers to our ability to respond quickly and flexibly to meet the needs and solve the problems of our customers.

During the nearly 120 years since our founding in 1897, we have been engaged in the continuous innovation of various technologies as a supplier of heavy electrical industry. Our long years of history reflect our spirit of challenge known as “passion for manufacturing excellence.” Through these values and passion, we will work to contribute to creating an affluent future society with sustainable growth. At the same time, we aim to increase our corporate value.

We would like to ask all our shareholders, together with our customers and business partners, to continue providing us with your support and advice.

Meiden Group Businesses

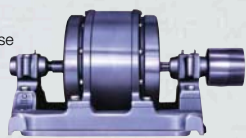
Since its inception in 1897, we have been engaged in the innovation of various technologies, products and services as well as the constant pursuit of improvement for the benefit of the society as an electrical equipment manufacturer.

This reflects our spirit of challenge to meet the expectations of the times by our customers and society and our "passion for manufacturing excellence."



Meiden Group History

The first 1 Hp three-phase induction motor built by Meiden (1901)



Construction of Meiden Osaki Works (1912)

- 1897 • Establishment of company
- 1912 • Construction of Meiden Osaki Works
- 1917 • Registration as limited company (Establishment of Meidensha Co., Ltd.)
- 1935 • Construction of Meiden Nagoya Works
- 1937 • Construction of Meiden Shinagawa Works
- 1939 • Construction of Meiden Nishio Works
- 1955 • Technological alliance with AEG (air-blast breakers and transformers)
- 1958 • Opening of Head Office in Chiyoda-ku, Tokyo
- 1961 • Construction of Meiden Numazu Works, commencement of operation of transformer factory
- 1968 • Technological alliance with GE (VI)

- 1969 • Technological alliance with SEVCON (electrical appliances for forklift trucks)
- Technological alliance with AEG (thyristor rectifiers, processing lines)
- 1970 • Construction of system equipment and device factory in Numazu
- Technological alliance with GE (synthetic fiber heaters, control equipment, large DC devices)
- 1972 • Adoption of the term "powertronics"
- 1973 • Technological alliance with GE (high-frequency thyristor inverters)
- 1976 • Opening of Gotanda Office
- 1977 • Construction of Meiden Ohta Works
- 1979 • Opening of factory in Singapore
- 1980 • Adoption of the phrase "Powertronics & mechatronics"

- 1983 • Adoption of the phrase "Powertronics, mechatronics & electronics"
- 1987 • Holding of technology exhibition as a 90th anniversary project
- 1993 • Construction of Meiden R & D Center
- 1995 • Transfer of Head Office to Chuo-ku, Tokyo
- 1997 • Celebration of 100th anniversary
- 2000 • Establishment of Japan Motor & Generator Co., Ltd. through three-way merger to oversee high-voltage motor and low- and medium-capacity generator business
- 2001 • Transfer of power transformation business (transformers, breakers, switchgear, etc.) to Japan AE Power Systems Corporation
- 2003 • Merger with Meiden Engineering Co., Ltd.

- 2006 • Absorption of motor development and manufacture operations by Kofu Meidensha Electric Mfg. Co., Ltd. via corporate divestiture
- Establishment of Meiden Hangzhou Drive Systems Co., Ltd., commencement of production of motors
- 2007 • Celebration of our 110th anniversary
- Transfer of Head Office to Osaka, Shinagawa City, with completion of ThinkPark Tower
- 2008 • Appointment of Keiji Kataoka as Chairman and Junzo Inamura as President
- 2009 • Formulation of Medium-term Management Plan POWER 5
- Business and capital alliance with Ono Sokki Co., Ltd. in the area of automotive testing instruments
- 2012 • Dissolved Japan AE Power Systems Corporation (AEP), a T & D business joint venture of Hitachi, Fuji Electric and Meiden, to allow better organization and separated growth and Meiden inherited some of the AEP businesses.
- 2013 • Technological alliance with Myanmar-based transformer manufacture and sales company Asia General Electric Co., Ltd.

- Appointment of Junzo Inamura as Chairman and Yuji Hamasaki as President
- Transfer of maintenance and inspection services business to Meiden Engineering Corporation, Meiden Engineering East Japan Corporation, Meiden Engineering Central Japan Corporation, and Meiden Engineering West Japan Corporation through corporate divestiture
- 2014 • Capital alliance with India-based transformer manufacture and sales company Prime Electric Limited
- Merger of Meiden Kankyo Service Co., Ltd. and Mectech Co., Ltd. to form Meiden Facility Service Corporation
- 2015 • Release of the new medium-term management plan, "V120"
- Consolidation of four firms (see 2013) performing maintenance and service business into Meiden Engineering Corporation and Meiden O&M Corporation
- Acquisition of Tridelta Überspannungsableiter GmbH from Tridelta GmbH (see Page 20)

Financial / Non-Financial Highlights

Meidensha Corporation and Consolidated Subsidiaries

Financial indicators	FY2010	FY2011	FY2012	FY2013	FY2014
Net sales (millions of yen)	167,729	181,107	197,733	216,177	230,299
Overseas net sales (millions of yen)	27,318	25,257	37,977	45,704	55,864
Overseas sales ratio (%)	16.3	13.9	19.2	21.1	24.3
Operating income (millions of yen)	5,778	6,279	7,881	9,547	11,163
Ordinary income (millions of yen)	4,613	5,266	5,946	7,790	10,502
Net income (millions of yen)	1,196	1,679	4,025	6,580	6,868
Net assets (millions of yen)	52,722	53,422	58,077	60,607	67,405
Total assets (millions of yen)	206,871	211,733	224,623	248,379	255,519
Net assets per share (yen)	222.56	225.63	251.64	262.50	291.35
Net income per share (yen)	5.27	7.40	17.74	29.00	30.27
Equity ratio (%)	24.4	24.2	25.4	24.0	25.9
Return on equity (%)	2.3	3.3	7.4	11.3	10.9
Cash flows from operating activities (millions of yen)	14,710	11,443	9,306	18,239	11,165
Cash flows from investing activities (millions of yen)	(4,318)	(5,640)	(7,136)	(11,316)	(8,772)
Cash flows from financing activities (millions of yen)	(9,599)	(5,048)	(7,749)	(3,873)	(5,282)

Notes: 1. Net sales figures do not include consumption tax, etc.

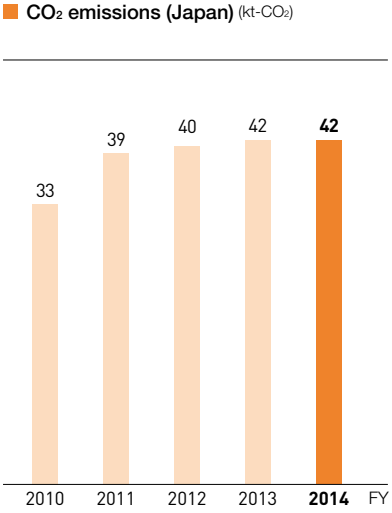
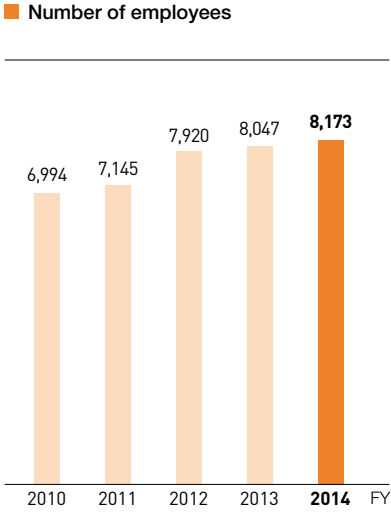
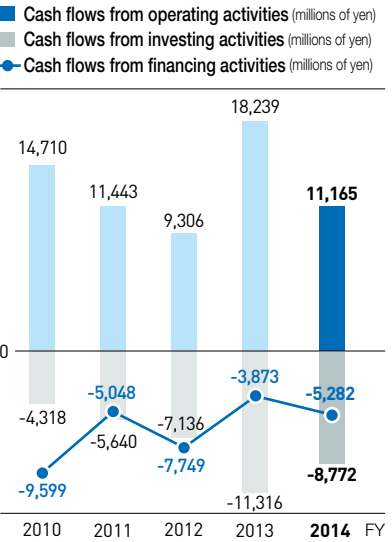
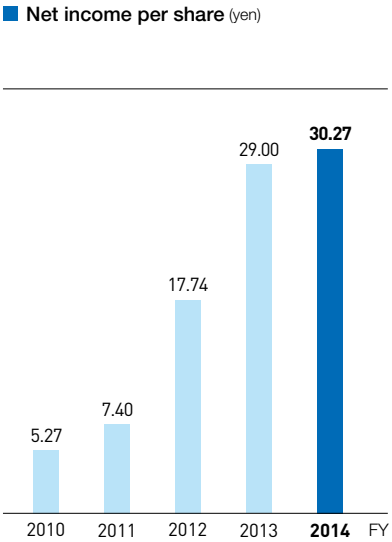
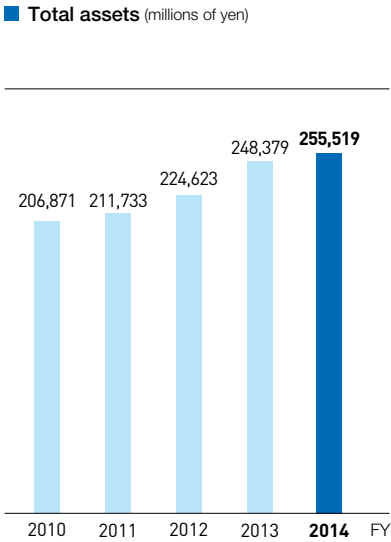
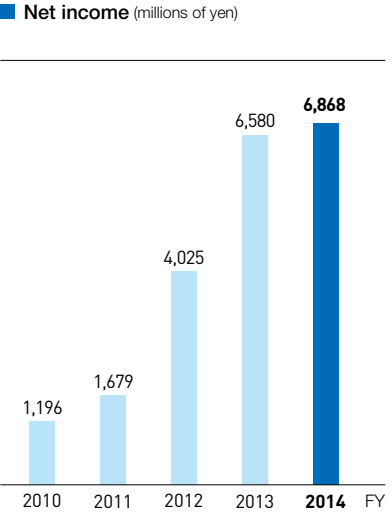
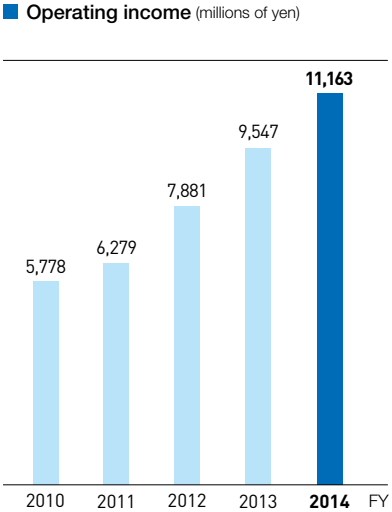
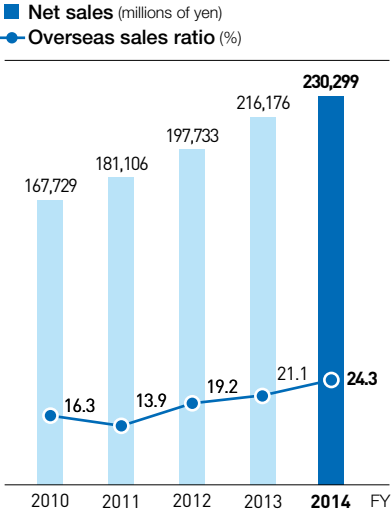
Non-financial indicators	FY2010	FY2011	FY2012	FY2013	FY2014
Number of consolidated subsidiaries	39	40	43	42	39
Japan	26	25	26	25	21
Outside Japan	13	15	17	17	18
Number of employees	6,994	7,145	7,920	8,047	8,173
CO ₂ emissions (Japan) (kt-CO ₂)	33	39	40	42	42

Notes: 2. Figures for employee numbers exclude those employees on temporary contracts.

3. The historic Federation of Electric Power Companies (FEPC) nationwide average electric power CO₂ coefficient (receiving end) for each year through FY2013 was used to calculate CO₂ emissions for that year. The historic coefficient for FY2013 was used for calculating FY2014.
4. With the dissolution of the joint venture Japan AE Power Systems Corporation, the Japan AE Power Systems Corporation Numazu Works (AE Power Numazu) was incorporated into the Meiden Group as Meiden T&D Corporation in April 2012. CO₂ emissions figures for FY2010-2011 include data for AE Power Numazu.

For the Meiden Group, fiscal 2014 was the final year of our Medium-term Management Plan POWER 5 Phase III. In order to achieve our target numeric, we worked hard to build foundations for growth and to grow overseas. This was made possible by offering competitive products such as transmission and distribution (T & D) products, power generation products and power conversion products, or by offering unique original products featuring ICT technologies. These products are for three segments with medium and long-term growth potential: "Power Energy Systems," "Auto and Public Transportation Systems like Rail" and "Water Treatment Systems."

As a result, the Group recorded consolidated sales of 230.299 billion yen (up 6% year on year), operating income of 11.163 billion yen (up 16.9% year on year), ordinary income of 10.502 billion yen (up 34.8% year on year) and net income of 6.868 billion yen (up 4.4% year on year).



Fiscal 2014

Consolidated net sales in fiscal 2014 increased 6.5% over the previous fiscal year to ¥230,299 million, while operating income grew 16.9% to ¥11,163 million. Breakdown by business segment is shown on the right.

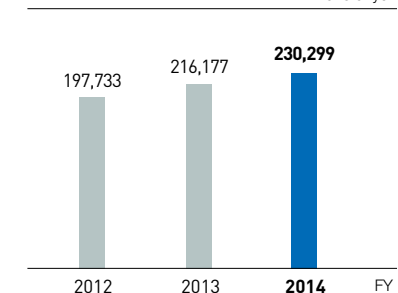
Consolidated Sales

230,299
Millions of yen

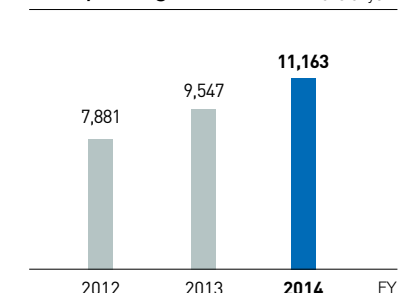
Net Operating Income

11,163
Millions of yen

Net Sales



Net Operating Income



Social Infrastructure Systems Business

This sector includes the manufacture and marketing of equipment for emergency and non-emergency power generation, hydroelectric power generation, and power transmission and distribution facilities. We sell these to power companies, government agencies, railways, and buildings and factories in Japan and abroad. Other products include traction substations for railways. We provide the product offerings of power quality stabilization systems or power generation systems such as solar, wind and hydro power and offer energy solution services such as smart grid systems.

We are also involved in the fields of drinking water and sewerage treatment for local governments in Japan. Our activities include manufacturing and sales of electrical facilities for water processing systems and the related products and services: process control systems and ICT system improvement services. We also offer solutions services such as contract facility management services for drinking water treatment plants.

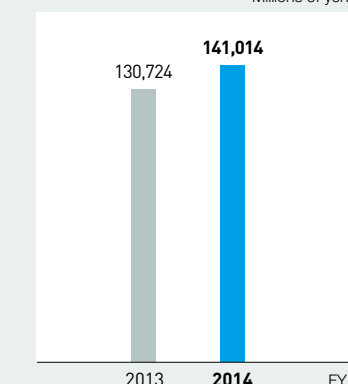
Net sales in the segment increased 7.8% over the previous fiscal year to ¥141,014 million, while operating income grew 13.9% to ¥6,414 million.

