

2020

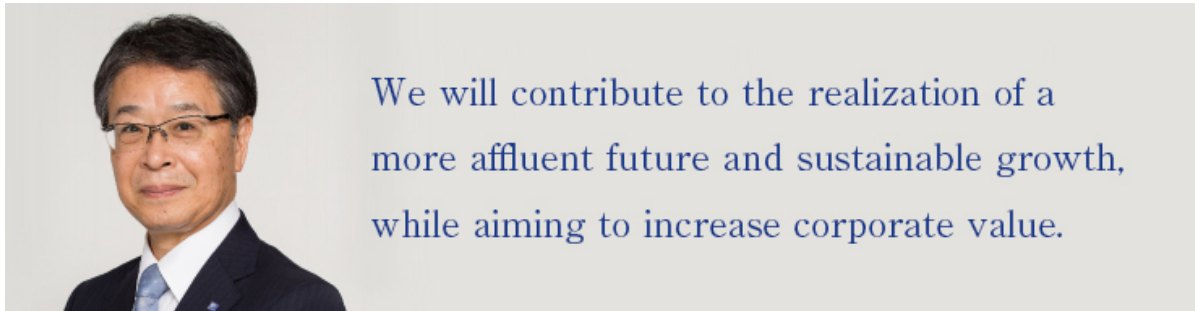
Meiden Group CSR

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Sustainability

The President's Commitment



The Meiden Group considers compliance, corporate governance, and risk management to be the foundations of management. In particular, with respect to corporate governance, we are working to further improve the management's efficiency and fairness through initiatives that contribute to the improved effectiveness of executive functions—based on the executive officer system and the decision making and oversight functions of the board of directors—along with appropriate information disclosure to stakeholders, including shareholders, through Investor R and other activities.

Furthermore, we will satisfy our social responsibilities by focusing on three key areas: the environment, society, and human resources.

First, to focus on the environment, we will strategically promote environmental management, contribute to society from an environmental and energy perspective through our products and services, and work to reduce the environmental impact of our business activities. Second, to address society, we will not only solve customer problems through our products and services, but also provide the value needed by society as corporate citizens through active communication with local communities.

Third, with regard to human resources, I feel that the Meiden Group's growth is dependent on the continued development of our employees. We are actively promoting human resource policies to create an environment where people with various abilities can use their individual abilities to work in a variety of ways.

As a manufacturer with a history spanning more than 120 years, we have created a variety of technologies, products, and services as well as investigated ways to contribute to society on a daily basis. The root of this has been our sense of purpose, the will to challenge ourselves to meet the expectations of our customers and society, and our "passion for manufacturing excellence." Going forward we will steadily implement measures in line with the current business environment to contribute to the realization of a prosperous future society and sustainable growth, while also improving corporate value. We appreciate and thank you for your continued support.

The Meiden Group is working to take a "powerful step forward" in the Medium-term Management Plan 2020 put into place during FY2018. During the "jump" period following this medium-term management plan, we will actively invest and take measure of equipment, personnel, research and development, and strengthen partnerships, while at the same time

expanding our business and creating a balanced business structure. We aim to realize quality growth by improving profit margins.

The strength of the Meiden Group, and the source of value creation, is a strong sense of mission to support the social infrastructure that we have cultivated through long-term relationships with customers, connections such as networks with customers and collaboration within the group, and a power and mobility that responds quickly and flexibly to customer requests and issues. Going forward, we aim to maximize corporate value by continuing to develop each of these three strengths.

We will continue to actively challenge ourselves to create new technologies and new value, in order to contribute to the realization of a more affluent and environmentally conscious society.

Representative Director and President

Takeshi Miida

三井田 健

Sustainability

CSR from the Meiden Group Perspective

The Meiden Group's Approach to ESG

Since it was founded in 1897, the Meiden Group has provided a variety of technologies, products, and services, with a focus on electrical equipment relating to social infrastructure, and we have contributed to the sustainable development of society by dealing sincerely and building relationships of trust with our customers.

In recent years, social issues such as deterioration of the global environment, increasing economic inequality, and lessened well-being have come to the fore around the world, as a result of prioritizing economic growth. In addition, the business environment in which the company operates and the needs of the world are rapidly changing due to the progress of globalization and digitalization, increasing population, urbanization, and aging infrastructure, etc. Against this backdrop, we will work with our stakeholders to embrace the challenge of realizing a safe and vibrant society where people are in harmony with nature, in order to pave the way for a more affluent tomorrow, while continuing to value a sincere attitude to social contribution, which is Meidensha's DNA.

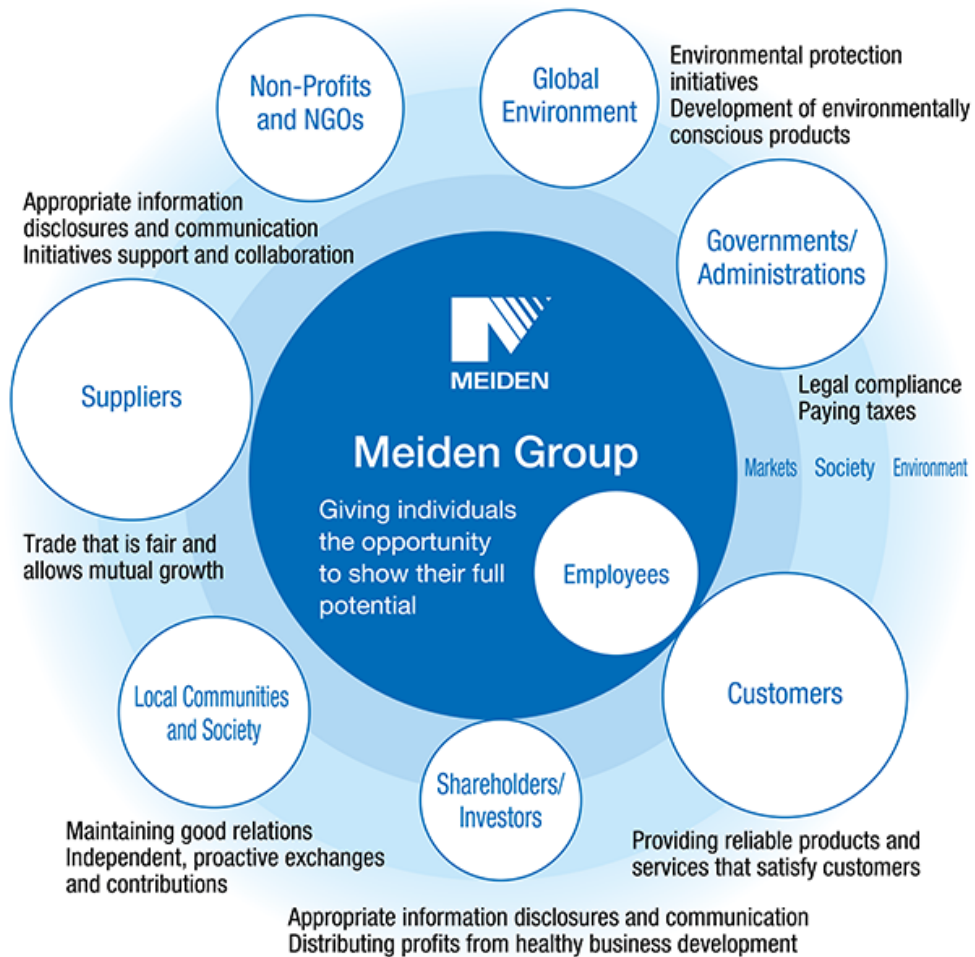
Relationships with Stakeholders

"Society" in the phrase "a Meiden Group that is integral to society" is defined as all Meiden Group stakeholders. To be integral to society, it is necessary to meet the diverse expectations of various stakeholders and increase the satisfaction of all stakeholders as a whole.

We seek to learn what challenges we need to address by maintaining an interactive, two-way communication with the Meiden Group's stakeholders. We believe that recognizing issues and taking various measures for improvement will lead to understanding and positive evaluations from our stakeholders.

By actively disclosing not only financial information related to laws and regulations, but also non-financial information on environmental and social aspects, we eliminate risks that could lead to a loss of stakeholder trust. We will remain aware of the role expected of us and strive to fulfill that role.

The Meiden Group has adopted the President's CSR Policy Statement for each employee to practice our social responsibility and corporate philosophy in their daily work. Departments in charge of specific CSR themes play a central role in forming the policy, taking into account the current business environment, and CSR issues.



President's CSR Policy Statement

The environment, society, and human resources are the three key issues for each employee to put the Group's corporate philosophy into practice. By taking on these three key issues with initiatives built on the fundamental management elements of compliance, corporate governance, and risk management, we fulfill our responsibility to our customers and other stakeholders.



Management Foundation of Our Business Activities

Compliance, Corporate Governance, Risk Management

By strengthening these building blocks of management foundation, we hope to further cultivate the corporate culture necessary for CSR management.

We work for prompt, efficient business management that is fair and transparent, maintaining a system to ensure proper work processes. Our efforts in compliance involve not only complying with the law, but also with social norms and ethics. We also strive to inspect risk items and develop a risk management system in order to strengthen our response to those risks.