Regarding the social infrastructure systems business, there were needs for renovation of aged facilities at the power utilities and increasing demands for the hydro power systems in Japan. In this fiscal year, we faced a difficult business climate including such issues as the power utility's suspension of grid connection applications by independent power producers of renewable energy resources in Japan, etc. Yet, the sales of converters for solar power remained strong during this fiscal year and we also experienced goods sales for transmission and distribution (T&D) products as well as power generation systems for private facilities. In total, this business recorded increases in revenue from the previous fiscal year.

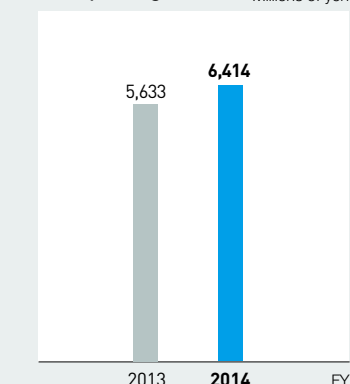
Sales of the water and environmental business increased over the previous fiscal year. Orders from the renovation projects of large-scale sewage treatment plants in Japan and sales of our drinking water treatment facility management service contributed to this increase.

Sales from the overseas system business increased over the previous fiscal year. For markets in the ASEAN nations mostly in Singapore, we sold T&D facilities for power utilities and traction substation facilities for rail and T&D facilities for Japanese firms' overseas production hubs. Such sales contributed to the increase.

Net Sales



Net Operating Income



Industrial Systems Business

This sector includes the manufacture and marketing of motors and inverters for elevators, textile machinery, industrial vehicles, and electric vehicles. Other products are vacuum capacitors and industrial computers for makers of semiconductor manufacturing equipment.

We also manufacture and market dynamometers and other testing systems for automobile manufacturers, and logistics support systems for factories and warehouses.

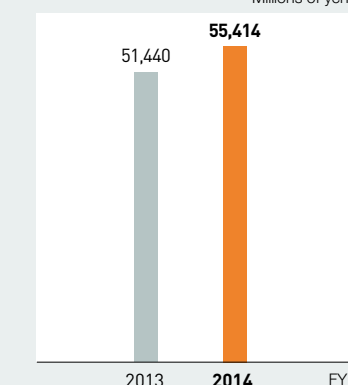
Reflecting the recovery trend of active private capital spending in the manufacturing sectors in general such as auto and steel in Japan, the net sales in this segment increased 7.7% over the previous fiscal year to ¥55,414 million and the operating income grew 88.8% to ¥2,941 million.

Our motor and inverter business saw increased sales over the previous fiscal year.

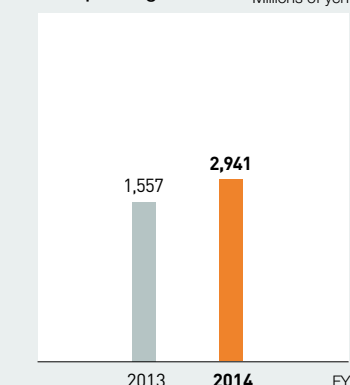
The steady demand for our the motors and inverters for Mitsubishi Motor Corporation's Outlander PHEV, electrical components for forklifts, motor drive units for semiconductor manufacturing systems and for elevators, and motors for injection molders contributed to the increased sales.

The segment's dynamometer and logistic systems business remained at the same level as in the previous fiscal year. The steady demands of our testing system for R & D facilities of Japanese overseas hubs and the production items transportation system for production lines contributed to the sales.

Net Sales



Net Operating Income

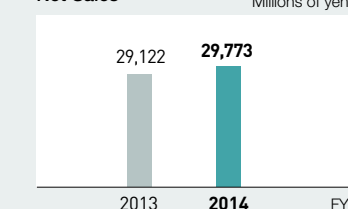


Engineering Systems Business

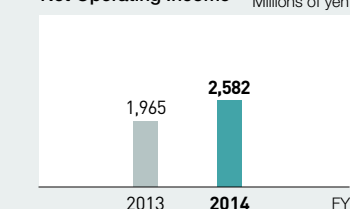
This sector provides services relating to the remote management and monitoring of facilities and the proposal of measures for extending the life of facilities, energy conservation, and other such services related primarily to the maintenance of products we supply. We also engage in the maintenance of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

As the Japanese business climate showed a recovery trend, the demands for our maintenance services increased and we secured many new project orders by offering "one-stop field services." The temporary merger cost increases due to the consolidation of four maintenance services companies into two in Japan (see Page 8, 2015) subsided. The net sales increased 2.2% over the previous fiscal year to ¥29,773 million and the operating income rose 31.3% over the previous fiscal year to ¥2,582 million.

Net Sales



Net Operating Income

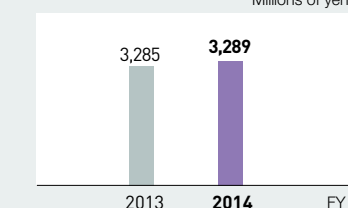


Real Estate Business

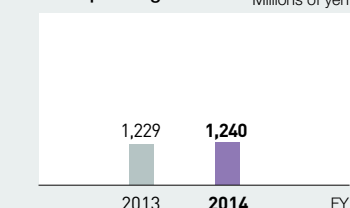
This sector includes rentals of real estate holdings, including ThinkPark Tower (Osaki, Shinagawa City, Tokyo).

The Group is engaged in the real estate leasing business, centering on the office and commercial building ThinkPark Tower (Osaki, Shinagawa City, Tokyo). The net sales in the segment totaled ¥3,289 million – nearly the same level of the previous fiscal year, and operating income amounted to ¥1,240 million.

Net Sales



Net Operating Income



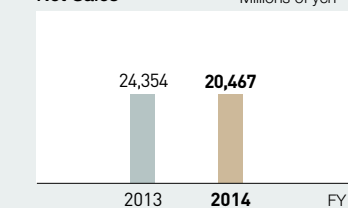
Other Business

This sector 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.

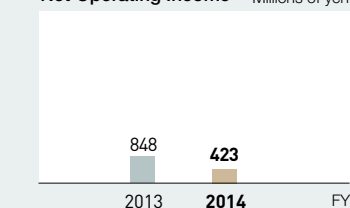
This segment includes categories not included in any of the above segments, such as Manufacturing and marketing of electrochemical measuring equipment and electric insulation materials, welfare services for employees and good merchandising.

Due to the impact of the consolidation of the Group companies in Japan and subsequent segment category change of some companies, etc., net sales decreased by 15.9% from the previous year to ¥20,467 million and operating income fell by 50.1% from the previous fiscal year to ¥423 million.

Net Sales



Net Operating Income



* From April 1, 2015, we changed our conventional segment names from "Engineering Systems Business Segment" to "Maintenance and Service Business Segment."
This is merely a name change and does not affect the content of the segment information.

Medium-term Management Plan

The Meiden Group started V120, a Medium-term Management Plan, which is a three-year plan from fiscal 2015 to fiscal 2017. The plan represents our strategy that will realize both targets: “Beef up the Profit Base in Japan Operations” and “Grow Overseas.”

The Meiden Group will welcome its 120th Anniversary in fiscal 2017, which is the final year of V120. By implementing V120, we will gain the traction for the new growth and we also aim to increase corporate value.



Ideal Group Vision:

Heavy electrical supplier with sustainable growth and development potential by supporting social infrastructure buildings for the future.

Origin of the name of the plan:

Our growth vision to make our 120th anniversary special in FY2017

Under V120, we will focus on “Beef up the Product Competitiveness,” especially our heavy electrical products that have been our core and early-day products of Meiden Group. We will build a virtuous cycle of sustainable growth at home and abroad.

Slogan

V120

Develop Competitive Products and Create a Better Future.

Key Phrases (Acronym “MIRAI” (meaning ‘future’ in Japanese)):

Make better products

International drive

Relationship management with customers and key partners

Additional Value to the maximum level

IoT Age Challenge

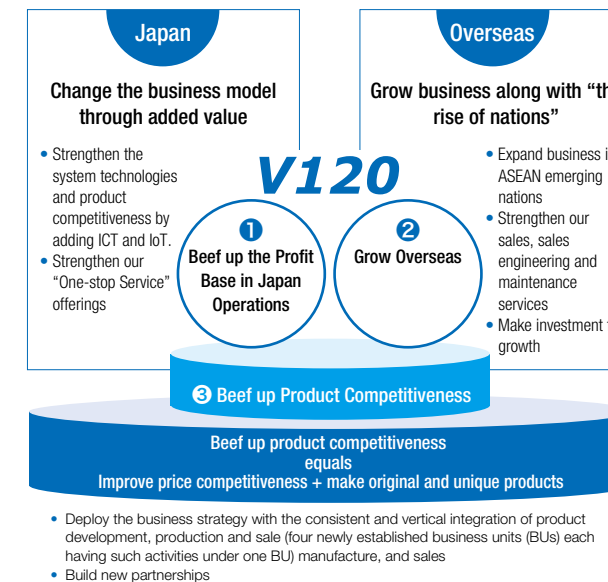
V120 Basic Policies and Key Action Plan

[Three Basic Policies]

- 1 Beef up the Profit Base in Japan Operations
- 2 Grow Overseas
- 3 Beef up Product Competitiveness
(T&D products, power generation products, power conversion products, and motor drive application products)

1 Beef up the Profit Base in Japan Operations

Given the anticipated decline in demand in the Japanese infrastructure market, the Group will work to change our business model with added value in order to maintain and improve our profitability. We will also improve product competitiveness and system technologies by actively using our ICT and IoT technologies. We will strengthen our “one-stop services” by providing comprehensive contract offerings of procurement, product production, maintenance & inspection service, facility management, and up-to-facility-operation management. In so doing, we will improve our problem-solving proposal power to our customers and increase our added value.



2 Grow Overseas

By making inroads into the social infrastructure-building sectors in emerging nations mostly in Asia, we will grow our overseas businesses along with “the rise of the nations.” In addition to private industry and rail sectors in ASEAN nations and the Middle East where we have extensive supply records, we will focus on entering into businesses for overseas power utility sectors, will greatly increase the local sales and engineering staff members and will work on to improve our quality assurance and after-sales maintenance service systems there. We will make investment for our growth in a timely manner.

3 Beef up product competitiveness

We will work on strengthening our product competitiveness by benchmarking our heavy electrical products such as T&D products, power generation products, motor drive application products and industrial components in terms of quality, originality and price level. In so doing, we will create “strong products.”

In order to make an effective implementing organization for the above plan, we newly established four product-driven business units (BUs) for T&D products, power generation products, motor drive application products and industrial components on April 1, 2015 as part of our organizational changes. Each BU will implement a consistent business strategy to make product development, production and sales under one arm of the BU organization.

By increasing the integration between the system and our individual products, we will work to solve the issues and realize the needs of our customers in the social infrastructure sectors (energy, public transportation and water) at home and abroad. In so doing, we will realize sustainable growth and development.

[Four Key Action Plans]

- 1 Build new partnerships
- 2 Shift management resources based on “business direction” (selection and focus)
- 3 Set and implement financial targets
- 4 Strengthen corporate governance

1 Build new partnerships

To make “strong products” and business growth, we will actively work on building “new partnerships” at home and abroad, such as with other firms in different business sectors, universities and research institutions. In so doing, we will strengthen our technology power in an efficient and speedy manner and make products with competitive edge. Further, by acquiring new sales and product distribution channels, we will develop new markets and increase our market share.



Foster stronger relations with existing partners



2 Shift management resources based on “business direction” (selection and focus)

We will review the “ideal” operations of BUs and Group firms, as well as how each BU or Group firm should share the business functions. In so doing, we will formulate the “direction” (selection and focus) of the business. Through such exercises, we will implement effective distribution of management resources such as HR and strengthen the migration of management resources into high-growth areas.

3 Set and implement financial targets

To deal with the changing business climate, we will improve our financial shape to realize sustainable growth.

We will set financial targets aimed to realize our objectives: improve self-capital by improving the profitability, improve the free-cash-flow level by effective use of assets, and secure a stable financial position by realizing various methods of capital procurement. We will work on improving our financial shape by achieving the financial targets through Group-wide efforts.

4 Strengthen corporate governance

To comply with the “Corporate Governance Code,” we will promote programs to reinforce corporate governance. Through such programs, we will further improve management efficiency and fairness.

In addition, we will continue to implement our investor relations (IR) programs and Shareholder relations (SR) programs. Through such programs of enhanced information disclosure, we hope to fulfill our accountability for our shareholders and investors.

Strategies for each business segment

① Social Infrastructure Business

Products business

Regarding Meiden Group's core product portfolio in this segment, which includes T&D products (transformers, switchgear, surge arresters) and power generation products (engine generators, turbine generators, mobile gensets), we will focus and continue our efforts in strengthening the development of such environmentally conscious technologies as vacuum insulation technologies and core fundamental technologies for higher efficiency and more compact design. In so doing, we will realize our policy of "Beef up the product competitiveness."

In T & D products, we will increase the local sales and engineering personnel at Meiden Singapore Pte. Ltd. who are overseeing our operations in Asia. We will also improve and reinforce the sales and production hubs in ASEAN nations and the quality assurance and after-sales services there. We will develop the business for overseas rail sectors, the business for production hubs of Japanese subsidiaries in the ASEAN Region and the business for the power utility sector in ASEAN nations and the Middle East Region.

In addition, we will promote business development for the markets in India and the Western Asian countries by utilizing the sales channels and T&D products production capacity of our joint venture in India, Prime Meiden Limited, founded in March 2014. For power generation products, we will aim to increase large-quantity order sales for prime mover suppliers (engine or turbine) at home and abroad. We will work to secure orders for new renovation needs of small and medium-scale hydro power plants in Japan and will also try to secure orders for overseas hydro power projects.

Systems business

By strengthening our solutions proposal power by effective use of our "one-stop service" offerings, we will realize increasing the profitability in our existing strong fields in Japan such as power, rail, water-processing and broadcasting. Further, in new growth fields such as integrated EMS using the power conversion system for energy storage and storage batteries, we will work hard to make such businesses our key businesses.

We will grow our businesses for overseas rail projects and ceramic flatsheet membranes for sewage water treatment plants, etc.

② Industrial Systems Business

Products business

We will work to expand sales of environmentally conscious and unique products (motor drive units for plug-in hybrid cars, pure EVs, elevators and forklifts; vacuum capacitors, etc.). Regarding the motor drive units for EVs, we will increase our supply to other automakers by improving our core fundamental technologies for higher efficiency and more compact design as well as our serial production technology.

Currently, we succeeded in technical development of the world's smallest-sized and highest-efficiency transformer-less medium voltage inverter. We also made new technical development for high-speed motors. Through such R & D programs, we will develop our businesses in new fields.

Systems business

For dynamometer testing systems, we will work on reinforcing our solutions proposal power by improving our simulation

technologies on engine vibrations, etc. and by establishing a "simulation model base" development support tool. In so doing, we aim to make a big leap forward as a system integrator for automotive analysis and evaluation.

③ Maintenance and Servicing Business

We will work to expand the scope of the maintenance services from conventional services for mostly electrical facilities to include services for mechanical facilities. At the same time, we will reinforce our "one-stop service" offerings for overall facilities that include product productions, maintenance & inspection services, facility management services, and outsourcing services for plant operation management.

By offering such a variety of services, we will quickly seize the outsourcing needs for public utility facilities such as facility management and operation management, as well as the needs for extending the life of infrastructure systems. Through such efforts, we would like to improve the profitability of our services.

We will work on improving the maintenance service systems in emerging nations, mostly in Asia, and will continue to work hard to develop business for maintenance services for renewable energy resources (wind and solar power, etc.).

Financial targets

(Unit: 100 million yen)

	FY 2014 results	FY 2015 estimate	FY 2017 target
Net sales	2,302	2,350	2,700
Operating income	111	115	140
Ordinary income	105	110	135
Net income*	68	75	90

* Projected fiscal 2015 current net income and target fiscal 2017 current net income is current net income attributable to shareholders in new companies

(Unit: 100 million yen)

	FY 2014 results	FY 2015 estimate	FY 2017 target
Social Infrastructure Systems			
Net sales	1,410	1,450	1,660
Operating income	64	65	77
Industrial Systems			
Net sales	554	560	630
Operating income	29	32	40
Maintenance Service			
Net sales	297	300	340
Operating income	25	26	32
Real Estate			
Net sales	32	33	34
Operating income	12	12	12
Other (including eliminations)			
Net sales	8	7	36
Operating income	(20)	(20)	(21)
Total			
Net sales	2,302	2,350	2,700
Operating income	111	115	140

Profitability target

	FY 2014 results	FY 2015 estimate	FY 2017 target
ROE	10.9%	10.9%	At least 10%
ROA (Operating profit basis)	4.4%	4.4%	At least 5%

Investment Plan

	FY 2014 results	FY 2015 estimate	FY 2015~2017 Cumulative amount over three years
Capital investment	8.8 billion yen	9.6 billion yen	At least 28 billion yen
Growth investment budget			Scale: 12 billion yen
R&D expenses	10.2 billion yen	10.3 billion yen	At least 30 billion yen

Dividend ratio

Consolidated dividend ratio: Target of 30%

Challenges of Meiden Group

We aim to become a heavy electrical industry supplier in support of future social infrastructures and with sustainable growth and development potential

Meiden Group started a new Medium-term Management Plan – "V120" covering the three-year period from fiscal 2015 to fiscal 2017. V120 has a strategy to realize both "Beef up the Profit Base in Japan Operations" and "Grow Overseas." Under the V120, we will devote our efforts to increasing the competitive edge of our products," especially our heavy electrical products – our founding period products of Meiden Group. We aim to create a virtuous cycle for sustainable business growth at home and abroad.

At the same time, Meiden Group will also contribute to society both in Japan and abroad by means of the Group's high quality and reliable product-making, our innovations in technology and R & D power. By drawing on our long-term experience and by cultivating our human resources (HRs), we will make incremental progress by working hard to become the company group needed by society.



We contribute to the spreading of renewable energy resources by converting rich water resources into power

17



We support a stable power supply with lightning protection devices renowned worldwide for their reliability and track records

19



We support various infrastructure systems in many parts of the world through our high-quality engineering services

21



We promote diversity programs and increase the competitive edge of our Group

23

1

Challenges of Meiden Group

We contribute to the spreading of renewable energy resources by converting rich water resources into power

Among the power generated from renewable energy resources such as solar, wind, geothermal, biomass, etc., hydro-power offers the most stable power supply. Not only limited to general rivers, small-scale hydroelectric power systems can be established in any area in which there is a certain level of drop and flow of water (agricultural waterways, drinking water and sewage facilities, erosion-control dams, etc.). Due to this reason, there are many possible project sites for hydroelectric power systems at home and abroad. Recently, there is a growing attention toward hydroelectric power for its future growth potential.

Drawing on more than 100 years of experiences in generator control technology in hydroelectric power, Meiden realized the most effective hydroelectric power system operation at high efficiency to suit a given water volume.

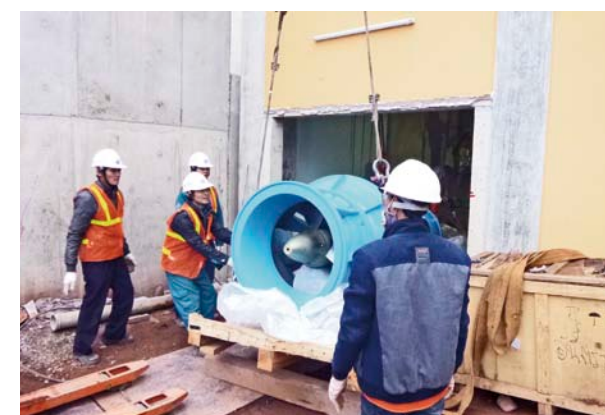


A 450kW small-scale hydroelectric plant in Phongsaly Province, Laos

Bringing power to villages without electricity access. – A 450kW small-scale hydroelectric plant in Phongsaly Province, Laos –

Laos, a key nation in the Mekong Delta Region, is located in the center of the Indochina Peninsula. The government of Laos established a target to realize 90% electrification of the country by 2020. The electrification rate of Phongsaly Province, in Laos' northernmost region, is 23% (as of July 2012), the lowest figure among all of Laos' 17 provinces. Phongsaly Province buys power from China to compensate for their power shortage.

This project has the target of increasing the electrification rate in the Gnot-Ou District of Phongsaly Province from 32% to 60%. As a Japanese ODA project, a 450kW small-scale hydroelectric power plant was constructed. It uses our small-scale hydroelectric power system. The completion of this power plant realized the provision of electricity access to about 580 households in 10 villages.



A variable-speed submersible turbine generator



TOPICS

More Stock Investment and Working Closely with EAML Engineering Co., Ltd.

In order to get more project orders from hydro-power, one of the renewable energy resources, we strengthened our business alliance with EAML Engineering Co., Ltd., a Japanese company specializing in small and medium-sized hydroelectric systems.

EAML Engineering is strong in small and medium-scale hydroelectric power systems. By conducting joint product development programs to realize improvements in their hydro-turbines – higher efficiency, compact design, lower costs and by demonstrating the maximum synergy effects from the business alliance, we would like to grow our small and medium-scale hydro-power system business.



Completion ceremony of main factory rebuilding work at EAML Engineering Head Office

2 Challenges of Meiden Group

We support a stable power supply with lightning protection devices renowned worldwide for their reliability and track records

In August 2014, the IEEE¹, the world's largest professional association of electrical and electronic engineers headquartered in the U.S., designated the world's first gapless metal oxide surge arrester (MOSA) that we developed in 1975 as an IEEE Milestone². Twenty-six technological innovations received the awards in Japan and Meiden's MOSA is the first in the country to receive the IEEE Milestone for an individual heavy electrical product.

The award was granted in recognition of the MOSA's enhanced resistance against multiple lightning strikes and contamination – weak spots for the conventional gapped-type surge arrester – and for making significant contributions toward the development of arresters.

Our developed MOSAs are known around the world as a purely Japanese technological innovation for power devices and the MOSA technology has been adopted as the world standard. Even about 40 years after its first release, this technology is still playing an active role as a mainstream technology for world surge arresters for power systems.

^{*1} The Institute of Electrical and Electronics Engineers (IEEE) is the world's largest professional association for engineers in the electrical and electronics fields. Based in the USA, the IEEE has more than 420,000 members from 190 countries throughout the world, and plays a leading role in the areas of electrical, electronic, information and communications technologies.

^{*2} IEEE Milestone
An award that honors a historical technological achievement developed at least 25 years in the past, which is recognized as having made a significant contribution to society

Preventing power outages due to lightning strikes

Surge arresters are devices that protect power equipment such as transmission lines and transformers from the overvoltage damage resulting from lightning strikes, etc. They prevent power outages and ensure a stable supply of power.

Meiden's MOSAs (trade name "SORESTER") as well as zinc oxide elements are sold in Japan and exported to more than 70 countries worldwide.

In the power sector business, given the rising power demands from the economic development and urbanization in the emerging nations, we expect there will be increasing capital spending on power infrastructure systems. We believe there will be high growth potential in the long- and medium-term range for MOSAs as a protection device for power systems.

Going forward, in order to realize a more compact MOSA design, we are working on developing high-performance and compact zinc oxide elements. In addition, we also engage in the development of polymer-type MOSAs featuring compact and lightweight design and with excellent anti-contamination and anti-seismic resistance. In so doing, will focus on the development of environmentally conscious MOSAs.



Zinc oxide elements



Polymer-type MOSA

TOPICS

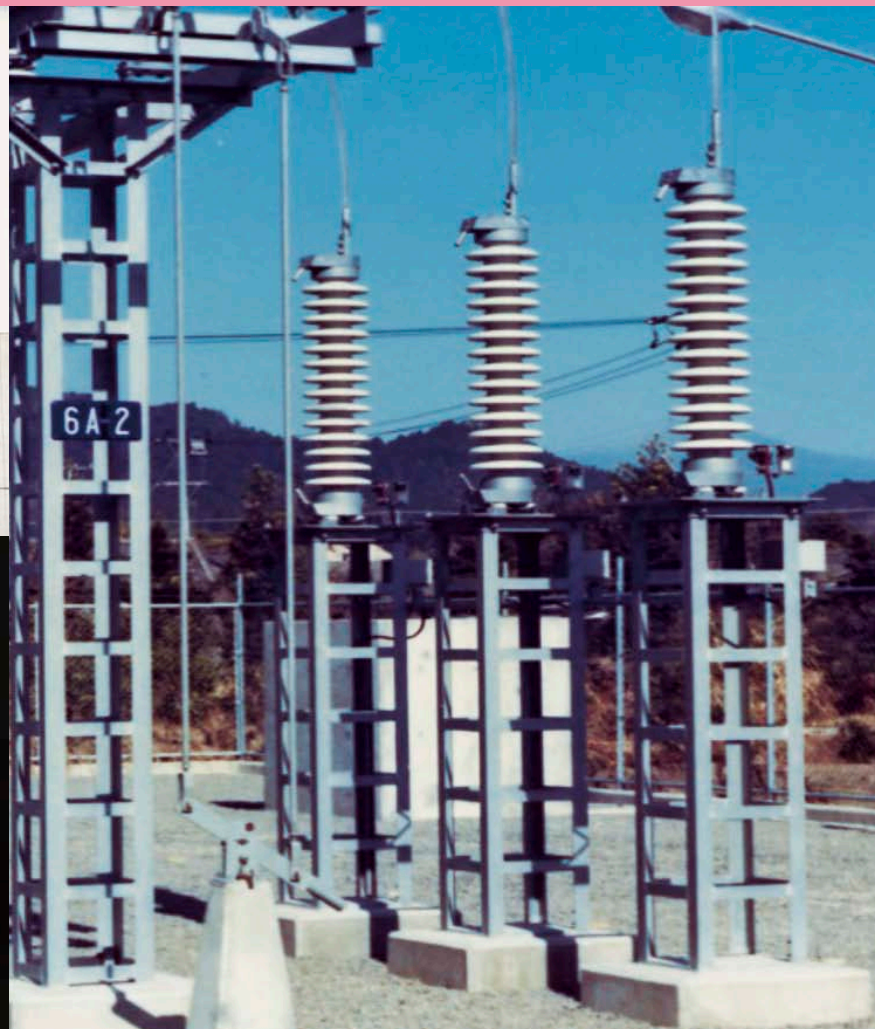
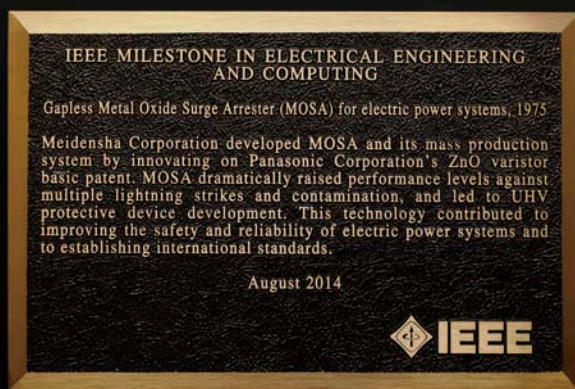
For sales growth in global MOSA markets

Meiden agreed with TRIDELTA GmbH of Germany to acquire its surge arrester supplier company, TRIDELTA Überspannungsableiter GmbH (TRIDELTA) and completed the transaction with TRIDELTA in June 2015.

With acquisition of TRIDELTA, Meiden Group now has three surge arrester business hubs in Japan, China and Germany. By expanding its sales, technical and production capabilities, and by optimizing the production bases for different products and through joint product development programs, we will provide high-quality and high-performance surge arresters to global markets.



Contract signing ceremony with TRIDELTA



(Top) The award presentation ceremony
(Bottom) The IEEE Milestone plaque

In 1975, Meiden delivered the world's first 66kv MOSA for power systems for Kyushu Electric Power Co., Inc.

3

Challenges of Meiden Group

We support various infrastructure systems in many parts of the world through our high-quality engineering services

Regarding power facilities, every country has differing laws and standards and each also has many related regulations and rules for acquiring clearance on the facilities and on the materials to be used. Should any trouble occur at the facility, it is vital to have quick field service support from suppliers.

The Meiden Group has overseas engineering service bases in Thailand, Malaysia, Singapore, Indonesia, the U.S. and China. In each country, we have local engineers (who are familiar with local regulations and rules) and Japanese engineers. We offer engineering services and resolve the various issues related to overseas construction projects and facility maintenance. We offer the same high-quality engineering services as in Japan and provide the proper technical support services. We provide the full spectrum of support to our customers, drawing on our global perspectives and varied know-how.



A training session for our Southeast Asian engineers

Opening of Meiden Southeast Asia Training Center

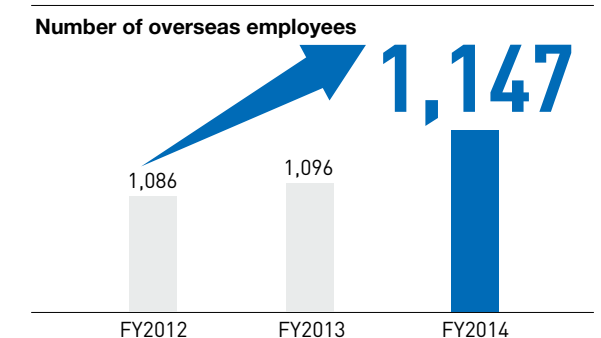
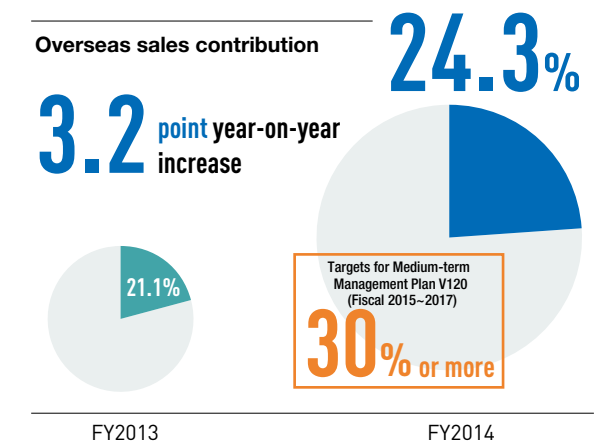
In April 2014, we established the Meiden Southeast Asia Training Center in the suburbs of Bangkok, Thailand to provide maintenance engineering training.

The Training Center was established to improve the overall engineering capability of our service engineers there. It includes the engineering knowledge and skills related to the installation and maintenance of not only electrical facilities, but also machinery facilities. In so doing, we intend to gain further trust from our customers in the Southeast Asian region where Meiden Group has a long history of doing business.

We conduct practical training programs using the actual facilities available in the Meiden Southeast Asia Training Center, Meiden Electric (Thailand) Ltd. and Meiden Singapore Pte. Ltd. We thus cultivate good field service engineers. Further, eligible participants are not limited to our overseas Meiden Group engineers, and we also offer training programs for the customer's engineers to enable them to learn maintenance skills and specific knowledge.

The participating members of the programs are able to learn such professional engineering knowledge as design, installation and maintenance, and also to receive training on such basic practices as quality control (QC), safety control, etc., for which we practice and accumulate knowledge and experience in Japan.