1. “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.

2. “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.

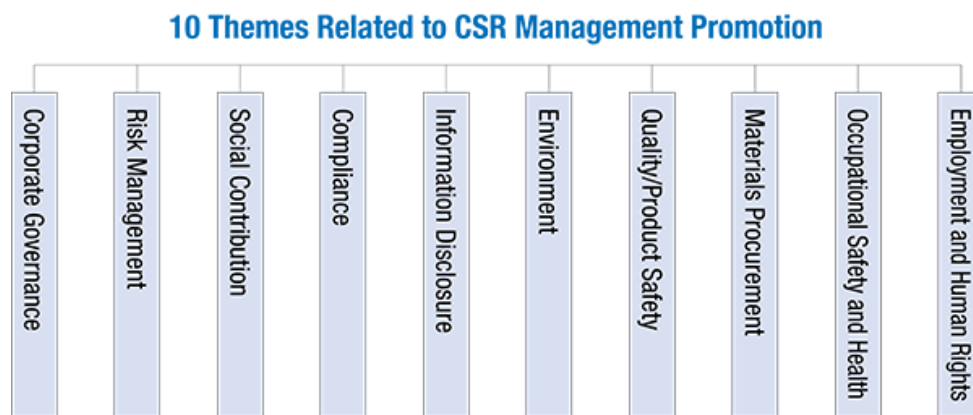
3. “Human Resources”—Produce work that gives pride to our employees and creates positive working environments

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.

CSR Management Promotion Structure

The Meiden Group conducts activities under the ten CSR themes under the direction of the in charge of environmental and CSR initiatives. With each theme, we develop a concrete action plan led by the department supervising that theme. Then, we actively pursue initiatives, including cross-sectional committee activities, which advance the work on those themes. We refer to ISO26000, the international standard on social responsibility, when we prepare our action plans.

The secretariat summarizes the plans and results for each theme we pursue, promotes initiatives through the PDCA cycle, and raises CSR awareness in the Meiden Group as a whole.



Meiden Group Initiatives for Sustainable Development Goals (SDGs)

At the UN Sustainable Development Summit in 2015, the world adopted common goals known as the Sustainable Development Goals (SDGs)*. The SDGs are challenges the international community is addressing over the 15 years from 2016 to 2030.

The targets of the SDGs are very compatible with the President's CSR Policy Statement and business activities of the Meiden Group. They include many areas where we can contribute to a solution with technologies and expertise we have cultivated over the years. Thus, to really learn and take advantage of the opportunities and challenges presented by the SDGs, we laid out the effects that our business activities have on the environment and society. This process considered the entire value chain and issues specific to the countries where we do business. It even included any negative impacts of our business activities.

* Sustainable Development Goals (SDGs): Seventeen goals incorporated into the 2030 Agenda for Sustainable Development adopted by world leaders at the United Nations Sustainable Development Summit in September 2015. Based on these new goals—universally applied to all nations—each nation will end all forms of poverty, combat inequality, and take steps to address climate change while ensuring that no one is left behind over the next 15 years.

External Support Initiatives

- CDP*1
- Children's Rights and Business Principles*2

※ *1 An initiative begun by a coalition of major institutional investors around the world. It calls on the world's enterprises to disclose their climate change strategies (risks and opportunities) and their GHG emissions, among other information.

※ *2 These principles offer a comprehensive framework for understanding and working on the impact that business activities have on children's rights and happiness. They were presented by Save the Children, the UN Global Compact, and UNICEF.

Group Membership Credentials

- KEIDANREN (Japan Business Federation)
- The Japan Electrical Manufacturers' Association (JEMA)
- The Institute of Electrical Engineers of Japan (IEEJ)
- Electric Technology Research Association
- The Japan Electric Association
- The Japan Society of Mechanical Engineers

Sustainability

The Approach to SDGs

Meiden Group Initiatives for Sustainable Development Goals (SDGs)

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The Meiden Group will continue to pursue manufacturing excellence that benefits society, create value, and help solve social issues that include those addressed by the SDGs.

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Status of SDG initiatives

Understanding of SDGs FY2018	Identifying Priority Issues FY2019
<ul style="list-style-type: none"> · Organize impact areas in countries where we conduct business and business activities · Arrange related initiatives in accordance with each SDG · Conduct training for management 	<ul style="list-style-type: none"> · Consideration of the connections between business activities and SDGs; establishing areas that contribute to the solution of social issues through our business strategies

Conducting Training for Management and e-Learning for Group Employees

In fiscal 2018, we invited outside instructors to give seminars about SDGs (sustainable Development Goals) for management. In fiscal 2019, we conducted e-learning for all Meiden Group employees (including directors and executive officers), for the purpose of ensuring that all employees understand SDGs and promoting the spread of environmental projects and new technology and new service proposals as the Company's initiatives.

At e-Learning, we received instruction on topics such as "why we pay such close attention to SDGs," "the need for businesses to work towards SDGs," and "issues that the Meiden Group is facing to achieve SDGs." We are sharing ideas to link SDGs to management and individual responsibilities through seminars and e-Learning, etc.





Training for management conducted in fiscal 2018





The Meiden Group's Approach to SDGs




As a heavy electric equipment manufacturer supporting the future of social infrastructure, the evolution of industry, and achieving sustainable growth and development, the Meiden Group contributes to the Seventeen goals of the SDGs through all business activities. Furthermore, in order to continue contributing to the SDGs in the future, it is necessary to seriously address the expectations of society and accurately grasp key social issues as important issues for the company. To do this, we have established areas that contribute to solving social issues through business strategies.




The Meiden Group will continue to actively challenge itself to create new technologies and new value, in order to contribute to the realization of a vibrant and comfortable future society.






Goals	Relevance	Major Business Activities Contributing to Solution
	★	<ul style="list-style-type: none"> · T&D business and railway system business in Southeast Asia (Thailand, Indonesia, etc.): Through these businesses, we contribute to the development of the rail and T&D industries, increase access to railroads for the impoverished, and help build resilience
	★★★	<ul style="list-style-type: none"> · Workplace safety and health: We actively work to prevent workplace accidents and harm to health, for example by offering hands-on safety experience training (to increase sensitivity to hazards) using VR technology within and beyond the Group · We promote management of chemical substances, including at suppliers · Automobile testing equipment: We contribute to the spread of next-generation automobiles such as electrified vehicles for the global environment, safety measures, and ensuring freedom of

		<p>movement for all people</p> <ul style="list-style-type: none"> · Electric power/energy: We contribute to electric power supply stability with, for example, cogeneration systems for medical facilities · Water treatment systems: We provide clean water with our water treatment plants and contribute to water pollution prevention with our sewage treatment plants
	★★	<ul style="list-style-type: none"> · We create positive working environments through consideration of human rights and labor (including fair and equitable employment and respect for diversity) and workforce training · By donating school facilities (Thailand) and endowing courses (Thailand and India), we help create educational opportunities for young people · We hold “manufacturing workshops” and science teaching sessions and support education with internships for university and technical college students
	★★★	<ul style="list-style-type: none"> · We create positive working environments by considering human rights and labor (including practicing fair employment, honoring diversity, and giving training on human rights and diversity) · We promote consideration for human rights and labor at suppliers by practicing CSR procurement
	★★★	<ul style="list-style-type: none"> · We contribute to safe water supplies by providing one-stop service for water supply and wastewater infrastructure, from equipment manufacturing to maintenance, inspection, maintenance management, and operation management. Specific examples include the substation equipment and monitoring and control systems essential to water supply and wastewater infrastructure, cloud services to support operation management, and flat-sheet ceramic membranes with outstanding filtering performance · We help solve the variety of social challenges facing local governments in Japan, such as population declines and aging facilities, by developing public-private partnership projects and one-stop services in the water treatment business
	★★★	<ul style="list-style-type: none"> · We help ensure the stable supply of electric power by manufacturing, marketing, and providing equipment for emergency and non-emergency power generation, hydroelectric power generation, and power transmission, conversion, and distribution and by providing energy solution services such as smart grids · We help build a carbon-free society by manufacturing, selling, and supplying power generation systems for renewable energy sources like solar power and small-to-medium size hydro power · We contribute to the electrification of automobiles by