We hope, through such learning experience from our programs, that participating members will increase their awareness as a Meiden Group member and strengthen the personal connections with other service engineers across the company line.



Our overseas engineers receiving technical training



External view of Meiden Southeast Asia Training Center

Preventing facility shutdown before it happens

Meiden Group offers "One-Stop Services" based on our facility lifecycle engineering. Our services utilize our unique maintenance technologies for various facilities – beginning with electrical facilities.

In countries with our engineering service hubs, we offer "Japan Quality" high-level engineering services (field and technical support) to meet the needs of our customers. The services are based on our service systems there and draw on our long-term service experiences in Japan.



4 Challenges of Meiden Group

We promote diversity programs and increase the competitive edge of our Group

The world economy has witnessed the rise of globalization and we now live in a “borderless society” with business transactions occurring across national boundaries. As we seek to realize a 30% overseas sales contribution to consolidated revenue, the Meiden Group’s business is also going global, and the nationalities of our customers and business partners are becoming increasingly diverse.

In Japan, we face a declining birthrate and a growing proportion of elderly people, and the nation’s productive working population is projected to decline by more than 10 million between 2000 and 2020. Given such a background, for the sustainable growth of the Meiden Group it is a vital challenge for us to utilize our human resources (HRs) without focusing on nationality or gender.

Given the above background, since fiscal 2014 the Group has strengthened its diversity programs. By adopting fair personnel evaluation systems that enable diversified members of our Group to demonstrate their individual potential, we aim to increase the competitive advantage of our Group and increase our corporate value.



A workplace scene at Meiden Asia, Singapore

Our programs to promote diversity – Meiden Group’s “Awareness-raising” programs and “Improvements of Various Personnel Systems” –

In order to enable our employees to develop their talents without regard to their personal attributes, and thus boost our competitiveness, we believe that it is essential to do away with the evaluation of employees based on factors such as gender, age, nationality, years of employment and academic record, instead becoming an appealing company that evaluates its employees’ work fairly and a company able to excel globally.

The Meiden Group intends to effectively utilize our HR in three genres:

①Female employees
We are working hard to realize a positive workplace environment in order to prevent unfair evaluations against maternity leave or child-care leave, or due to the favoring of male employees.

②Overseas local talent and employees of Group companies
For the local talent of overseas Group companies and employees of Group companies, we will work to build the personnel systems to ensure competence and ability-based promotions and better treatment.

③Employees of 60 years of age and above
To best utilize employees with rich professional expertise such as technical knowledge and work experience, we will offer various working options that allow them to demonstrate their abilities by passing on their professional know-how to young employees, etc. These options are designed to suit their “second working life.”



A workplace inspection tour for female employees



A seminar on how to balance work and elder nursing care



Technical training for our local engineers from our retirement-age engineers

TOPICS

Work-from-home programs

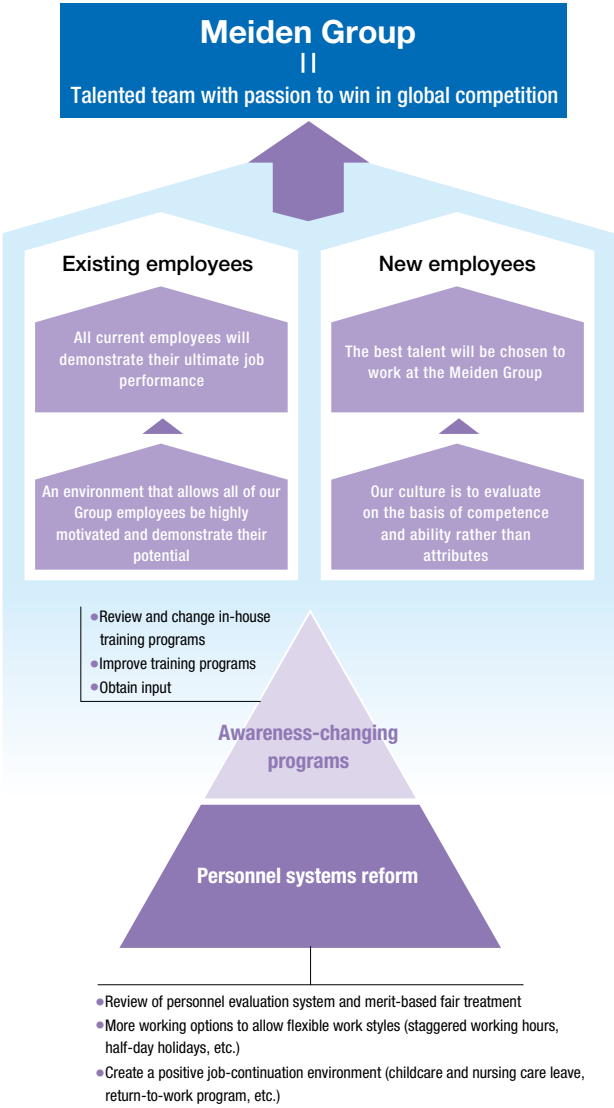
We have reviewed the conventional generic working style (working at the same place, same time) and we aim to provide more flexible working options to fit each employee’s working style. As a way to increase job efficiency, we started trial “work-from-home” programs.

In so doing, we aim to cultivate a corporate culture of evaluating job performance on job results, not working hours. We aim to create a working environment where employees can continue to work and demonstrate their potential against issues such as child-care, elder nursing care, disease, injury, etc.



Example of a work-at-home timetable

Time	Activity Items
7:30	Drop the child at the nursery school
7:45~8:15	Household work (cleaning and laundry)
8:30~12:30	Get a call from the manager and respond to his request
12:30~13:30	Lunch time (including a visit to the city office for an application)
13:30~17:30	Prepare some documents and send them by e-mail
17:30~18:00	Prepare dinner
18:15~	Pick up the child at the nursery school



Corporate Governance

We strive to conduct corporate management in a fair, highly transparent, fast and efficient manner and to improve the governance structure to secure the fairness of business practices.

Corporate Governance System

Basic Approach

In order to realize the Group's philosophy, we view it is essential to secure self-sustainability and self-governance and formulated the "Basic Policy to Improve the Governance Structure to Secure the Fairness of Business Practices" in May 2006, and thus have been promoting stronger corporate governance. Certain basic policies were amended at the meeting of the board of directors that occurred in May, 2015, to reflect a revision of the Companies Act.

The Governance Structure to Secure the Fairness of Business Practices

1. System to ensure the directors' performance of their duties complies with applicable laws and regulations and the terms of the provisions in the Articles of Incorporation
2. System to manage and store information relating to the directors' performance of their duties
3. Internal rules and risk management system against risk-causing losses
4. System to secure directors' efficient execution of their duties
5. System to ensure employees' performance of their duties complies with applicable laws and regulations and the terms of the provisions of the Articles of Incorporation
6. System to ensure appropriate business conduct by the group comprising the Company as well as its subsidiaries
7. Matters relating to employees who assist the performance of duties by corporate auditors
8. Matters relating to the separation of corporate auditors assisting employees from the supervision of the directors
9. System for directors and employees of the Company and subsidiaries to report to auditors, and other systems pertaining to reporting to auditors
10. Matters pertaining to procedures for advance payment or reimbursement of costs arising from the performance of auditors' duties and policies relating to performance of said duties
11. Other systems to ensure effective enforcement of auditing by the corporate auditor

Policy Actions Update *As of June 26, 2015

In June 2003, the Company adopted an executive officer system. At the same time, we sought to reinforce the functions of the Board of Directors. For a part of these efforts, we separated the "decision-making authority and supervisory functions" and the "business performance functions" from the Board of Directors. The former functions were assigned to the Company's directors, and the latter to the representative directors and executive officers who were delegated duties by the representative directors. As a result, the Board of Directors is responsible for making decisions from the standpoint of the entire Group, and for overseeing the overall management of the Group.

Two of the ten members of the Board of Directors are outside directors.* This structure is designed to

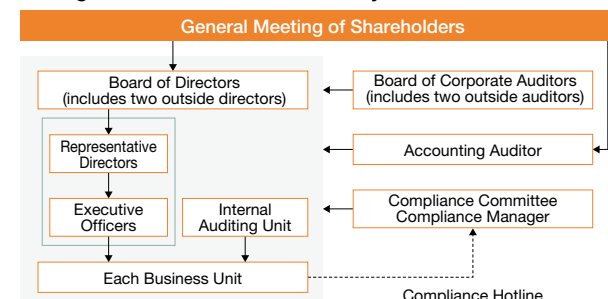
reinforce corporate governance by enhancing the Board's supervisory function concerning the execution of duties.

Executive officers appointed by the Board of Directors comply with the Group management policies decided by the Board of Directors. They are responsible for executing their delegated and designated duties and perform their duties quickly while receiving the supervision of the related representative directors. The Company has a Board of Corporate Auditors. The Board of Corporate Auditors consists of four members, two of whom are outside corporate auditors. The Board of Corporate Auditors communicates with directors, the internal auditing department, and other related departments, while adhering to auditing policies, the division of duties, and auditing rules for corporate auditors stipulated by the Board of Corporate Auditors. The corporate auditors attend Board of Directors Meetings and other important meetings, and audit the duties of directors by means of monitoring the business operations and financial conditions of the Group. We have an Internal Auditors Office to assist the Board of Corporate Auditors, which works under the direct control of the Board.

In addition, we have an Internal Auditing Division, which directly reports to the president, fulfilling the role of diagnosing the Group's corporate fitness level in a regular manner. This Internal Auditing Division conducts internal audits to check the effectiveness and efficiency of business operations, the reliability of financial reporting, the status of compliance with laws and regulations, and the maintenance of assets covering the Company and all Group companies at home and abroad. It also reports the results of internal audits to top management, and offers advice to the related employees on their performance of business duties.

With respect to requirements regarding the guidance of the internal control system for financial reporting in accordance with the Financial Instruments and Exchange Law in Japan, the Company adopted basic policies that conform to the Implementation Guidance for Management Assessment and Audit of Internal Controls over Financial Reporting (ICFR) by Japan's Financial Services Agency. The Internal Auditing Division independently audits the effectiveness of internal control systems in terms of implementation status and improvements at the Company as well as at the overall Group level.

Corporate Governance Structure: Supervision and Management and Internal Control System



Board of Directors / Corporate Auditors

As of June 26, 2015

Board of Directors



Representative Director,
Chairman
Junzo Inamura



Representative Director,
President
Yuji Hamasaki



Representative Director,
Executive Vice President
Kozo Masaki



Representative Director,
Executive Vice President
Koichi Yamamoto



Representative Director,
Executive Vice President
Takeshi Miida

Director and Senior Managing Executive Officer
Mamoru Sugii

Director and Senior Managing Executive Officer
Tadayoshi Machimura

Director and Senior Managing Executive Officer
Masamichi Kuramoto

Outside Director
Hiroyuki Takenaka

Outside Director
Kazuhiro Takada

Corporate Auditors

Senior Corporate Auditor **Kazuyuki Tanaka**
Senior Corporate Auditor **Toshihiko Ando**

Corporate Auditor
Corporate Auditor

Masakiyo Inoue
Yoshiaki Shin

Compliance

Meiden Group considers compliance initiatives to be a key part of our practice of CSR. We work to comply with the law, society's expectations, and social norms and ethics in general.

Compliance System at Meiden Group

Compliance Policy and System

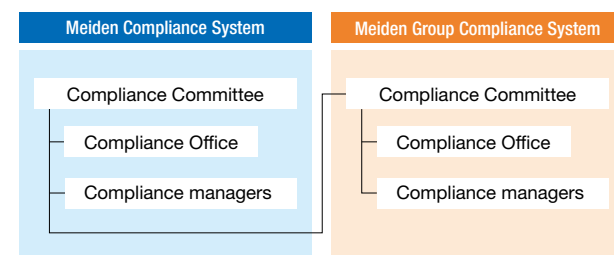
Meiden Group Code of Conduct (COC) defines that we shall strive to ensure compliance with applicable laws and regulations of our business operations-related matters, other applicable laws and regulations at home and abroad, social and ethical norms, and its underlining spirit, and we shall conduct our businesses with strong corporate ethics and good corporate social sense.

Given this policy, Meiden and its Group companies established a compliance committee at each level as per Meiden Group Compliance Promotion Rules. These committees actively communicate with each other and promote CSR programs.

The purpose of our Compliance Committee is to decide on policies for compliance programs, arrange compliance awareness campaigns, respond to internal information on COC violations, and compile the common committee's opinions on various events that have occurred and take action to resolve the issues. The activities of the Committee are reported to the representative director (Compliance) and lawyer and we strongly promote our compliance programs and secure the transparency of those programs.

Each workplace has a compliance manager, who makes sure that the Committee's policies are well understood and the business activities comply with the applicable laws, regulations and social norms. The compliance manager also offers consultation to any employee who seeks advice on some problem and, when necessary, reports to the head of the workplace to offer advice to correct the problem. The compliance manager reports periodically on these activities to the Committee.

Meiden Group Compliance System



Whistleblower System on Compliance

Meiden has a whistleblower system on compliance. This is to prevent illegal actions or misconduct and to solve problems as early as possible if such illegal action or misconduct occurs.

For this whistleblower system, there are two routes: an internal hotline system for compliance violations (Internal Hotline System) and a whistleblower hotline for public interests (Public Whistleblower System).

For the Internal Hotline System, any employee in Japan can enter the 'hot-line site on compliance violations' on an anonymous basis. For the Public Whistleblower System, the contact points by phone are available at internal telephones and the external third-party phone. The third-party phone is located at the law firm to protect the whistleblower and to secure fairness in response to compliance violation information.

The Compliance Committee studies information that is brought to the above points of contact, and, if necessary, consults with a lawyer for resolution. Those who report problems are protected under the Whistleblower Protection Act.

Compliance Education and Information Exchange Meetings

Compliance Committees hold Compliance Information Exchange Meetings at major business premises in Japan every year. The purpose is to maintain and raise compliance awareness and receive input from people in each workplace. The Compliance Information Exchange Meetings also serve as education for compliance managers and selected employees, who also have the opportunity to exchange views with the Compliance Committees. These events were held at 22 locations in fiscal 2014, inviting a total of about 1,242, including compliance managers and selected Group employees. The committees reported on their companies' compliance activities, including individual whistleblower cases and how the Company responded. Training was also given on workplace harassment and the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors. Legal affairs staff gave further training to inform participants about especially unacceptable behavior, using specific examples. For their part, the participants talked about their workplace conditions, expressing their opinions and hopes to the committees and asking plenty of questions. We aim to reflect these participants' input in formulating fiscal 2015 compliance program policies for even better compliance activities.



Information exchange meeting

Risk Management

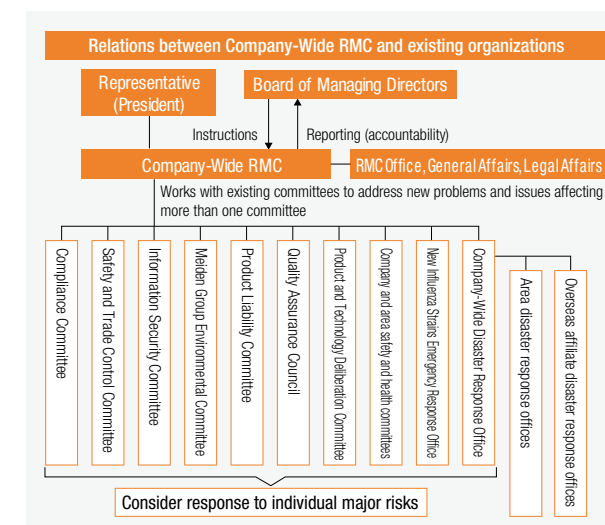
The entire Meiden Group is stepping up its risk management program, working to prevent various risks and minimize impacts if such events occur.