		<p>manufacturing and selling motors and inverters for electric forklifts, PHEVs, and EVs</p> <ul style="list-style-type: none"> · We achieve energy conservation by providing energy-recovering water treatment using anammox and community-based water treatment systems (developing new aeration air flow rate control)
	<p>★★★</p>	<ul style="list-style-type: none"> · We practice work style reform and make work more efficient by implementing RPA*1 · We give locally-hired staff in Southeast Asia training in specialized technologies like design, construction, and maintenance (including quality control and safety management) to improve comprehensive engineering and support infrastructures around the world with high-quality engineering services
	<p>★★★</p>	<ul style="list-style-type: none"> · We contribute to a stable supply of electric power by developing, marketing, and providing energy solution services such as smart grids · With the online smart diagnostic service using IoT, we can provide appropriate maintenance of social infrastructures and the prevention of serious failures such as power outages · We help achieve leading-edge technology and contribute to the development of a prosperous society through technological innovation in semiconductor and FPD manufacturing equipment components (vacuum capacitors, industrial controllers, pulse power supplies, etc.) · We contribute to comfortable water treatment and stabilization of industrial infrastructure with drainage solutions using methods such as water treatment systems and flat-sheet ceramic membranes · We contribute to technological innovation in the automobile industry, by developing and selling EV drive components, as well as test devices for automobile research institutes, universities, and manufacturers of automobiles and auto components · We help increase industrial productivity and reduce labor burdens in all industries, including manufacturing, through labor-saving, space-saving, and efficiency improvements in factory transport using automated guided vehicles (AGV). · We contribute to technological innovation in the semiconductor, film, and other industries, by establishing room-temperature deposition technology through OER technology*2 using pure ozone
	<p>★★★</p>	<ul style="list-style-type: none"> · We employ fair employment practices and respect diversity · Aiming to realize respect for human rights, the Meiden Group undertakes human rights awareness initiatives throughout the organization · We appoint local staff to management positions at overseas affiliates

		<ul style="list-style-type: none"> · We communicate the principles of CSR (including human rights and labor) and the Meiden Group's CSR approach to our business partners and conduct supplier evaluations
	★★★	<ul style="list-style-type: none"> · We promote urban development and help to alleviate traffic congestion through railroad projects such as KVMRT*3 in Malaysia and MRT*4 in Singapore · We contribute to the construction of transportation infrastructure using overhead contact line inspection equipment and feeder equipment for electric railways · We prevent equipment breakdown by diagnosing the early signs of irregularities in large motors, generators, transformers, and switchgears and make optimal equipment upgrades · Our elevator hoisting machines and inverters for higher-rise cities and barrier-free support (home elevators), and elevator rope testers reduce inspection time and improve efficiency · We help make communities resilient to disaster with mobile power supply cars, building power generators, and other emergency power generation equipment · We provide sustainable, inexpensive, and good services for waterworks through public-private partnerships
	★★★	<ul style="list-style-type: none"> · We promote eco-friendly design by making products smaller and more efficient, controlling chemical content, practicing life cycle assessment (LCA), etc. · Through CSR procurement, we promote the management of chemical substances, consideration for reducing environmental impact, and response to conflict minerals issues at suppliers · By implementing a range of initiatives to improve product and service quality, we improve our development and design quality, preventing defects, rework prevention, quality control technology training, and more · We provide 24-hour support of customer equipment operation (troubleshooting, responding to inquiries, remote monitoring service) · We develop our workforce to support the provision of high-quality products
	★★★	<ul style="list-style-type: none"> · We help to build a carbon-free society through our renewable energy-related business · We provide eco-friendly products and B39:G49 · We installed a solar power generation system at one of our major manufacturing sites (Numazu Works) · Through CSR procurement, we promote the reduction of GHG emissions at our suppliers · We help build disaster prevention platforms for local governments and support disaster prevention through our urban flooding monitoring service (flash flood countermeasures using

		<p>manhole antennas)</p> <ul style="list-style-type: none"> · We promote the spread of renewable energy through the wind power business of M WINDS Co., Ltd. (power generation, power sales, and maintenance)
	★★	<ul style="list-style-type: none"> · We help prevent marine pollution with ceramic flat-sheet membranes for advanced wastewater treatment · Water treatment systems: We provide clean water with our water treatment plants and prevent water pollution with our wastewater treatment plants · We conduct aquatic organism impact studies in rivers where sewage treatment water is discharged
	★	<ul style="list-style-type: none"> · We make effective use of the sludge generated at water treatment plants · We reduce the use of printing paper and ink by implementing managed print services (e.g., increasing the number of multifunction printers)
	★★	<ul style="list-style-type: none"> · Through consideration for human rights and labor (prohibiting child labor, prohibiting practices such as corruption and bribery, and providing compliance training), we create a comfortable, positive workplace · We communicate the principles of CSR (including prohibitions on child labor, corruption, bribery, and other acts) and the Meiden Group's CSR approach to our business partners and conduct supplier evaluations
	★★	<ul style="list-style-type: none"> · We support the infrastructure development of developing nations by delivering equipment through Official Development Assistance (ODA) · We promote partnerships with local businesses in Southeast Asia (T&D business, switchgear business, etc.) · We expand public-private projects by building partnerships with other industry sectors in the water treatment field · We provide sustained water supply service that is both good and inexpensive through public-private partnerships · We contributed to the realization a safe and secure water supply through comprehensive operations in waterworks by establishing the Gunma Tobu Suido Kigyodan (an amalgamation of several local water services in Eastern Gunma Prefecture)

*1 RPA (robotic process automation): The use of robots to make work more efficient. Programming robots to do white color work and other tasks that humans have always done helps to automate typical, repetitive tasks. By teaching robots a set of rules, it is possible for them to do work that includes decision-making based on certain standards. Software robots are being used to automate typical PC operation without changing existing systems.

*2 OER technology: A proprietary Meiden technology that produces hydroxyl (OH) radicals at room temperature by causing a reaction between high purity ozone and ethylene gas.

*3 KVMRT (Klang Valley Mass Rapid Transit): This urban transit system travels east to west for 51 km across the capital, Kuala Lumpur.

*4 Singapore MRT (Mass Rapid Transit) : Singapore's Mass Rapid Transport System

Sustainability

Environment

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Environment

Promotion of Strategic Environmental Management

Policy

The Meiden Group promotes environmental management by ensuring that each employee contributes to the protection of the global environment and the creation of a prosperous society through their day-to-day work according to our Basic Environmental Philosophy.

Basic Environmental Philosophy

With our basic environmental philosophy: “Contribute to people, society and the global environment to make a world a better place to live,” Meiden Group aims to help build a sustainable society and to realize the growth of the Group and actively implement environmental management to tackle important issues: mitigating climate change, efficient use of resources (building a recycling society) and conserving biodiversity.

Environmental Policies

1. We promote the development of new products and innovative technologies that contribute to the environment and strive to develop and design environmentally conscious products by conducting environmental impact evaluation for the product's lifecycle, from initial material procurement to final disposal.
2. We strive:
 - To reduce the environmental impacts from our business activities at home and abroad
 - To reduce greenhouse gas emissions
 - To promote the 3Rs (reduce, reuse and recycle)
 - To reduce the releasing amount of hazardous substances that are harmful to humans and the environment
3. We strive to comply with the related environmental laws, regulations, rules and other required matters and establish our internal guidelines. We strive to prevent the pollutions from our operations at home and abroad and make efforts to protect the environment.
4. 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 and we aim to improve our environmental performance.
5. We strive to implement environmental education programs in order to increase all of our employees' understanding of environmental management and environmental protection and in so doing, we aim to activate our environmental programs.
6. We share the information on our environmental initiatives and the results through the broader communication with our stakeholders both inside and outside the Group, and make concerted efforts with them.

Environmental Vision

The Meiden Group has established an "Environmental Vision" as a medium-long term vision for promoting environmental management in order to indicate an ideal situation and initiative direction. In addition to reducing the environmental impact of our business activities, we contribute to the creation of a sustainable society through our energy and water treatment businesses, products, technologies, and services that support the social infrastructure we have cultivated so far.

According to the Environmental Vision, the propositions imposed on companies living in the 21st century are defined as "Mitigation of Climate Change," "Realization of a recycling society," and "Conservation of biodiversity," and what the companies should do in their business activities and what the products should aim for are set as goals. We work on environmental management by establishing a "corporate culture that highly values the environment" that supports these goals.

Outline of the Environmental Vision



Targets that Express Our Environmental Vision

A. Mitigating Climate Change

- ① Contribute to the reduction of CO₂ emissions through the sale of energy-related products and systems (i.e., products for renewable energy resources, etc.)
- ② Promote environmentally conscious product design and reduce CO₂ emissions in the product life cycle.
- ③ Reduce CO₂ emissions in our production activities.

B. Realize a recycling society

- ① Promote the 3Rs (Reduce, Reuse and Recycle) of waste materials in the various stages of the product life cycle.
- ② Promote zero emissions of waste products from our production activities.

C. Conserving Biodiversity

- ① Contribute to securing water resources through our water treatment systems business.
- ② 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.

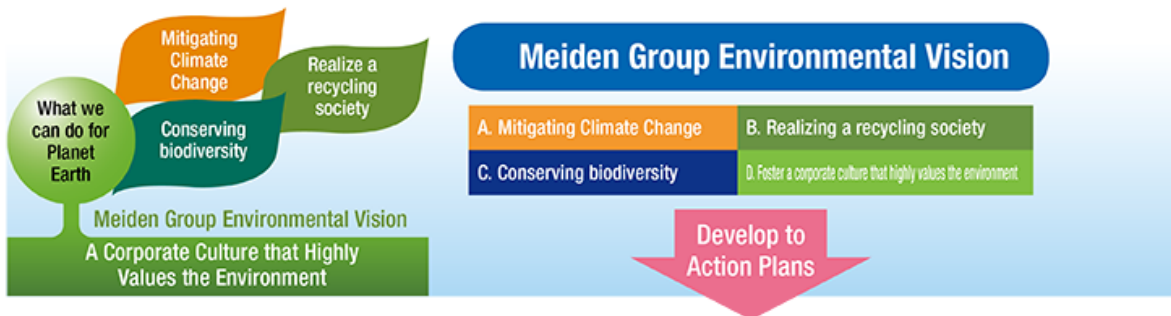
D. Foster a Corporate Culture that Highly Values the Environment

- ① Promote environmental communication: Actively disclose our environmental activities and results and promote two-way communication with our stakeholders.
- ② 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.