A Stronger Risk Management System

Meiden Group has a system in place to oversee risk management over potential problems in the Group. Our Company-Wide Risk Management Committee (RMC) functions as described below to respond to major, cross-organizational crises. The Company-Wide RMC also partners with working group committees (WGCs) to study anticipated risks and their level of seriousness and to prioritize responses to them.

1. Establish basic policies on major and cross-organizational risks
2. Periodically check and evaluate whether relevant organizations are functioning effectively in terms of risk management, and encourage improvements.
3. Encourage measures to prevent crises before they happen.
4. Decide on company policies on crises that do happen.

Operation of the Company-Wide RMC



Priority Initiatives for Fiscal 2014

In fiscal 2014, we implemented regulations concerning information transfer at times when risks arise etc. Further, as part of our efforts towards disaster prevention, we conducted a simulation of an earthquake occurring directly beneath Tokyo, which is outlined in the following section.

In fiscal 2015, we will continue to implement and strengthen our overseas risk management systems.

Implementation of Total Disaster Reduction Drills

In Fiscal 2014, we made a simulation analysis of an earthquake centered directly under Tokyo. The purposes of this analysis were to confirm the expected damage to the major business premises of Meiden Group in the Tokyo area, and we also performed a simulation of how we could maintain the head office functions of the Company even after such a quake. Based on the results of the simulation analysis, we will continue to work on the issue of how to maintain the head office function of the Company.

In fiscal 2015, we will draw up a disaster drill scenario assuming a quake directly hitting the Tokyo area and featuring an earthquake occurring directly below Tokyo, and will conduct disaster drills including contact exercises between our Tokyo Head Office and the offices of other key manufacturing hubs in Japan.



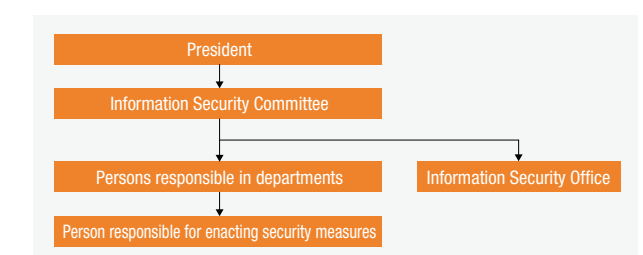
Disaster drill planning working team

Strengthen Information Security Management

Meiden Group understands that ensuring the security of the information assets we handle is a most critical issue. Thus we protect these assets from disasters, accidents, criminals, errors, and other threats. We also establish and maintain information security controls to prevent lapses in information security caused by leaks, tampering, or theft.

In fiscal 2014, all Meiden Group firms in Japan continued to implement information security learning programs by e-learning, and worked on strengthening the prevention of sensitive information leakage from hardware (PC, laptop, PC tablet, memory device, etc.). By doing so, we further strengthen our information security management.

Information security control system



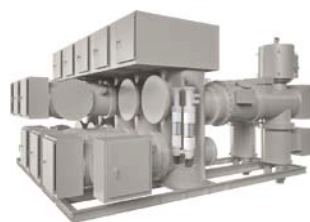
Research and Development / Capital Investments / Intellectual Property

We are actively engaging in research and development programs, capital investment and intellectual property-related activities to assist the progress of our “Power of Collaborative Manufacturing Excellence” in preparation for a new leap forward of Meiden Group.

Research and Development

We are making R & D investments focusing on development of fundamental core technologies to improve the competitive advantages of our technologies in the areas of “generators,” “transformers,” “switchgears,” “surge arrestors,” and “motor drive systems,” which comprise the Group’s core product portfolio.

In the field of generators and transformers, we are working on establishing the “front-loading” method and aim to introduce it to our design work. This method uses simulation-based analysis technologies to find the most effective cooling design and low-noise structure or to select the most suitable insulating materials, etc. In so doing, we will realize faster market release of price-competitive products with higher efficiency and compact design. In the field of switchgear, we commercialized the 145kV V-GIS, which uses environmentally friendly vacuum insulation for the first time in the world in 145kV-class models and is completely free from conventional SF6 gas, which is a greenhouse gas. This product uses our fundamental core technologies such as new material searching methods or determining the correct combination of the composite materials, etc.



145kV V-GIS



Transformer-less medium-voltage inverter

In the field of power conversion, we developed the world’s most compact and highest-efficiency (98.5%) transformer-less medium-voltage inverter prototype and we are working hard on the related development programs for the earliest release to the market. This technology uses our original methods and was awarded an Award for Excellence at Japan’s JEMA Technical Awards. Furthermore, we exhibited our prototype model at the world’s largest power generation exhibition, “Power-Gen International 2014” in the U.S. and received many inquiries from the oil and gas industry.

In the field of electricity generation, we commercialized a new type of converter for small hydroelectric power systems. The hydroelectric power markets are expected to grow at home and abroad. Introducing these converters allows

the user to make variable-speed operation of generators to match the speed of the turbines, and such operation enables stable power output. This technology was awarded an Encouragement Award at the JEMA Technical Awards (see p.17 for related information.)

In the industrial field, we developed a new motor drive unit for EVs. Thanks to the integration of gear and inverter, this motor drive unit realized an approximately 30% reduction of product size in the axial direction.



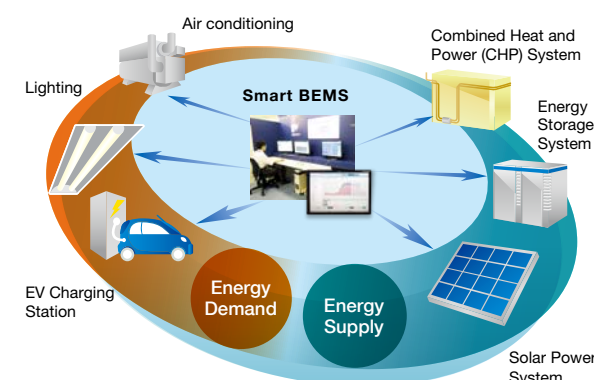
Integrated drive unit combining motor and gearbox

This size reduction increases vehicle design freedom for automakers and leads to the overall cost reduction of the vehicle. This also allows us to promote our product competitiveness against the competition.

In the field of water and the environment, we received an order for ceramic flat membrane units for the industrial wastewater processing plant at the Changi Water Reclamation Plant run by Singapore’s Public Utility Board (PUB). The processing plant has the world’s largest processing capacity of industrial wastewater. The order was granted in recognition of our system engineering capability for systems combining ceramic membrane technology and USAB technology through the demonstration plant under operation at PUB’s Jurong Water Reclamation Plant.

Furthermore, in order to grow next-generation technologies, we have devoted ourselves to the development of a next-generation energy management system (EMS) that realizes both stable power supply and a lower environmental footprint. As an example of the commercialization of our technological know-how and expertise through the

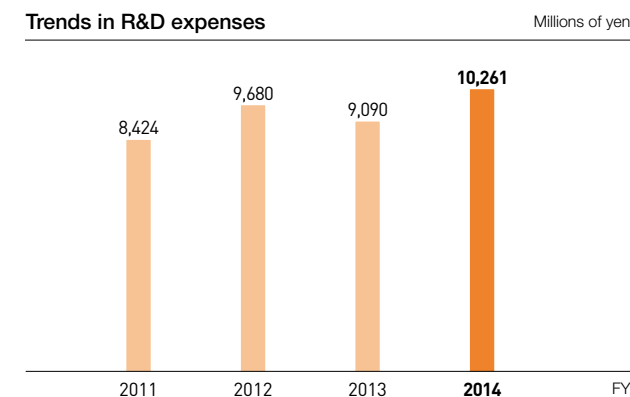
“Smart BEMS” Energy Demand and Supply Control Image



demonstration project of the Yokohama Smart City (YSCP) Project, we secured an order for an EMS from the Yokohama City University Medical Center.

Through the development of these fundamental core technologies, we aim to increase the competitiveness of our core product line-ups and improve our ICT technologies. In so doing, we also aim to produce exciting new products and increase the profitability of our system products business.

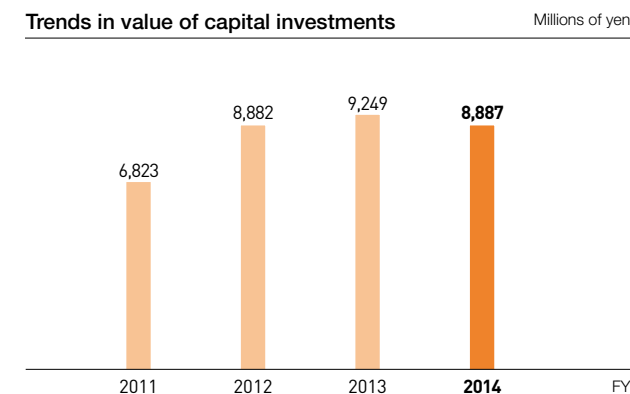
Trends in R&D expenses



Capital Investments

Based on our mission to support social infrastructure, we have focused on investment in production facilities in order to improve the competitiveness of our products. In the Numazu area of Japan, we enhanced our systems to provide long-term support for social infrastructure facilities that we have delivered up to this point, and restructured our CAD system to improve the efficiency of our production processes. Further, in order to support product competitiveness, we updated our A/C generators for testing transformers, and our sheet-metal working facilities.

Trends in value of capital investments



In the Ota area of Japan, we renovated and upgraded our plant buildings to improve the working environment and safety, as well as product quality. Additionally, as part of our overseas investments, following on from fiscal 2013, we have continued to invest in order receiving, procurement, and planning systems that support the development of our business. In the Osaka area of Japan, we are constructing rental apartments for our real estate business as an effective use of the site of our old company housing.

Programs for Intellectual Property (IP) Rights Protection and Use

Under Meiden Group Corporate Code of Conduct, we strive to comply with the laws, regulations and social norms. Regarding IP rights, we respect the IP rights of other firms and at the same time, we work on programs to protect and actively use the Group’s IP rights.

Basic Policy for IP Rights

In the Medium-term Management Plan, “V120,” “Beef up Product Competitiveness” is listed as a basic policy. We, at the Intellectual Property Division, support the R & D activities and work hard to obtain the results of such activities as our original proprietary technologies. In so doing, we aim to increase the competitiveness of our products.

Furthermore, we will assist the business units as well as the corporate management by reducing the risks of infringing on other companies’ IP rights.

Organization

Our Intellectual Property Division engages in application, registry and maintenance of IP rights for the entire Meiden Group. We also assign Patent Managers to each of our research and engineering-related business units (BUs). Each Patent Manager co-operates with the Division to promote IP rights strategy to fit each BU’s research and development and its business.

Initiatives in support of Meiden Group Going Global

In the Medium-term Management Plan, “V120,” “Beef up the Profit Base in Japan Operations” and “Grow Overseas” are listed as basic policies. We promote acquiring and ideally utilizing IP rights in support of our overseas business strategy. We also proactively avoid IP rights disputes by conducting prevention research programs for any possible patent infringements. In so doing, we help the Meiden Group grow overseas.

Quality and Product Safety

Meiden Group attempts to define the customer's requirements and our challenges and we aim to make Meiden Group trusted and relied upon by our customers and society through the offering of high-quality products and services. We practice the following Basic Policy.

President's Quality Management Policy Directive for Fiscal 2013

Offering customers peace of mind and satisfaction

Value "our passion for producing the best products and services" and provide the high-quality products, erection & construction works and various services. We aim to help our customers in solving their issues and to produce the best product experiences. Implement various QC-related key policy programs to get positive results.

Basic Policy

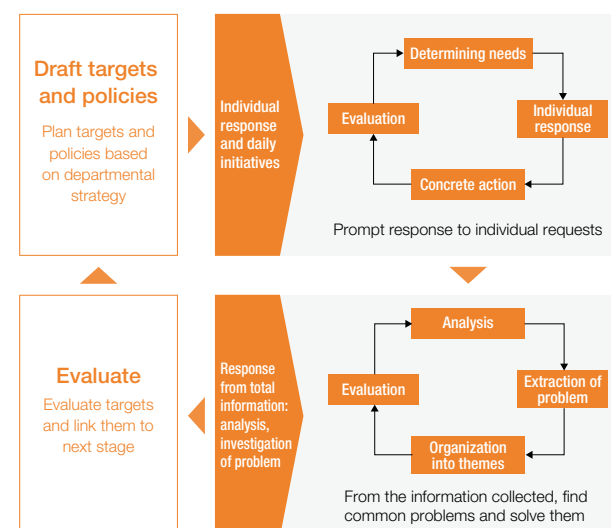
- 1 As a customer problem-solving partner, all employees should actively listen to input from our customers, act quickly and produce the best product experiences.
- 2 Recognize the social responsibility and importance of our products, erection & construction works and various services. Each employee shall be aware that poor quality of our offerings will greatly damage our corporate management and that we shall perform QC-related actions properly. Improve and build the quality gate for zero defects.

Promote Programs to Collect Customer Needs

In order to provide the products and services for the best product experiences of our customers, Meiden Group listens, collects and analyzes the actual feedback/comments from our customers (information from our customers, requirement information, unsatisfactory points) as well as the market trends, etc. as "Customer Needs," and we link these inputs with our other programs/activities such as solutions proposals, new product developments, services, and various kaizen programs.

Each of the BUs having contact with customers such as R&D, sales and marketing, engineering, production, and project site construction will make an operational review at each BU level, define the evaluation items and summarize the plan for the next half-fiscal year. Each BU gives self-evaluation on operational results and by applying the PDCA (Plan-Do-Check-Action) Cycle and aiming to improve the operational performance level.

Flow of initiatives for finding customer needs



Initiatives for Improving Quality

Initiatives for error-proofing program against 3F situations (first time, far from norm, far less frequency)

We are working on practicing our design review programs with the presence of experts so that people participating in the programs are aware of the potential risks. This is a part of the action programs to build the QC system for study, verification and management of the 3Fs (first time, far from norm, far less frequency) as key checkpoints. This is designed to train our workers so that they will take pre-emptive measures by noticing the potential risks using their knowledge of changing points (moments) likely to cause errors."

Improving QC Skills

In order to acquire essential knowledge of QC, we conduct QC engineering education courses, not only for people at production-related Bus, but also for people at non-production-related BUs. The programs are available in Japan for the following groups of people: new recruits, young employees, middle management leaders, etc. The courses cover such topics as "Role of QC," "How to Proceed with Kaizen," "QC 7 Tools," "5 Whys of Analysis," "Human Error Prevention – Poka Yoke," "Proactive Prevention of Defects and Prevention of Reoccurrence," etc. The courses include Group-based actual case study training. We provide the QC engineering education courses to people at Meiden Group firms at home and abroad.



Scene from a training session

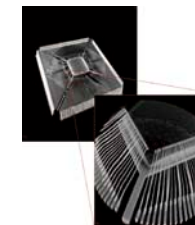
Environmentally Conscious Product Development by Improving Product Quality, Life-span, and Energy Efficiency

Promoting "Front-Loading" Methods to Prevent Defects

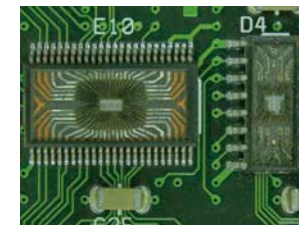
The Analysis Center evaluates product reliability, prevents defects, and provides diagnosis of deteriorated product life. These Center activities are based on the Three Pillars of its policy: "Improve product quality," "Produce new products" and "Think Eco."

For new parts and components, we evaluate the compliance with our internal benchmarking standards by conducting: (1) observation by non-destructive inspection; (2) observation of the internal parts by removing the package; and (3) observation of the internal structure through cross-sectional views, etc.