Promotion of Ongoing Activities

We have developed an action plan as part of the Meiden Group Medium-term Management Plan 2020 (FY2018 to FY2020) with an eye to achieving our environmental vision. The targets listed in the environmental vision are “A. Mitigate Climate Change,” “B. Realize a recycling society,” “C. Conserve biodiversity,” and “D. Foster a corporate culture that highly values the environment.” We have come up with actions to achieve the five strategic targets under Medium-term Management Plan 2020 and incorporated them into an action plan for continuous improvement.

Deployment to Action Plans



Medium-term Management Plan 2020, an Action Plan for Fiscal 2018–Fiscal 2020

Strategic Targets	Actions	Corresponding “Environmental Vision”
1. Contribute to environment through products and services	1) Expand businesses that contribute to the environment	
	2) Promote environmentally conscious design	
	3) Manage chemicals in products	
	4) Reduce plastic packaging	
2. Reduce the environmental impact of business operations	1) Reduce greenhouse gas emissions	A. Mitigating Climate Change
	2) Manage chemicals properly	B. Realize a recycling society
	3) Promote the 3Rs (reduce, reuse, recycle)	C. Conserve biodiversity
	4) Maintain water resources	
	5) Conserving biodiversity	
3. Promote environmental communication	1) Disclose information, conduct PR	
	2) Contribute to sustainable society	
4. Improve employees’ environmental awareness	1) Strengthen management of Meiden Group companies	
	2) Strengthen value chain management	
5. Reform environmental awareness	1) Develop environmental management personnel	D. Foster a corporate culture that highly values the environment
	2) Conduct environmental training and awareness raising	

Results Data

Fiscal 2019 Environmental Targets and Results

Fiscal 2019 targets and level of achievement are as follows. New measures are considered depending on the achievement status of the targets, which lead to future plans. Please refer to the corresponding page for details of each item.

Fiscal 2019 Environmental Target Achievement Status (Japan)

Strategic Targets	Actions	Fiscal 2019 Targets (Japan)	Fiscal 2019 Results	Achievement
Contribute to environment through products and services	Promote environmentally conscious design	Contribute a 800,000 t/year reduction in CO ₂ emissions by Environment-Contributing Businesses	848,000 t/year	○
		Reduction in emissions over the lifecycle of new products (specific areas)	25 Green Products (own standards)	○
Reduce the environmental impact of business operations	Reduce greenhouse gas emissions	Total emissions (Scope 1+2): -2% (compared to FY2017)	-22% (compared to FY2017)	○
	Manage chemicals properly	VOC emissions: 80 tons or less	83.3 tons	△
	Promote the 3Rs	Total wastes: -1% (compared to FY2017) *3	' -6% (compared to FY2017)	○
		Zero emissions*1 at 9 sites*2	Achieved at all 9 sites	○
	Conserve water resources	Measurement and analysis of water data and evaluate risks: 4 main manufacturing sites*3	Analysis of water data and investigation of leaks, etc.	○
	Conserve biodiversity	Conservation of ecosystems: 4 main manufacturing sites*3	Education, tree planting activities, conservation activities of native species, etc.	○

Strategic Targets	Actions	Fiscal 2019 Targets (Japan)	Fiscal 2019 Results	Achievement
Promote environmental management	Strengthen value chain management	Green procurement rate (own standards): 85% or greater	87%	○

*1 Meiden Group definition of zero emissions: To achieve a non-recycling rate of less than 1.0% of the total volume of waste (including industrial waste, general waste, and saleable waste, but excluding construction sludge, etc.).

*2 Scope of zero emissions initiatives: manufacturing sites in Japan (Numazu Works, Ota Works, Nagoya Works, KOFU MEIDENSHA ELECTRIC MFG. CO., LTD., MEIDEN CHEMICAL CO., LTD. (Sagami Works), HOKUTO DENKO CORPORATION (Atsugi Works)), Engineering Service Business Units and two Construction Service Business Units

*3 Main four manufacturing sites: Numazu Works, Ota Works, Nagoya Works, and KOFU MEIDENSHA ELECTRIC MFG. CO., LTD.

Targets

At the Meiden Group, we formulated Medium-term Management Plan 2020 to cover the three years from fiscal 2018, we developed an action plan to achieve our targets under the medium-term management plan, and we are working to implement environmental management.

Medium-term Management Plan 2020 - Fiscal 2020 Environmental Targets

Fiscal 2020 environmental targets are as follows.

Fiscal 2020 Environmental Targets (Japan)

Strategic Targets	Actions	Fiscal 2020 Environmental Targets (Japan)
Contribute to environment through products and services	Promote environmentally conscious design	Contribute an 900,000 t/year reduction in CO ₂ emissions by Environment-Contributing Businesses
		Reduction in emissions over the life cycle of new products
Reduce the environmental impact of business operations	Reduce greenhouse gas emissions	Total emissions (Scope 1+2): -4% (compared to FY2017)
	Manage chemicals properly	VOC emissions: 80 tons or less
	Promote the 3Rs	Total wastes: -3% (compared to FY2017) *3
		Zero emissions*1 at 9 sites *2
	Conserve water resources	Implementation of water conservation activities and risk countermeasures : 4 main manufacturing sites *3
Conserve biodiversity	Conservation of ecosystems: 4 main manufacturing sites *3	
Promote environmental management	Strengthen value chain management	Green procurement rate (own standards): 90% or greater

*1 Meiden Group definition of zero emissions: To achieve a non-recycling rate of less than 1.0% of the total volume of waste (including industrial waste, general waste, and saleable waste, but excluding construction sludge, etc.).

*2 Scope of zero emissions initiatives: manufacturing sites in Japan (Numazu Works, Ota Works, Nagoya Works, KOFU MEIDENSHA ELECTRIC MFG. CO., LTD., MEIDEN CHEMICAL CO., LTD. (Sagami Works), HOKUTO DENKO CORPORATION (Atsugi Works)), Engineering Service Business Units and two Construction Service Business Units

*3 Main four manufacturing sites: Numazu Works, Ota Works, Nagoya Works, and KOFU MEIDENSHA ELECTRIC MFG. CO., LTD.

Environment

Environmental Management

Policy

The Meiden Group practices environmental management that brings together business strategy and environmental initiatives.

We continually improve our environmental management system as we evaluate its validity and effectiveness.

Organization

Environmental Management Promotion Organization

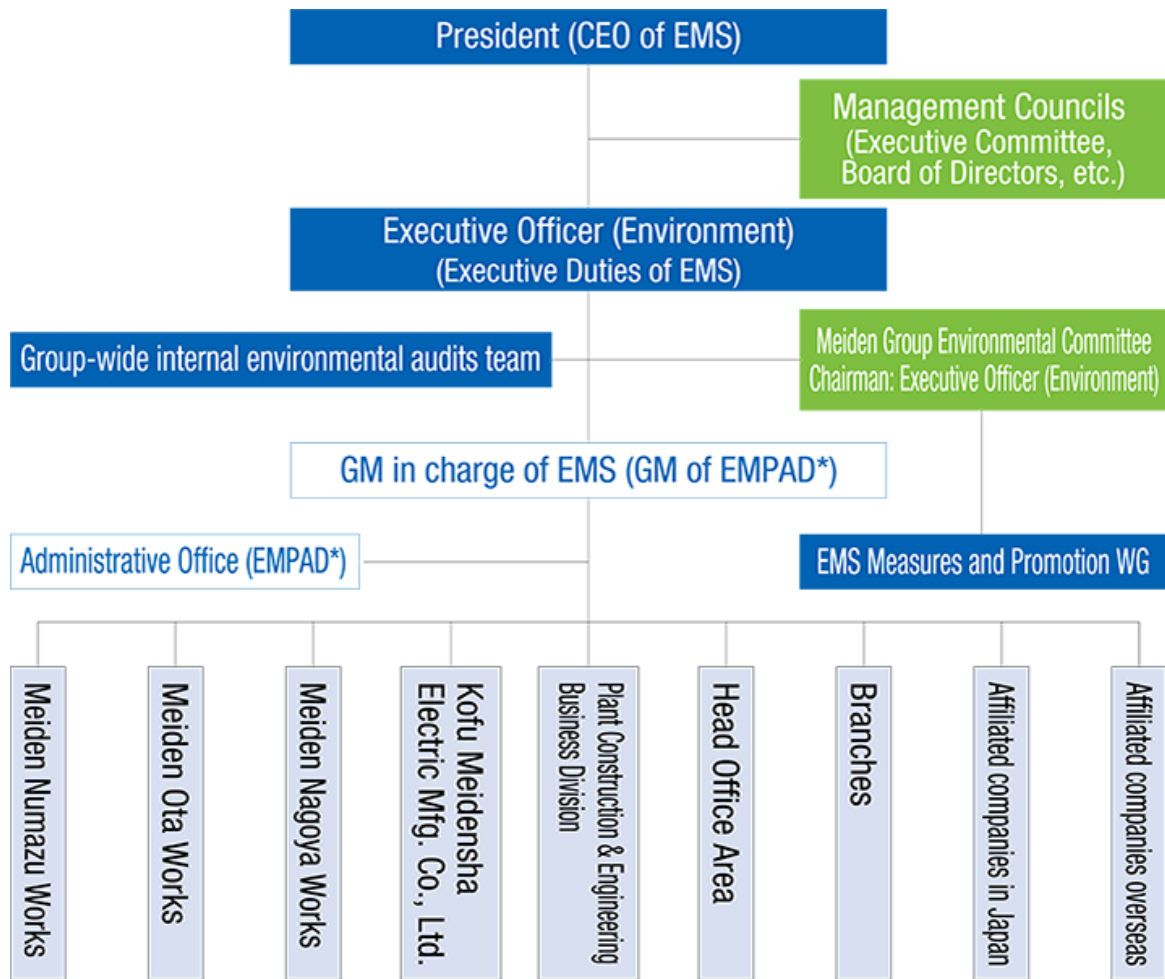
Under the leadership of the President, who is our chief executive officer, the executive officer (environment) oversees the environment management of the Meiden Group overall, while the general manager (GM) in charge of EMS works to maintain and improve the environmental management system (EMS).

In addition, our Group-wide internal environmental audit team, an independent organization, audits environmental management initiatives, legal compliance, EMS effectiveness, and more, and offers ideas for improvement.

The executive officer (environment) chairs the Meiden Group Environmental Committee (MGEC), our highest decision-making body for environmental initiatives. The MGEC identifies issues to address, including risks relating to climate change and the like, sets environmental targets and formulates action plans, conducts management reviews, responds to emergency situations, reviews and reports on environmental measures and working groups (WGs), and sets environmental management policy directions.

For the most important issues, the executive officer (environment) and GM in charge of EMS consult with the executive committee, Board of Directors, and the like and then acts as decided by top management.

Meiden Group Environmental Management Promotion Organization



*Environmental Management Program Administration Division

Responding to Environmental Risks and Opportunities

Phenomena (issues) related to environment		Risks	Opportunities	Carrying out initiatives
Government (political) Laws and Regulations	<ul style="list-style-type: none"> • Revision of Feed-in Tariff Scheme for Renewable Energy • Deregulation of electric power industry, revision of power supply structure • Flow of processes to implement carbon pricing • Energy conservation regulations & standards (business operations, products) • Stronger regulations on hazardous chemical substances 	<p>Short-term cost increases</p> <ul style="list-style-type: none"> • Rising cost of energy increases our costs (procurement, shipping, manufacturing, scrapping, etc.) directly and indirectly. <p>Decline of product competitiveness</p> <ul style="list-style-type: none"> • It will get harder to sell products that do not meet environmental regulations and standards. • We will lose share if we cannot meet the needs of a market looking for environmentally conscious products. 	<p>Growth of new markets</p> <ul style="list-style-type: none"> • Markets for products and services related to renewable energy and energy conservation are growing. <p>Differentiation with environmentally conscious products</p> <ul style="list-style-type: none"> • Being among the first to bring products that meet regulations, etc., to market and offering low-environmental impact products and services make us more competitive. <p>Better business performance through environmental management</p> <ul style="list-style-type: none"> • By running businesses 	<p>Expand products' contribution to the environment</p> <ul style="list-style-type: none"> • Expand sales of products related to renewable energy and energy conservation (wind, hydroelectric, and solar power equipment, EV/PHEV electric equipment, transformers, motors, inverters, etc.) • Develop environmentally conscious products, implement new technologies (which are more compact, lightweight, efficient, energy-conserving, etc.) <p>Diversify financial assets</p>
Economy	<ul style="list-style-type: none"> • Expanded ESG investment • Price competition (low cost, premium pricing) • Extended pandemic response 	<p>Decline of corporate value</p> <ul style="list-style-type: none"> • Our image, evaluations (credit ratings, etc.), and share 		

Phenomena (issues) related to environment		Risks	Opportunities	Carrying out initiatives
Society	<ul style="list-style-type: none"> • Spread of responsibility to entire value chain (upstream and downstream) • Improvement of employment / labor conditions • New normal (after corona) 	<p>prices will decline if our business is not seen as environmentally conscious.</p> <p>Increase of local disasters</p> <ul style="list-style-type: none"> • Flooding and other disasters can stop operations and cut the supply chain. 	<p>that help solve environmental issues, we can enhance our corporate value and business performance.</p> <p>Responding to natural disasters</p> <ul style="list-style-type: none"> • Demand for flood control and disaster prevention and response (e.g., securing the power supply) is rising. 	<ul style="list-style-type: none"> • Issue green bonds, etc. <p>Reduce the environmental impact of business operations</p> <ul style="list-style-type: none"> • Promote energy conservation (capital investment, visualization, etc.) • Promote the 3Rs, eliminate harmful chemicals • Maintain water resources, consider biodiversity <p>Improve business efficiency</p> <ul style="list-style-type: none"> • Promote Smart Work, work from home, web meetings, etc. <p>Promote environmental management</p> <ul style="list-style-type: none"> • Promote business risk management • Strengthen value chain management
Technology	<ul style="list-style-type: none"> • Enhanced efficiency of electric power conversion • Advancement of ICT, IoT technology • Development of new energy / alternative energy technology 			
Reputation / Needs	<ul style="list-style-type: none"> • Demand for information disclosure (accountability) • Lifestyle changes (ecology-oriented) 			

Phenomena (issues) related to environment		Risks	Opportunities	Carrying out initiatives
Natural Environment	<ul style="list-style-type: none"> • Changes of temperature and precipitation volume • Increase of local disasters (sudden downpours, tornadoes, etc.) • Ecosystem irregularities (increase of organisms that carry infectious disease) 			<ul style="list-style-type: none"> • Practice environmental communication (information disclosure, etc.) <p><i>Deploy infrastructure-support products during disaster</i></p> <ul style="list-style-type: none"> • Emergency power supply equipment, mobile power supply cars, UPSs, remote monitoring systems, etc.

ISO 14001 Certification Status (as of March 31, 2020)

We are expanding the scope of bodies certified under ISO 14001, the international standard for environmental management systems. In Japan, Meidensha and 17 affiliated companies have finished earning certification. Overseas, 11 companies, mainly manufacturing sites, have finished the process.

Certification Status in Japan

Company Name	Date of Certification Acquisition
MEIDENSHA CORPORATION*	February 24, 1998
MEIDEN KOHSAN CO., LTD.	
MEIDEN SHOJI CO., LTD.	
KOFU MEIDENSHA ELECTRIC MFG. CO., LTD.*	
MEIDEN SYSTEM SOLUTIONS CORPORATION	
MEIDEN PLANT SYSTEMS CORPORATION*	
MEIDEN SYSTEM MANUFACTURING CORPORATION*	
MEIDEN KIDEN KOGYO CO., LTD.*	
M WINDS CO., LTD.	
MEIDEN AQUA BUSINESS COMPANY	
MEIDEN UNIVERSAL SERVICE LTD.	
ANOTSUGIKEN CO., LTD.*	
MEIDEN TECHNO SYSTEMS CO., LTD.*	
MEIDEN O&M CORPORATION	July 31, 2003
MEIDEN ENGINEERING CORPORATION	
MEIDEN CHEMICAL CO., LTD.*	November 20, 2012
MEIDEN FACILITY SERVICE CORPORATION	November 18, 2015
HOKUTO DENKO CORPORATION*	October 3, 2013
EAML Engineering CO., LTD.*	March 5, 2004