We are working hard on reliability evaluation and are improving our system to check defects of electronic components.



Examination through 3-dimensional x-rays and CT scans



Examination of contents after removal of packaging

Improve Product Performance and Promote 'Front-Loading' by Computer Analysis

The Analysis Center practices 'front-loading,' which is computer-based validation of design by analysis simulation from the earliest stage, thereby determining the effective design. Such practice realizes improvement of product quality, shorter development time by reducing development

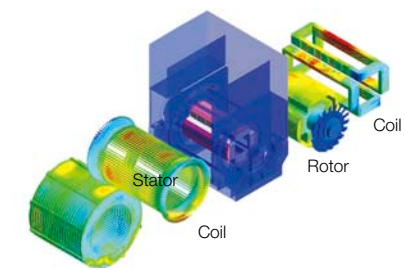
rework, and improvement of product performance and safety.

Programs to Realize Eco-Friendly, Strong, Compact, and Long-Lasting Products

Meiden Group focuses R&D programs on strength and temperature analysis that supports the development of products featuring eco-friendly, compact, highly efficient, and long-lasting design. For instance, regarding the anti-seismic design of switchgear frames and electrical equipment inside switchgear panels, from the earliest stage of design, we perform aseismic analysis simulation. After finishing the design, we do a detailed evaluation on a digital prototype model. In so doing, we realize a highly reliable product design. We also do thermal fluid analysis simulation for rotating machinery and panel products to produce effective cooling design. This realizes compact and long-lasting design.

Our programs for more compact design to increase product competitiveness

By "smart visualization" of physical phenomena using computer analysis tools, we can correctly determine the physical phenomena taking place inside our products. In so doing, we conduct problem-solving support for issues emerging during the new product development stage. For example, for the cooling design for large-size rotating machinery, we conduct analysis of heat transfer through heat generation and conduction and perform fluid analysis of cooling air, and as a result, we determine the most efficient air-ventilation design. Through these programs, we realize compact design and reduced cost.



Heat analysis of rotary machine

TOPICS

Maintenance Engineering Training Courses for safety and system reliability

At Meiden Engineering Center located next to Meiden Numazu Works, Numazu City, Japan, we provide technical skill training and engineering education courses for training maintenance engineers. Through training using actual power equipment that is very close to on-the-job training, we are cultivating maintenance engineers who can contribute to reliable, safe and effective operation of the customer's facilities.

Training courses are taught by veteran maintenance engineers with rich and varied on-site experience. The curriculum covers nearly all Meiden power products, including high-voltage substations, industrial PC facilities, power conversion products, power generation equipment, induction motors, etc. The courses are designed to obtain the required knowledge through hands-on experience. Trainees learn about the internal structure of equipment by using cross-section models. They perform actual operation training by operating disconnect switches, and circuit breakers, power generation systems and inverters, and by conducting protective relay test, etc. Teaching materials include the latest systems such as photovoltaic power systems.



Maintenance technology training



Training technical staff overseas

Protection of the Environment

Under our Basic Environmental Philosophy, every individual employee of Meiden Group promotes environmental management that contributes to the protection of the global environment and the realization of an affluent society through our core business.

Basic Environmental Philosophy

The Meiden Group Basic Environmental Philosophy

With our basic environmental philosophy of “contribute to people, society, and the global environment,” the Meiden Group aims to develop our business, while tackling the important environmental management issues involved in creating a sustainable society, mitigating climate change, fostering a recycling-oriented society and maintaining biodiversity.

The Meiden Group's Environmental Action Guidelines

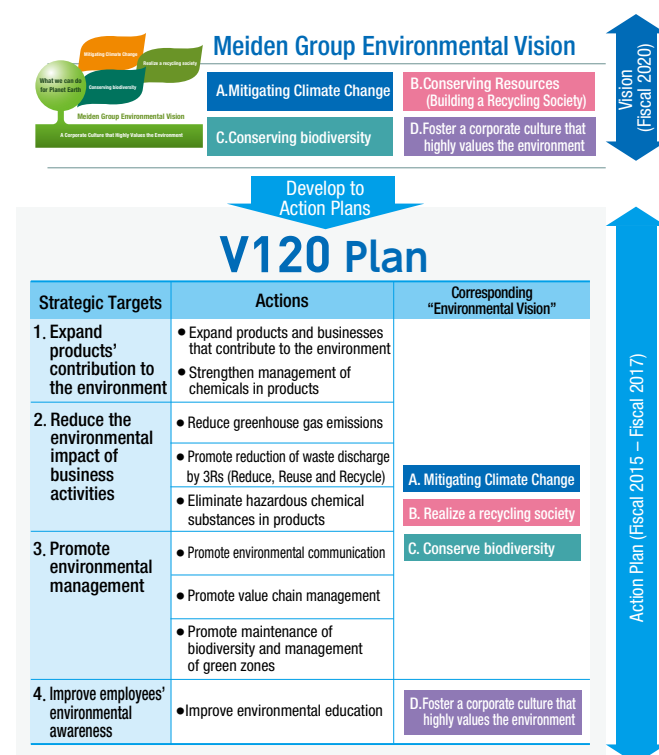
- For the environment, we will promote the development of new environmentally conscious products and innovations in eco-friendly technologies. We will provide such products for broader world markets. In so doing, we will positively contribute to mitigating climate change, creating a recycling society and maintaining biodiversity.
 - We strive to design and develop green products by conducting environmental impact evaluation for the product's life cycle, from initial material procurement to final disposal.
 - We strive to promote environmentally conscious business processes with green initiatives: promoting energy saving, promoting the 3Rs (reduce, reuse and recycle) and reducing the release of hazardous materials to reduce the environmental impact from our business activities.
 - While complying with all environmental laws, regulations and other requirements, we will establish our own internal standards and work hard to prevent pollution from our business activities.
 - After establishing an environmental management system, we strive to maintain and improve it through the QC tool of the PDCA (Plan-Do-Check-Act) Cycle.*
- *Note: The Plan-Do-Check-Act Cycle means: Plan: Identifying and analyzing the problem. Do: Developing and testing a potential solution. Check: Measuring how effective the test solution was, and analyzing whether it could be improved in any way. Act: Implementing the improved solution fully.
- We strive to implement initiatives including environmental education and PR activities in order to increase all of our employees' understanding of environmental management and make our environmental programs more proactive.
 - We will broadly promote communication with our stakeholders by disclosing internally and externally the environmental impacts from our business activities and programs in order to reduce such impacts.

Second revised edition dated June 30, 2013
Yuji Hamasaki, President, Meidensha Corporation

Environmental Vision

As a medium-term guideline to assist us in advancing environmental management, the Meiden Group has formulated an Environmental Vision that indicates the stance that we should adopt and the appropriate direction for our environmental activities. We seek to contribute to the realization of a sustainable society by means of the reduction of the environmental impact resulting from our business activities and the deployment of the businesses, products and technologies that we have developed to date in the fields of energy and water treatment to support social infrastructure. Our Environmental Vision identifies the mitigation of climate change, the building of a recycling society, and the conservation of biodiversity as the missions of a 21st century company, and establishes targets for how we should perform in our business activities and what we should aim for in our products. We work to implement environmental management with a corporate culture that highly values the environment as the foundation that helps us to achieve these targets.

Deployment of Action Plans



Targets that express our Environmental Vision

A. Mitigating Climate Change

- Contribute to the reduction of CO₂ emissions through the sale of energy-related products and systems (i.e., products for renewable energy resources, etc.)
- Promote environmentally conscious product design and reduce CO₂ emissions in the product life cycle.
- Reduce CO₂ emissions in our production activities.

B. Conserving Resources (Building a Recycling Society)

- Promote the 3Rs (Reduce, Reuse and Recycle) of waste materials in the various stages of the product life cycle.
- Promote zero emissions of waste products from our production activities.

C. Conserving biodiversity

- Contribute to securing water resources through our water processing systems business.
- Conduct risk management on chemical materials and promote the reduction of very risky hazardous chemical materials, as well as initiatives to find alternative materials on a basis to reduce or replace harmful chemicals.

D. Foster a corporate culture that highly values the environment

- Promote environmental communication: Actively disclose our environmental activities and results and promote two-way communication with our stakeholders.
- Foster environmental awareness: For mitigating Climate Change, increase environmental literacy to promote environmentally conscious R&D and product development and cultivate the Group's individuals who actively perform local community and social contribution programs by acting on their own initiative.

Promoting Strategic Environmental Management

Our Programs for Environmental Management

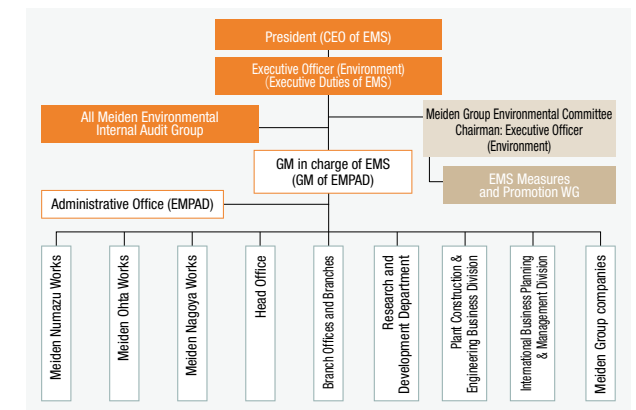
Meiden Group promotes an environmental management system (EMS) at each level and at the Group-wide level. In our EMS organization, the chief executive officer is our President and the officer carrying out EMS executive duties is our executive officer (environment) who oversees the overall EMS management of the entire Meiden Group.

The general manager (GM) in charge of EMS is the General Manager of the Environmental Management Program Administration Division (EMPAD). The GM maintains and improves EMS of the Meiden Group. The GM organizes the All-Meiden Environmental Internal Audit Group (AMEIA Group) as an independent organization and the AMEIA Group inspects and monitors the status of the EMS program, conditions of compliance with related laws and regulations and makes proposals for EMS improvements.

Our executive officer (environment) is the chairman of the Meiden Group Environmental Committee (MGEC), which is our EMS Organization's highest decision-making body in relation to environmental activities. The MGEC sets environmental targets and formulates action plans, conducts

management reviews, responds to emergency situations and reviews and reports on the activities of environmental measures and working groups (WGs) and EMS promotion WGs. The MGEC decides the policy directions of our EMS.

Meiden Group EMS Promotion Organization



Meiden Group Fiscal 2014 Environmental Targets / Status of Achievement of Targets (in Japan)

○ Achieved △ Not achieved (better than previous year) × Not achieved (not as good as previous year)

Basic measure	Environmental initiatives	POWER 5 Targets (Fiscal 2014 targets)	Fiscal 2014 results	Evaluation
I. Promote businesses that contribute to the environment ("Eco-contributing Businesses" (ECBs))	Increase the contribution to the environment via products	Contribute 400,000 t/year CO ₂ emission reduction effects by ECBs	Contribute 590,000 t/year CO ₂ emission reduction effects by ECBs	○
II. Develop environmentally conscious products (ECPs)	1) Promote environmentally conscious design	Expansion of scope of subjects for environmentally-conscious design	Expansion of environmentally-conscious design of newly developed products	○
	2) Promote green procurement	Achieve green procurement through its green quality supplier approval program – more than 50 certified suppliers per year	Achieve green procurement through its green quality supplier approval program – more than 51 certified suppliers per year	○
III. Promote environmentally conscious business processes	1) Reduce CO ₂ emissions from business activities ^{*1}	Reduce 1% in CO ₂ emissions per unit of energy (against previous fiscal year)	Reduced 9.9% in CO ₂ emissions per unit of energy	○
	2) Promote initiatives to eliminate hazardous chemical substances in products	Reduce 30% in volatile organic compounds (VOC) released from burning fuels (Maintained) (against the level of fiscal 2000)	Reduce 48% in volatile organic compounds (VOC) released from burning fuels (against the level of fiscal 2000)	○
	3) Promote reduction of waste discharge by 3Rs (Reduce, Reuse and Recycle)	Achieve "zero emissions" ^{**2} (major production hubs in Japan ^{*3} , engineering service business units (BUs) and construction service business units (BUs))	Achieved zero emissions at all applicable locations	○
IV. Promotion of environmental communication	1) Protection of biodiversity	Organization of activities in cooperation with regional community (Main four locations ^{*4})	Conducted environmental conservation activities etc. at our 4 main locations	○

Meiden Group Fiscal 2015 Targets and V120 Medium-term Targets (in Japan)

Strategic Targets	Actions	V120 Targets (Fiscal 2017 Targets)	Fiscal 2015 Targets
1. Expand products' contribution to the environment	Expand products and businesses that contribute to the environment	Contribute 800 thousand t/year reduction in CO ₂ emissions by ECBs	Contribute 620 thousand t/year reduction in CO ₂ emissions by ECBs
		Conduct LCA assessments in each product category	Conduct LCA assessments for new products
2. Reduce the environmental impact of business activities	Reduce greenhouse gas emissions	Reduce energy consumption per unit of production by 3% from 2014 levels ^{*1}	Reduce energy consumption per unit of production by 1% from 2014 levels
		Reduce SF ₆ output amount to less than 3% of purchased amount (against the level of fiscal 2014)	Reduce SF ₆ output amount to less than 3% of purchased amount
	Promote reduction of waste discharge by 3Rs (Reduce, Reuse and Recycle)	(Major production hubs in Japan ^{*3} , engineering service business units (BUs) and construction service business units (BUs))	(Major production hubs in Japan, engineering service business units (BUs) and construction service business units (BUs))
	Eliminate hazardous chemical substances in products	Reduce waste emissions per unit of production ^{*5} by 8% (against the level of fiscal 2014)	Reduce waste emissions per unit of production by 2% (against the level of fiscal 2014)
3. Promote environmental management	Promote value chain management	Reduce VOC emissions by 30% (against the level of fiscal 2000)	Reduce VOC emissions by 30% (against the level of fiscal 2000)
	Promote maintenance of biodiversity and management of green zones	Support supplier EMS systems (50 companies)	Support supplier EMS systems (20 companies)
		Utilize green zones by factories in a manner that is considerate of biodiversity <Main four locations> ^{*4}	Manage green zones by factories in a manner that is considerate of biodiversity <Main four locations>

^{*1} Target: "Reduction of CO₂ emissions from business activities": Activities in line with levels proposed in "the Action Plan Towards a Low-carbon Society" by the Japanese Electrical Industry

^{*2} Meiden Group definition of zero emissions: To achieve efficient use of resource rate in a range that is less than 1.0% of the total volume of waste (including industrial waste, general waste, and saleable waste, but excluding construction sludge, etc.) is not recycled.

^{*3} Major production hubs: Meiden Numazu Works, Meiden Ohta Works, Meiden Nagoya Works, Kofu Meidensha Electric, Meiden Chemical (Sagami Works), Hokuto Denko (Atsugi Works)

^{*4} Main four locations: Meiden Numazu Works, Meiden Ohta Works, Meiden Nagoya Works, and Kofu Meidensha

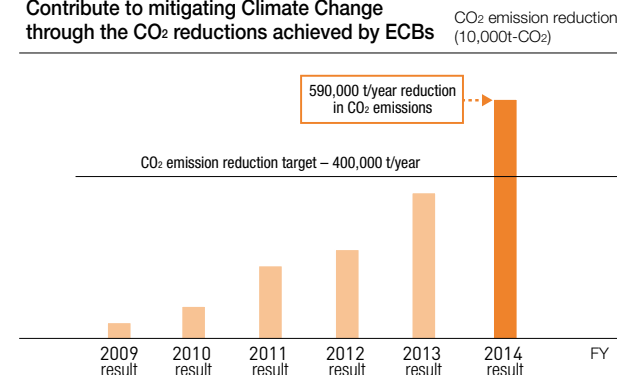
^{*5} Waste emissions per unit of production (t/million yen) is the amount of waste produced (t) for a given amount of production yield (million yen)

Promoting Business that Contributes to the Environment (“Eco-contributing Businesses” (ECBs))

We identified the related businesses of three business fields (solar power, wind power and electrical components for electric vehicles (EV)) as ECBs with high levels of contribution and enlisted the resulting contribution of CO₂ emission effects through the related products as environmental contribution volume and thereby set the eco-efficiency targets (for fiscal 2014, reduction of 400,000 t-CO₂).