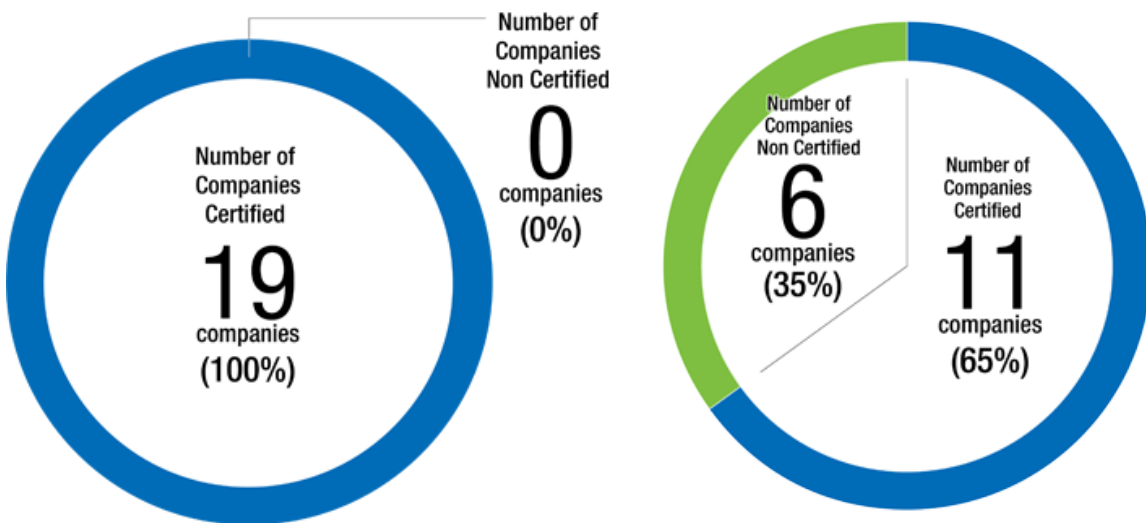
Certification Status Overseas

Company Name	Area	Date of Certification Acquisition
MEIDEN ZHENGZHOU ELECTRIC CO., LTD.*	Zhengzhou, China	October 9, 2013
MEIDEN HANGZHOU DRIVE SYSTEMS CO., LTD.*	Hangzhou, China	April 7, 2008
SHANGHAI MEIDENSHA CHANGCHENG SWITCHGEAR CO., LTD.*	Shanghai, China	January 11, 2016
P.T. MEIDEN ENGINEERING INDONESIA	Indonesia	December 19, 2018
MEIDEN MALAYSIA SDN. BHD.	Malaysia	October 10, 2018
MEIDEN METAL ENGINEERING SDN.BHD.*	Malaysia	October 9, 2014
MEIDEN SINGAPORE PTE. LTD.*	Singapore	February 8, 2010
THAI MEIDENSHA CO., LTD.	Thailand	July 1, 2009
MEIDEN ELECTRIC(THAILAND)LTD.*	Thailand	September 30, 2013
TRIDELTA MEIDENSHA GmbH.*	Germany	July 13, 2015
PRIME MEIDEN LIMITED*	India	January 26, 2015

* Company with production work

Number of certified companies in Japan

Number of certified companies overseas



Percentage of Companies Certified in Japan/Overseas

Internal Environmental Audits

We conduct internal environmental audits separate from the external audits we get from ISO 14001 registrars. Internal audits confirm the state of improvement on concerns pointed out in external audits and check up on audit items that are marked as priorities for that fiscal year. Furthermore, as overseas manufacturing sites such as China and Southeast Asia are subject to increasingly tighter environmental regulations, in China we identified issues by conducting an environmental risk survey, and in Southeast Asia we focused on chemicals. In particular, we conducted audits relating to the management and control of emissions of SF₆ gas, which we consider to be the most important issue.

In fiscal 2019, our audits prioritized promotion of environmental management, implementing environmental policies, planning activities to address risks and opportunities, and legal requirements (on-site auditing of industrial waste disposal contractors), etc. We judged that, overall the Group was conforming to ISO 14001:2015 requirements and functioning effectively. If any concerns are pointed out during internal environmental audits, we take them as an opportunity for improvement and incorporate them into further improvement initiatives.

Environmental Information Management System

The Meiden Group uses an “environmental information management system” that we put in place to manage and analyze environmental impact in our business activities.

The system collects and centrally manages information on environmental impact of business activities (such as automotive fuel, energy, waste, chemical substances, and water use) at Meiden Group manufacturing sites and offices, even those outside Japan.

The information so collected is used as basic data for efforts to lower environmental impact. It is also useful to ensure proper filings of information as required by the Act on the Rational Use of Energy, Act on Promotion of Global Warming Countermeasures, the electrical equipment industry’s “Commitment to a Low Carbon Society,” and Japanese PRTR system for reporting chemical releases and transfers.



Analysis of environmental impact with environmental information management system

Compliance with Environmental Regulations

Each Meiden Group work site and affiliated company sets and follows voluntary standards stricter than applicable laws and regulations. This ensures we remain in legal compliance. If a legal violation or incident does occur, our rules state that management shall be notified within three hours.

In fiscal 2019, there were three incidents involving exceeding voluntary standards for wastewater, but there were no serious violations of environmental laws or regulations. We also received one complaint regarding the odor. We promptly investigated the causes of these problems and took necessary measures each time.

Results Data

Environmental Accounting (fiscal 2019)

We quantify such data as costs of environmental initiatives.

Environmental Protection Costs		Investment (million yen)
Business area costs	Implementation of new energy-saving devices, etc.	348
R&D costs	R&D costs for environmentally conscious products, etc.	691

*Scope of calculation: Meidensha (non-consolidated); period covered: April 2019–March 2020

Environment

Product Initiatives (Expand businesses that contribute to the environment)

Policy

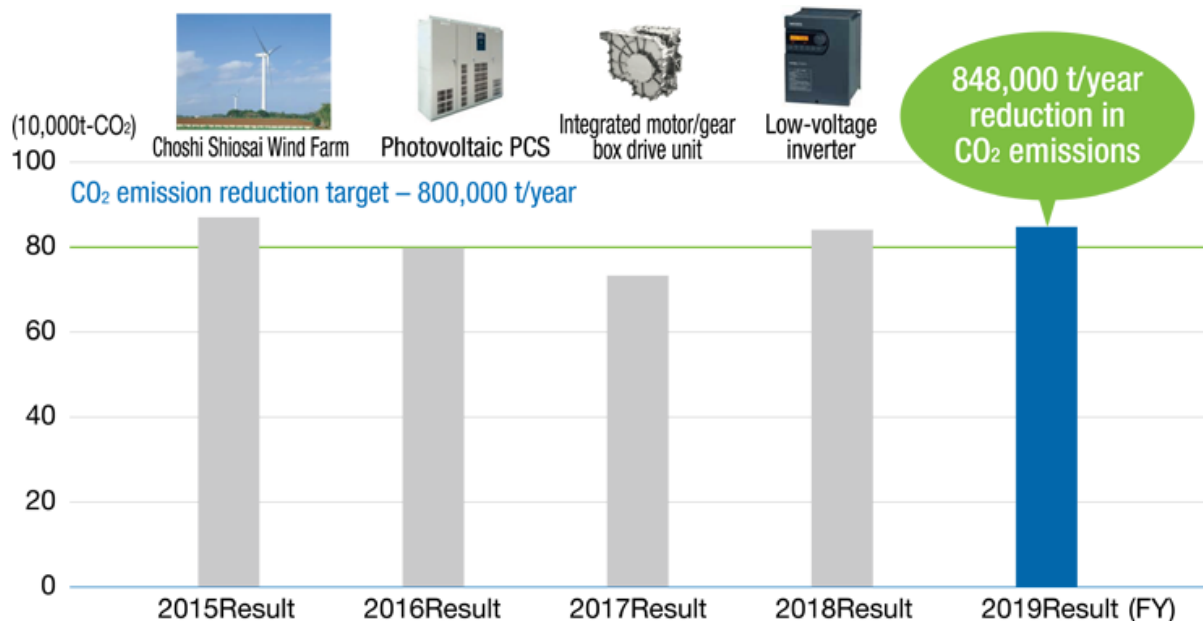
We are actively promoting initiatives that contribute to the environment in order to “realize a more affluent future” by leveraging our technology and experience honed over many years.

Performance Data

Contributions to the Mitigation of Climate Change by Reducing Product CO₂ Emissions

The Meiden Group aims to benefit the environment by using renewable energy like solar, wind and hydroelectric power and by supplying products and services that are more efficient and thus energy saving.

In fiscal 2019, we set environmental contribution (projected reduction in CO₂ emissions from product sold) targets of 800,000 t/year. We increased shipment of electric vehicles, high-voltage inverters, hydroelectric generators, and hydraulic turbines, enabling us to achieve our target for the fiscal year, totaling emissions reductions of 848,000 t/year.



The reasoning behind calculation of environmental contributions of products and services is as follows.

Applicable products/businesses	CO ₂ reduction volume
Power conditioners for solar power generation	Emissions reduction if grid power is substituted with renewable energy
Wind power sales business	
Hydroelectric generators*	
Electrical equipment for electric vehicles	Emissions reduction if substituted for gasoline vehicles of the same grade
Power conditioners for storage batteries	Emissions reduction from substitution of pumped hydroelectric generation (high efficiency)
Electrical equipment for electric forklifts	Emissions reduction from the Company's existing products (reduction in lost energy)
Engines and turbine generators	
Transformers	
Inverters	
Uninterruptible power supplies	

*Calculated by multiplying the difference in volume of CO₂ emissions at the point of use, by the expected life and annual sales volume. However, wind power generation is calculated based on annual power generation performance.

Initiatives

Wind Power Generation Business

M WINDS Co., Ltd. and its affiliates operate a wind power generation business and supply renewable energy.

M WINDS conducts electricity sales from wind power generators at three locations* in Japan (30 wind turbines with a generating capacity of 51,000 kW). They conduct environmental assessments when constructing and installing wind power generators, investigating, predicting, and evaluating impacts from various perspectives, such as that on ecosystems, and implement environmental protection measures as appropriate while considering the opinions of local governments and residents.