In fiscal 2014, we steadily expanded our photovoltaic generation-related business, resulting in an emissions reduction of 590,000 t-CO₂, a figure that greatly exceeded our target.

Contribute to mitigating Climate Change through the CO₂ reductions achieved by ECBs



* The results figure for each fiscal year shows the aggregated figure of the annual CO₂ emissions reduction effect from products shipped since fiscal 2009



Mega Solar Shimizu (Shizuoka Prefecture)



Outlander PHEV



Wajima Community Wind Farm

Environmentally Conscious Product (ECP) Development

A Meiden Green Product* newly certified in fiscal 2014

4-Pole Turbine Generator with Solid Salient Pole Rotor

Turbine generators are synchronous generators for turbine drive powered by steam or combustion gas.

In fiscal 2014, we developed the 4-pole turbine generator with salient solid pole rotor. This generator has a 10-60MVA capacity and we changed the rotor design from the conventional cylindrical to a salient pole. This change reduced loss and greatly improved efficiency from the conventional design model. Due to the simple construction, we were able to realize the compact design, resulting in total weight reduction of the generator.

Compared with our conventionally designed model with cylindrical rotor, it has the following environmentally conscious design considerations.

Reduction of product weight

By adopting salient pole rotor design and using the latest structural analysis, we were able to reduce the generator's mass by approximately 30%.

Conservation of energy and resources

By adopting salient pole rotor design, generating efficiency improved from 97.6% to 98.3%.

* Typical value for 48.75MVA (11kV, 50Hz) unit



4 pole turbine generator with salient solid pole rotor

TOPICS

New AC-DC Conversion Power Conditioning Subsystem (PCS) for NAS Battery

We installed a new type of PCS for the NAS battery for “Kashiwa-no-ha Smart City Project” in Kashiwa City, Chiba Prefecture. This PCS system allows power-interchange of distributed energy resources so the power can be used among the different-purpose facilities located in the various city blocks. On a wider area level, the system is able to realize both peak-sharing of power and reinforcement of disaster prevention capability at the regional level.



A panoramic view of the project site

Environmental Initiatives related to Business Activities

Reducing CO₂ Emissions from Our Business Activities

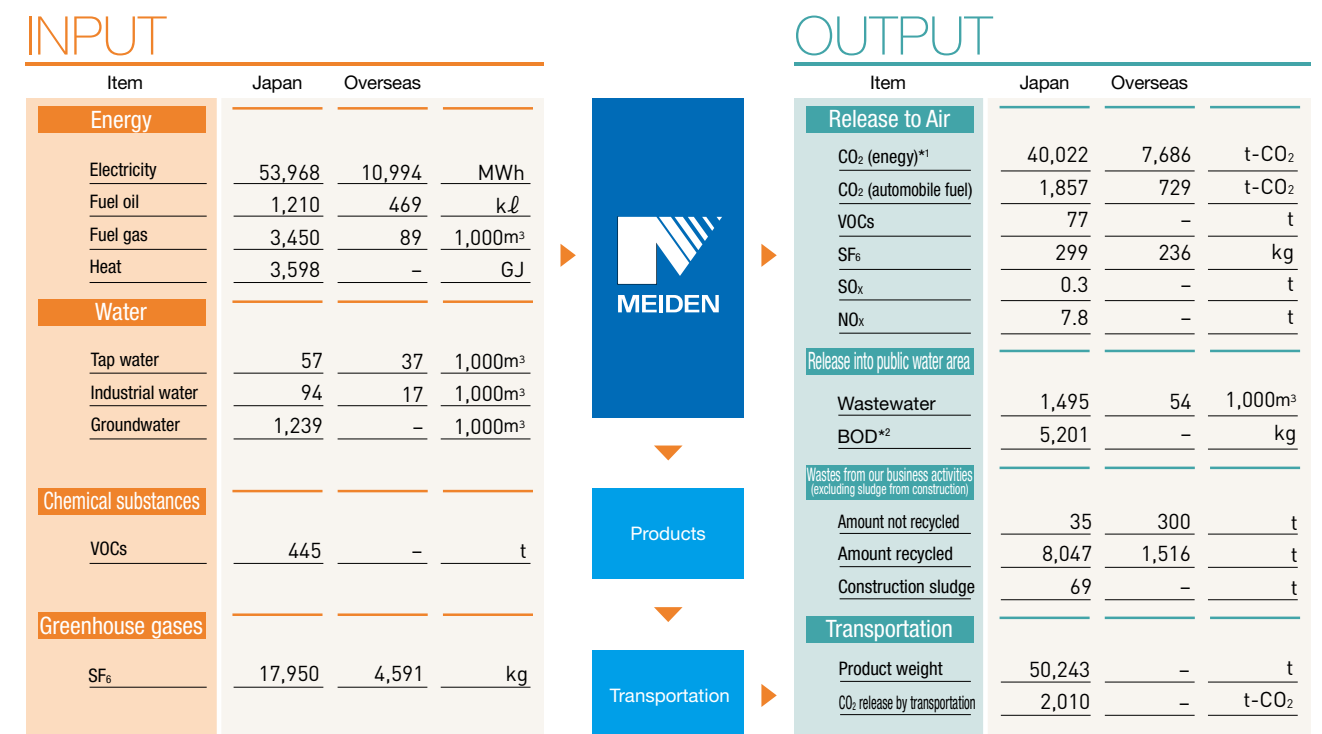
The majority of Meiden Group's greenhouse gas emissions occur through energy consumption for our business activities. We aim to streamline our power consumption, including that for production processes, by such measures as energy-saving of lighting inside the factories, renovation of air-conditioning systems, energy-efficient operation of existing facilities, and reviewing of our energy management.

Further, the entire Meiden Group has reduced energy consumption by the equivalent of about 260kl of crude oil (equal to 1.3%) through the grass roots-level activities of our energy-saving study circles in Japan. We were thereby able to reduce CO₂ emissions by 440t. In addition, due to favorable production, we were able to reduce energy consumption per unit of production by 9.9% in fiscal 2014, in spite of our target being only 1%.

Due to the robust production, we were able to improve the energy consumption per unit at the rate of 9.9% gain from the previous year despite our target of 1% gain from the previous year.

Overview of Environmental Impacts by Our Business Activities (Fiscal 2014)

At Meiden Group, we monitor the environmental impacts from our business activities. Our rate of use of major resources and our environmental impacts from our business activities are shown below.



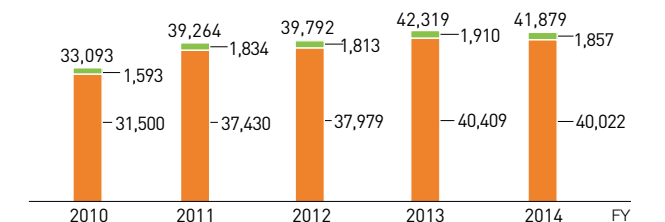
*1 Average figures for the period from 2010 to 2012 published in the International Energy Agency (IEA)'s CO₂ Emissions from Fuel Combustion (2014 Edition) were used for the emission coefficient for power use for each country. For fuel oil and fuel gas, emission coefficients for each country published by the Greenhouse Gas Protocol Initiative were used.

*2 Calculated as a measure of impact based on oxygen concentration and wastewater volume.

Trends in CO₂ emissions (Domestic)

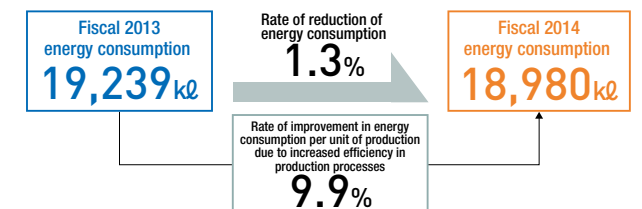
(t-CO₂)

Automobile fuel Energy usage



* Until fiscal 2013, average annual figures published by The Federation of Electric Power Companies of Japan have been used for the emissions factor (receiving end). The average annual figure for fiscal 2013 published by The Federation of Electric Power Companies of Japan has been used for the fiscal 2014 emissions factor.

Energy consumption and rate of improvement in energy consumption per unit of production (Domestic)



Human Resources Management

Meiden Group aims to maintain a fair and just employment system and a positive workplace to enable each employee to realize his or her potential.

Promote Fair and Just Employment Practices and Respect Diversity in the Workplace

Employment Policy

We are working on providing fair opportunities to enable a diverse range of employees to prove and demonstrate their potential, free from obstacles based on age, gender, nationality, etc. We are working hard to build a positive environment that provides the opportunities for each employee to prove and show their unique individuality through action programs such as diversity education programs at all levels, a personnel treatment system for career development and review of personnel evaluation, as well as holding opinion-exchange working group meetings by female workers in Japan, etc.

Hiring of People with Disabilities and Amendment in Our Re-Employment System

From April 2013, the mandatory hiring level of people with disabilities was increased by the Japanese Labor Law to 2.0%. We have been hiring such individuals not only through our designated subsidiary company but also at the principal company – Meiden. In Japan, we amended our re-employment system initially applicable to those who reach the mandatory retirement age of 60 as of April 2013. We offer job openings to all applicable and re-employment-seeking people by displaying the job descriptions and entering re-employment contracts.

Rate of employment of people with disabilities (Meiden Group)

2011/6	2012/6	2013/6	2014/6	2015/6
2.09%	2.12%	2.13%	2.18%	2.19%

Legally required employment percentage: 1.8% through March 2013; 2.0% from April 2013

Promoting Diversity

Since fiscal 2014, Meiden Group has implemented diversity promotion programs. Through such efforts, we aim to produce new value by making the best use of the unique differences and individual talents of each employee.

Going forward, we will position diversity promotion as one of our key management policies and will provide opportunities for each employee to prove and show their individuality. To this end, we will foster a positive

Female employees in a session to talk about working styles



corporate culture and conduct reviews of various personnel systems.

Human Resource Development

Human Resource Development Policy

- ① We will develop human resources capable of contributing to the management philosophy and to securing the necessary profit for such objectives.
- ② We will provide advice and support to each person so that he or she can find their unique potential and can have career development to maximize their current and future job performance.

Various Training Programs

We provide various training programs for the personal development of our employees as members of society, as Meiden Group employees and as professionals. In fiscal 2014, we conducted training programs for overseas Meiden Group managers and engineers with the training courses given in Japanese, English and Chinese.

We also invite overseas Meiden Group engineers (production-related) to Japan, where they join the training programs at their firms' related mother factories. We will continue to reinforce these educational programs for globally oriented talent.



Training programs for overseas Meiden Group engineers

Main Training Programs

- ① New-recruit training to help them get a smooth start as a working member of society and subsequent followup training after one year
- ② Newly promoted-employee training to enable them to have the necessary knowledge and way of thinking for their new job performance
* We are reinforcing the training for younger cluster employees; in particular, young employees with third and fourth year company experience after joining.
We added the training for such company age groups. For newly promoted assistant managers, assistant senior engineers and senior managers, we have training programs for immediately following their appointment as well as follow-up training. These training series will help them to acquire practical knowledge.
- ③ Subjectively based and participative training program in the form of collective training or by correspondence course. This program is for career development of each employee to enable him or her to acquire the necessary knowledge or skills for the career goal set by themselves.
- ④ Life-planning and career-design training program to help senior employees prepare for their retirement or post-company life-plan in Japan. This training will enable them to acquire the life-planning skills including budgeting.
- ⑤ Job-based training programs to foster professional people in each job description such as engineers, technicians, sales and marketing people.
- ⑥ Basic engineering course for back-office staff to know our products. This is to strengthen the basic knowledge necessary for a supplier's employee.

Building a Positive Workplace with Job Satisfaction

Personnel Treatment System

Since April 2015, we have revised our personnel treatment system for general staff members in Japan in order to inspire our employees to contribute to the Company and increase their motivation to work. This system aims to reward employees who have made higher contributions or worked harder according to their actual contributions through our multi-track job qualification systems by balancing the "job role" and "job contribution." This system additionally aims to meet various working styles and also allows those working styles in the preferred working area (no transfers to locations far from one's family).

Major initiatives

MBO Performance Measuring System

In order to ensure high evaluation transparency, we use the MBO (management by objectives) performance measuring system. This enables each employee to evaluate their individual performance results in the light of each BU's performance objectives under POWER 5. This is in line with each BU's MAP* activities.

* We named our management policy-related activities at Meiden Group "MAP Programs."

MAP: Meiden Advantage Program

Self-reporting system

The self-reporting system helps employees develop personally and form career plans.

Meister program

The Meister program gives special benefits to employees who contribute to Meiden Group through excellent craftsmanship. We treat them as high-level experts. So far, we have certified nine employees as Meisters between fiscal 2008 and fiscal 2014. (One person was so honored in fiscal 2014.)

Job rotation program

We have adopted a job rotation program to develop the abilities of our young employees.

Occupational Safety and Health (OSH) Management Initiatives

Safety and Health Initiatives Based on President's Safety and Health Management Policy

Each fiscal year, Meiden Group draws up a President's Safety and Health Management Policy and undertakes safety and health initiatives in keeping with the policy. We also draw up English- and Chinese-language versions of the same policy. In so doing, we apply the related initiatives to overseas Meiden Group companies.

TOPICS

More OHAS 18001 Certifications Planned to Follow Acquisition at Numazu Works in Fiscal 2013

After obtaining OHSAS 18001 certification for our occupational health and safety management system at Meiden Numazu Works in fiscal 2013, we initiated programs to obtain certification at Meiden Ohta Works (Rotating Machinery Factory), Meiden Nagoya Works and Kofu Meidensha Electric Mfg. Co., Ltd. They all plan to obtain certification during fiscal 2015.

Meiden Group aims to obtain full OHSAS 18001 certification at our major manufacturing hubs in Japan, thereby leading to swift migration to the new ISO 45001 OSH Management System Standard (an international OSH management system standard), which will come into force in fiscal 2016.

Recognizing that the occupational safety and health (OSH) of each employee are fundamental to the Group's operations, we work to eliminate occupational accidents and maintain and improve each employee's health at work. This follows our Basic Policy: "To secure a safe and positive work environment and help in realizing the work-life balance and better lives of our employees."



First aid workshop



Stop-smoking Session

New Safety and Health System

We view as vital to have daily and continuous OSH activities at each workplace to enable us to improve and upgrade our OSH management. In this connection, in fiscal 2014, we newly established a BU called "Operational Health and Safety Management Department." This new BU promotes overall Meiden Group OSH-related programs. It focuses on its activities by visiting project sites and teaching and advising on OSH matters.

Health management matters are addressed at "Health Management Liaison Meetings (HMLMs)," which comprise each major manufacturing hub's personnel department and Health Care Office at the Meiden Head Office. The HMLMs discuss various OSH issues and take appropriate measures.

Going forward, we will continue to implement and expand various programs for the safety and fitness of our employees.

Supply Chain Management

The Meiden Group's CSR initiatives and Code of Conduct are based on our Corporate Philosophy, and we ask our suppliers to practice CSR in every aspect of their business activities to the same degree as we do in our own.