*Hachiryu Wind Farm (Akita Prefecture): 18 wind turbines with a generating capacity of 31,367 kW

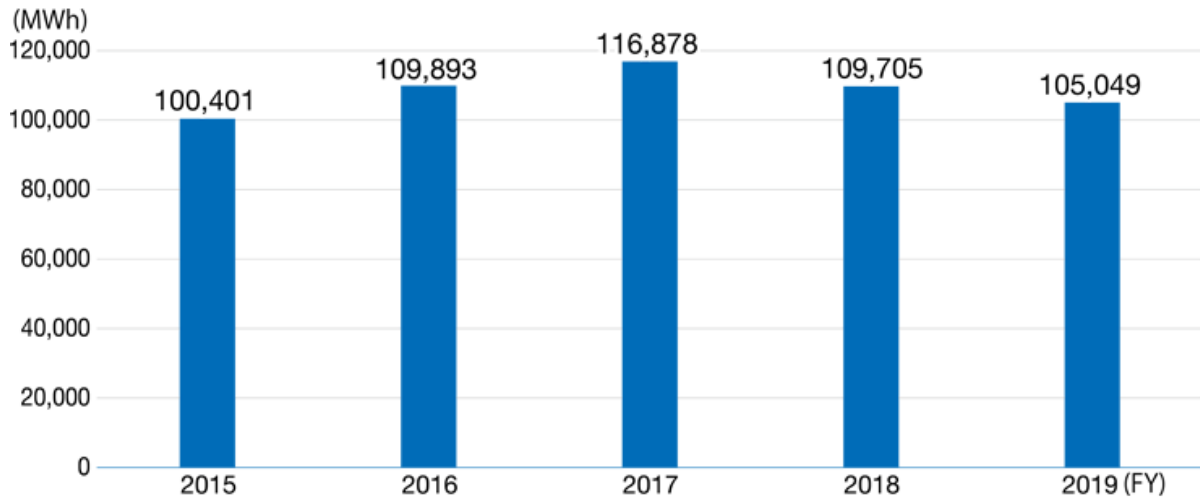
Wajima Community Wind Farm (Ishikawa Prefecture): 10 wind turbines with a generating capacity of 18,067 kW

Choshi Shiosai Wind Farm (Chiba Prefecture): 2 wind turbines with a generating capacity of 2,355 kW

| Aiming for increased utilization of wind power

We generated 105,049 MWh of electricity in fiscal 2019, following on from fiscal 2018 when we also generated more than 100,000 MWh of power. Going forward, we aim to further improve the utilization rate in order to increase our environmental contributions.

| Total Power Generation Performance of the Meiden Group



Motors and Inverters for Electric Vehicles

Meidensha supplies motors and inverters installed in electric vehicles, which are becoming more common throughout the world. We promote the development of technology and products for EV and HEV drive systems. One of our new initiatives was to prototype and develop integrated drive units combining motors and gearboxes.

By combining a 100-kW motor with a gearbox, we utilized gear lubricant oil to cool the motor and downsized the unit. In addition, by reducing the number of parts and making it smaller and lighter, it is also easier to mount on vehicles.

We are working to develop and introduce new technologies to cater to the diverse needs of customers.

Inverter Equipment

Since the 1980s, Meidensha has been developing a wide range of inverters. By controlling the rotation of various drive machines with inverters, a large energy saving effect is achieved.

A large energy saving effect can be obtained by replacing existing system of damper controlling dust collection blower, exhaust fan, boiler push-in fan, etc. with controlling the number of rotations with an inverter.

In addition, energy saving can be achieved by controlling the air volume of the air conditioning system and gas pressure feeding system in a plant according to the season or business on-peak/off-peak operations.

Power Conditioner System for Photovoltaic Generation

Power conditioners system (PCS) is the most essential part of photovoltaic generation systems. We have consistently supplied transformer-in PCS with a built-in commercial frequency isolation transformer that emphasizes safety and security so far. PCS with 500kW output has the highest conversion efficiency of 98.7% in the world. Container type and outdoor storage cubicle type packaged with a set of equipment are also knapped.

Hydroelectric Power Generation Business

Hydroelectric power is a form of renewable energy that enables steady generation of electricity throughout the year. Meidensha has delivered many small, medium, and large generators to customers in Japan and overseas.

Many hydroelectric power generation facilities have deteriorated due to many years of operation. It is effective to renovate in the most suitable way for each power facilities.

Renovation can be expected to improve efficiency/save energy, improve reliability/maintainability, and be environmentally friendly. We investigate the current status of each power plant and propose optimal renovations using the latest technology.

Environment

Product Initiatives (Promote environmentally conscious design)

Policy

Promote environmentally conscious design

The Meiden Group is promoting development of environmentally conscious products that reduce our impact on the environment.

Product environmental assessment

Any time we develop a new product, we evaluate it for energy and resource conservation, recyclability, environmental safety, and more, based on our Product Environmental Assessment Standard. If a product meets those standards, we certify it as a Meiden Green Product. For the evaluation item “consideration of lifecycle,” we calculate CO₂ emissions according to a life cycle assessment (LCA), and we encourage environmentally conscious design in order to reduce CO₂ emissions.

Initiatives

Life cycle assessment (LCA) initiatives

The Meiden Group conducts an assessment of the environmental impact of a product throughout its life cycle, from procurement of components through to disposal, in accordance with our Guidelines for Environmental Action. We use the LCA method to quantify the environmental impact of products and services, which helps us to improve environmental performance at the design and development stage and to conduct product explanations to customers and PR, etc.



Environment label (type II) indicating conformity with Meidensha Green Product standards

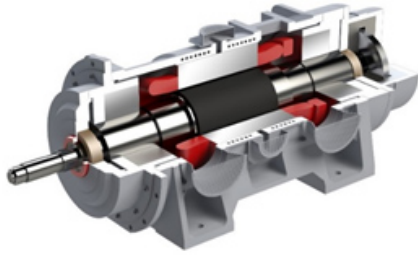


Product environmental assessment standards

Classification	Items
Product volume reduction	◦ Weight reduction
	◦ External dimensions and capacity
	◦ Reduction of number of components
Energy and resource conservation	◦ Reduction of power consumption
	◦ Water saving
	◦ Reduction of consumables
	◦ Reduction of packaging volume
Recycling	◦ Use of recycled materials
	◦ Separability of materials
	◦ Ease of collection and transport
Long-term usability	◦ Maintainability
	◦ Reliability and durability
Management of chemical substances	◦ Environmental friendliness
Life cycle consideration	◦ Reduction of life cycle environmental impact
	◦ Disclosure of information concerning evaluation of environmental impact
Environmental safety	◦ Danger of fire or explosion
	◦ Danger at time of dismantlement
	◦ Environmental measures
Information disclosure	◦ Provision of information concerning a product's environmental impact



Environment

Product Initiatives (Examples of Meiden Green Product registered in fiscal 2019)

A Meiden Green Product registered in fiscal 2019

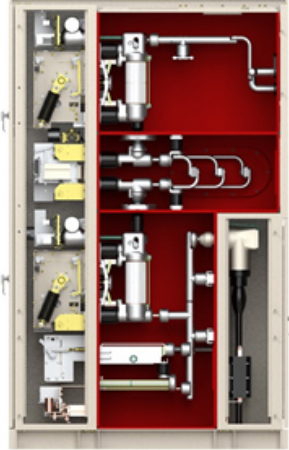

[Product] Large-Capacity High-Speed PM Motor Drive System					
<p>Combines a high-speed PM motor (permanent magnet synchronous motor) with a speed of at least 10,000 rpm with an inverter capable of high-frequency output.</p> <p>We have achieved high-speed drive through large-capacity, high-speed rotation technology and optimized inverter design.</p>	<p>Large-capacity high-speed PM motor</p> 				
<p>This product has the following advantages over its predecessor (gear acceleration induction motor drive).</p> <ul style="list-style-type: none"> ●The volume realized 1/5 of downsizing and saving space compared to the conventional product by speeding up the motor. ●20% saving in power consumption by utilizing PM motors and high-speed drive. 	<p>High-voltage high frequency inverter, THYFREC VT731 PM</p> 				
<p>Lifecycle CO₂ emissions</p> <p style="text-align: center;">80%</p> <p>*Comparison against equivalent previous Meiden product</p>	 <table border="1"> <tr> <td>This product</td> <td>80</td> </tr> <tr> <td>Previous product (develop in FY2008)</td> <td>100</td> </tr> </table>	This product	80	Previous product (develop in FY2008)	100
This product	80				
Previous product (develop in FY2008)	100				