Meiden Group Basic Procurement Policy

Basic Procurement Policy

- ① Compliance with applicable laws and social norms
- ② Fair trade based on free competition
- ③ Consideration for the environment
- ④ Building healthy partnerships

Promote CSR Programs that Include the Supply Chain

Meiden Group practices CSR to maintain fair trade that allows for mutual growth. This includes our procurement of materials. We drafted a "Meiden Group Supply Chain CSR Deployment Guidebook" based on CSR initiatives that the Group practices throughout its business. We present the guidebook to suppliers along with a request that they and their own suppliers practice similar CSR initiatives. Guidebook content conforms to the Supply Chain CSR Deployment Guidebook (August 2006 Edition) of the Japan Electronics and Information Technology Industries Association (JEITA).

Promote Green Procurement Activities

Green Procurement

Based on our Basic Environmental Philosophy: "Contribute to people, society and the global environment," we are implementing many programs in line with the Meiden Group's Environmental Action Guidelines. Regarding the material procurement and product development, we strive to produce environmentally conscious products (ECPs) throughout their entire lifecycle, from material procurement to final disposal. In doing so, through energy- and material-saving, reduction of hazardous material use, etc., we are working hard to mitigate climate change.

We consider green sourcing as a part of our supply chain CSR activities. Since fiscal 2014, we have issued the "Green Procurement Guidelines" as our environmental guiding principles in our supply chain activities. By issuing CSR survey sheets (environmental activities survey sheets) to our suppliers, we are able to understand their programs for CSR and environmental protection activities. In this manner, they help us in our CSR procurement activities including our green sourcing.

Our Response to Conflict Minerals Issue

Meiden Group policy on disputed minerals Issue

Meiden Group works to prohibit the use of conflict minerals – the minerals tantalum, tin, gold, and tungsten mined in the Democratic Republic of the Congo and surrounding nations when those minerals are used to help fund armed forces that repeatedly engage in human trafficking, forced labor, child labor, abuse, or other inhumane acts.

Meiden Group asks our suppliers to understand and co-operate with our response to conflict minerals as part of ensuring socially responsible procurement.

Communication with Our Suppliers

Production Plan Briefings for Our Suppliers

Twice a year (April & October), our major works in Nagoya, Numazu and Ohta City, our production hubs in Japan, invite major suppliers for a briefing session to outline the business environment and plan at Meiden and each related BU. During these briefing sessions, we present excellent supplier awards to those who have greatly assisted us in materials procurement. This selection comprises several candidates and the award represents our special appreciation.

Also, we use Web-EDI to streamline the ordering, delivery period response, and the post-delivery paper exchange work. In so doing, we promote paperless transaction using electronic information.

Promote Group Procurement Organization

We are working to build a stronger procurement organization throughout Meiden Group. We conduct periodic Meiden Group Procurement Meetings and refine the programs to improve the Group's common procurement platform.

Programs to improve the procurement platform

- Strictly comply with rules and regulations.
- Strictly implement CSR procurement
- Strengthen risk management (BCP and internal controls)
- Strengthen HR development

Social Contribution Programs

By contributing to the community as based on Meiden Group Social Contribution Policies, we work to maintain good communication with the community and other stakeholders.

In 1918, Mrs. Take Shigemune, the second President of the Company and wife of our founder, Mr. Hosui Shigemune, used her own funds to establish Hosui Elementary School in Osaki (Shinagawa City, Tokyo), an area where the Company had a factory. Following in her footsteps, Meiden Group makes a wide variety of social contributions through our active involvement with local communities and with society.

Examples of social contributions (FY2014)

Teaching Children the Fun of Crafting Things

Since fiscal 2007, the 110th anniversary of our founding, we have conducted "Meiden Handicraft Sessions" at Hosui Elementary School and other elementary schools in communities in Japan where we have our manufacturing hubs. As of fiscal 2014, we have provided hands-on experience in the fun out of making things to more than 7,000 children.



Children have fun assembling a motorized ball-type "Scroller" and learning how to move it around.

Meiden Group Sponsors Azul Claro Numazu Soccer Team

Meiden is an official sponsor of the JFL soccer team, Azul Claro Numazu, which is based in Numazu City. Azul Claro Numazu is a community-based club team that was created through a program to teach soccer to local children. Meiden has a long history with Numazu City as our production hub and a close relationship with the community there. Azul Claro Numazu values its community, and Meiden endorses the team's goal: "Contribute to a happy and prosperous community-building."



We support the success of the team as both sponsor and fan.

Kofu Meidensha received a Certificate of Appreciation from the Minister of Health, Labour and Welfare (MHLW) for Blood Donations

This certificate was given to Kofu Meidensha, our Group firm in Yamanashi Prefecture, in recognition of its long-term active support for blood donation and public relation activities for MHLW's blood donation programs, etc. Kofu Meidensha has conducted blood donations twice a year since 1981 and about 33% of employees participate. Kofu Meidensha first received such a certificate of appreciation from the governor of Yamanashi Prefecture in 2000. As a second similar recognition, this time the certificate is from MHLW.



Certificate of appreciation from the Minister of Health, Labour and Welfare

Nature Observation Events in Osaki, Tokyo

"ThinkPark Forest," a zone in our head office premises in Osaki, Tokyo, offers a greenery space integrated with the greenery of other firms located in the neighborhood. Since fiscal 2012, we have held early-morning nature observation events together with the employees of neighborhood firms. With the help of the Nature Conservation Society of Japan and through observation and recording of the four seasons, we came to the realization that there is a variety of creatures in Osaki's urban green space. In fiscal 2014, we further expanded the activities by conducting "Evening Nature Observation Meetings" after working hours.

Furthermore, we are conducting other programs such as fixed-point observations where participants observe the trees of "ThinkPark Forest" in every season, installation of watering places for wild birds, and creation of a leaflet about Osaki's green space. Going forward, we hope to utilize the findings of these nature observation events and to make such events more proactive by involving more people in the local community.

Our activities at "ThinkPark Forest" have been registered as a civil society program for the "Nijumaru Project" to achieve the UN's Aichi Biodiversity Targets.



A leaflet titled "Osaki's Forest"

Corporate Data as of March 31, 2015

Corporate Name	MEIDENSHA CORPORATION	Capital	¥17,070 million
Established	June 1, 1917 (Since December 22, 1897)	Consolidated Sales	¥230,299 million
Representative Director, President	Yuji Hamasaki	Consolidated Number of Employees	8,173
Head Office	ThinkPark Tower, 2-1-1, Osaki, Shinagawa-ku, Tokyo, 141-6029 Japan	Consolidated Subsidiaries	39 (21 in Japan, 18 overseas)

Consolidated Subsidiary Companies as of June 1, 2015

Area Code	Company Name	Capital	Business Entity
Japan	Kofu Meidensha Electric Mfg.Co.,Ltd.	¥400 million	Manufacture and sales of electric motors
Japan	Meiden Engineering Corporation ^{Note 1}	¥400 million	Manufacture, sale, lease, installation, wiring and provision of maintenance services (maintenance and inspection, modification, repair, etc.) for electrical equipment, machinery and devices
Japan	Meiden Plant Systems Corporation	¥400 million	Construction services
Japan	M WINDS Co., Ltd.	¥330 million	Business of wind farm and consulting services
Japan	MEIDEN SHOJI Co., Ltd.	¥300 million	Sales of electric components
Japan	Meiden O&M Corporation ^{Note 2}	¥100 million	Strategic proposal and comprehensive management of manufacture, sale, lease, installation, wiring and provision of maintenance services (maintenance and inspection, modification, repair, etc.) for electrical equipment, machinery and devices and provision of related education
Japan	Meiden Facility Service Corporation	¥100 million	Operation and maintenance of facilities etc., management and consulting relating to facilities to provide energy such as electricity, gas, water, and steam, as well as air conditioning facilities etc. for factories and hospitals etc. and operation and maintenance of tap water, sewage, and industrial water facilities etc.
Japan	MEIDEN KOHSAN CO., LTD.	¥100 million	Sales of products and materials, and agent services of insurance
Japan	MEIDEN CHEMICAL CO., LTD.	¥95 million	Insulating varnish and molded instrument transformer
Japan	Meiden System Manufacturing Corporation	¥90 million	Manufacture and sale of switchboards, control panels, and their components
Japan	Meiden System Solution Corporation	¥50 million	Software development, design, production, sale, and rental, and maintenance and management of computer systems and networks
Japan	Hokuto Denko Corporation	¥25 million	Manufacture and sale of electrochemical measurement devices, and manufacture of water quality measurement devices

Area Code	Company Name	Capital	Business Entity
Singapore	MEIDEN SINGAPORE PTE. LTD. ^{Note 3}	S\$25.4 million	Manufacture and sale of transformers, switchboards, and circuit breakers, maintenance and after-sale service of electrical equipment, electrical engineering and import/export operations, and overseas procurement
Singapore	MEIDEN ASIA PTE. LTD.	S\$5 thousand	South-East Asian controlling company
Thai	THAI MEIDENSHA CO., LTD.	TB30.0 million	Electrical engineering, technical consulting, after-sale service, and import/export operations
U.S.A.	MEIDEN AMERICA, INC. ^{Note 3}	US\$21.5 million	System engineering, sales, technical consulting, and after-sale service of dynamo products
China	MEIDEN HANGZHOU DRIVE SYSTEMS CO., LTD. ^{Note 3}	US\$19.0 million	Manufacture of PM motors and other specialist electrical devices, general purpose inverters, and assembly units for automatic guided vehicles

Note 1. This is the company created by the acquisition by Meiden Engineering East Japan Corporation of Meiden Engineering Central Japan Corporation and Meiden Engineering West Japan Corporation on June 1, 2015

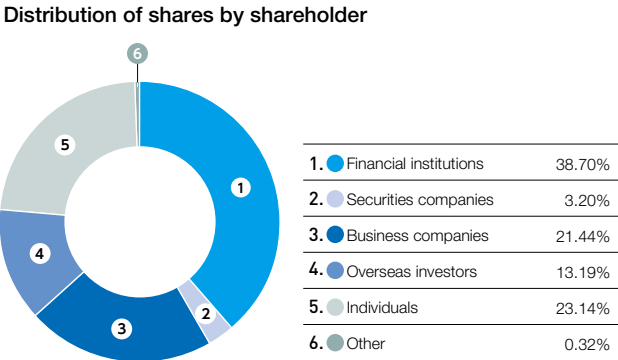
Note 2. Meiden Engineering Corporation changed its name on June 1, 2015

Note 3. Specified subsidiary

Another 22 companies

Share data (As of March 31, 2015)

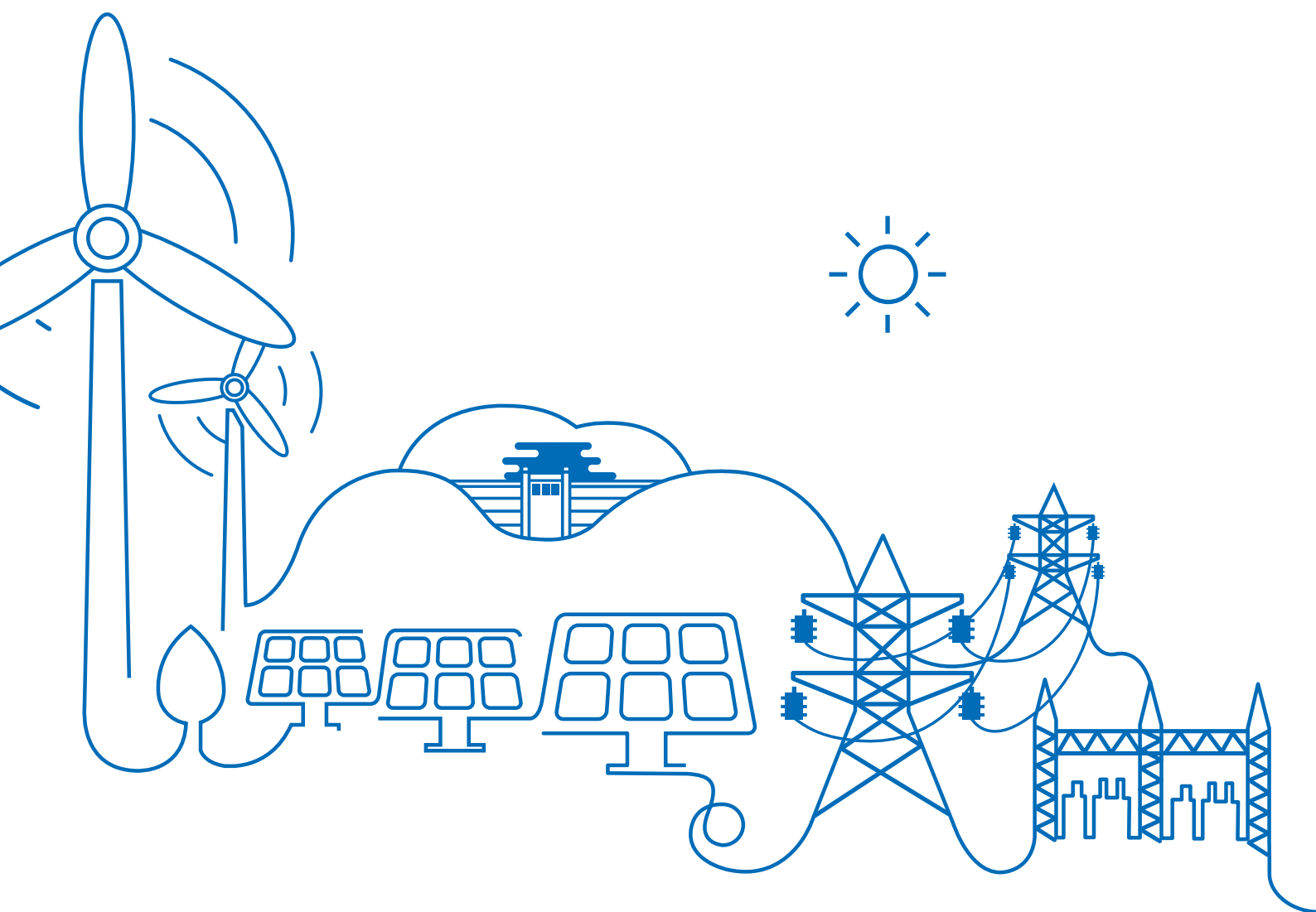
Stock Listing	Tokyo Stock Exchange, Nagoya Stock Exchange
Total number of authorized shares	576,000,000
Total number of issued shares	227,637,704 (Including treasury shares of 733,800)
Number of shareholders	16,934



Major shareholders

Name of shareholder	Number of shares held (1,000 shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd.	16,216	7.15
Sumitomo Electric Industries, Ltd.	13,156	5.80
Japan Trustee Services Bank, Ltd.	11,212	4.94
Sumitomo Mitsui Banking Corporation	11,209	4.94
NEC Corporation	8,730	3.85
Sumitomo Mitsui Trust Bank, Limited	7,500	3.31
SUMITOMO LIFE INSURANCE COMPANY	5,307	2.34
Meidensha employees stock ownership	5,025	2.22
Mitsui Sumitomo Insurance Company, Limited	4,377	1.93
Friends of Meidensha Shareholders Association	2,767	1.22

(Note) The shareholding ratio excludes treasury shares.



MEIDENSHA CORPORATION

TOKYO JAPAN

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www.meidensha.co.jp



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Printed on paper made with wood from forest thinning. "Morino Chonai-kai" (Forest Neighborhood Association)—Supporting sound forest management.



Only environmentally-friendly, zero-VOC (Volatile organic compounds) 100% vegetable oil inks were used in the printing of this report.



This report was printed using the waterless printing method, which contributes to reduced output of solutions from the printing process that contain organic compounds.