[Click here for related products and details.](#) >

[Product] Simplified IP-TC EC4-TC							
<p>This remote monitoring and control device for hydroelectric power plants is designed for use with built-in computers.</p> <p>It comes installed with Linux 64-bit OS and connects with PLCs* from four manufacturers. Electrostatic discharge noise is compliant with B-402 electrical standards.</p>							
<p>This product has the following advantages over its predecessor (EC101D).</p> <ul style="list-style-type: none"> ● 33% saving in power consumption through optimized design. ● Improved maintainability by revising the unit structure. 							
<p>Lifecycle CO₂ emissions</p> <p style="text-align: center;">91%</p> <p>*Comparison against equivalent previous Meiden product</p>	 <table border="1"> <thead> <tr> <th>Product</th> <th>CO₂ Emissions</th> </tr> </thead> <tbody> <tr> <td>This product</td> <td>91</td> </tr> <tr> <td>Previous product (develop in FY2011)</td> <td>100</td> </tr> </tbody> </table>	Product	CO ₂ Emissions	This product	91	Previous product (develop in FY2011)	100
Product	CO ₂ Emissions						
This product	91						
Previous product (develop in FY2011)	100						

*PLC: Programmable Logic Controller

[Click here for related products and details.](#) >

[Product] 72 kV New Miniature Cubicle Gas-Insulated Switchgear BG-70							
<p>72 kV new miniature cubicle gas-insulated switchgear saves C-GIS installation space by utilizing VCB double-decker construction.</p>							
<p>This product has the following advantages over its predecessor.</p> <ul style="list-style-type: none"> ● 28% reduction in size and weight by integrating VCB, DS, and ES functions. ● 17% power saving by optimizing design in main circuit conductor. 							
<p>Lifecycle CO₂ emissions</p> <p style="text-align: center;">82%</p> <p>*Comparison against equivalent previous Meiden product</p>	 <table border="1"> <thead> <tr> <th>Product</th> <th>Lifecycle CO₂ Emissions (%)</th> </tr> </thead> <tbody> <tr> <td>This product</td> <td>82</td> </tr> <tr> <td>Previous product (developed in FY1999)</td> <td>100</td> </tr> </tbody> </table>	Product	Lifecycle CO ₂ Emissions (%)	This product	82	Previous product (developed in FY1999)	100
Product	Lifecycle CO ₂ Emissions (%)						
This product	82						
Previous product (developed in FY1999)	100						

[Click here for related products and details.](#) >

Environment

Product Initiatives (Management of chemical substances in products)

Initiatives

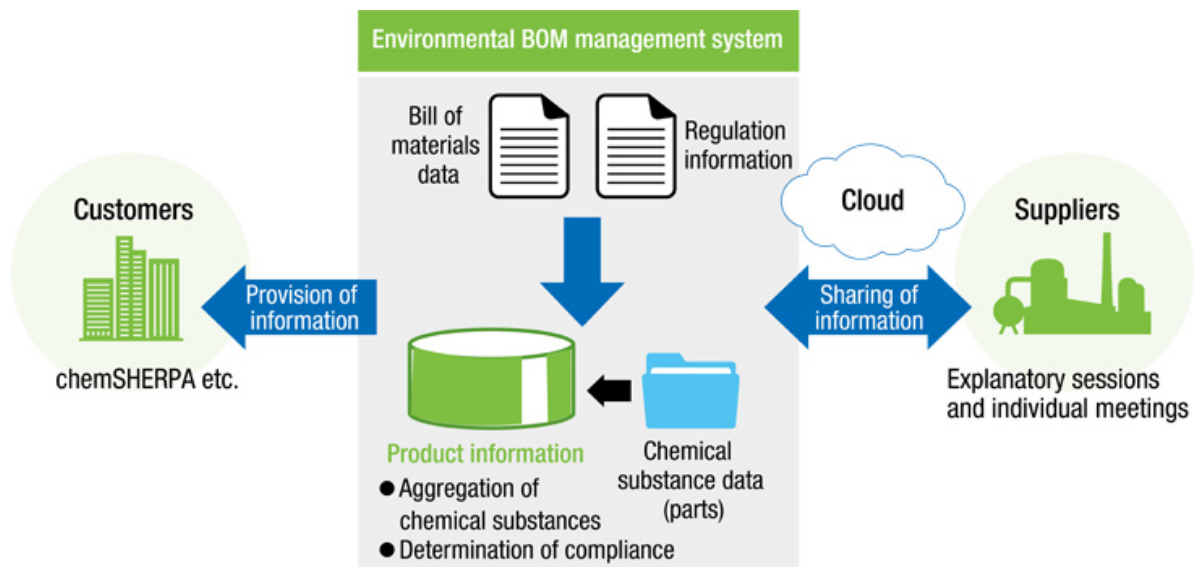
Management of chemical substances in products

We operate an “Environmental BOM*1 Management System” that investigates information concerning chemical substances contained in products through a cloud-based Web system. We register the chemSHERPA*2, etc. provided by our suppliers with the Environmental BOM Management System to determine the aggregation of chemical substances contained in each product and compliance with regulations. In fiscal 2019, we conducted 2 individual consultation meetings for suppliers in Japan.

*1 BOM: Bill of Materials

*2 ChemSHERPA: A scheme that facilitates sharing information on chemical substances in products

Diagram of Environmental BOM



Environment

Climate Change

Awareness

Since its establishment in 1897, Meidensha has produced a range of technologies, products, and services and contributed to the development of a sustainable society in its role as a manufacturing company. In particular, we are deeply involved with decarbonization and reduction of carbon through power generation systems that utilize renewable energy sources such as solar, wind, and small to medium hydroelectric, as well as energy solution services such as smart grids. Through these environmentally conscious products, we aim to contribute to the achievement of a sustainable society and we are working to reduce greenhouse gas emissions from business activities.

Governance

Monitoring of Climate Change by the Board of Directors

Monitoring of the Risks and Opportunities Created by Climate Change at the Level of the Board of Directors

Under the direction of the President, who is the Chief Executive Officer, the Executive Officer (Environment) oversees the environmental management of the entire Meiden Group, while the Environmental Manager in Charge of EMS promotes maintenance and improvement of the environmental management system.

As the highest decision-making body with regard to environmental activities, the Meiden Group Environmental Committee, which is chaired by the Executive Officer (Environment), identifies issues including risks posed by climate change and deliberates concerning environmental targets, action plans, and emergency response, etc., as well as determining environmental management direction. As part of its role, the Environmental Committee refers important matters to the Executive Committee and the Board of Directors, etc., to initiate activities based on executive-level decision-making.

EMS Promotion Organizations >

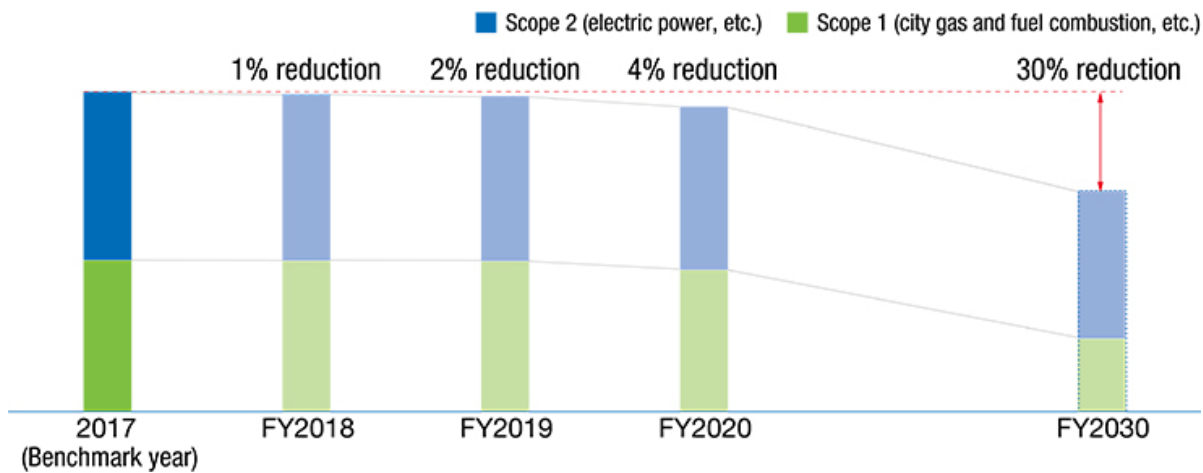
Medium to Long-Term Environmental Targets at the Meiden Group

The Meiden Group aims to reduce greenhouse gas emissions from business activities by 30% by fiscal 2030 (compared to fiscal 2017 levels).

This target was determined using Science Based Targets (SBT) in conformity with the Paris Agreement *1. We work for with stakeholders in the Meiden Group’s supply chain, including customers and business partners, to set common objectives for the challenges we share. Under the Medium-term Management Plan 2020, our targets for fiscal 2018, fiscal 2019, and fiscal 2020 are reductions of 1%, 2%, and 4%, respectively (compared to emissions in Japan in fiscal 2017). These steps were decided to help us achieve our aims for 2030. We will periodically revise those targets.

*1 Paris Agreement: A new framework for tackling global warming from 2020, adopted by the 21st Conference of the parties (COP21) to the UN Framework Convention on Climate Change.

Amount of Greenhouse Gas Emissions from Business Activities



To address emissions stemming from energy consumption, we are working thoroughly to conserve energy through production streamlining, capital investments, etc., and converting to renewable energy. In addition, we are practicing strict control and making technological innovations to address direct emissions of GHGs like SF₆ gas.

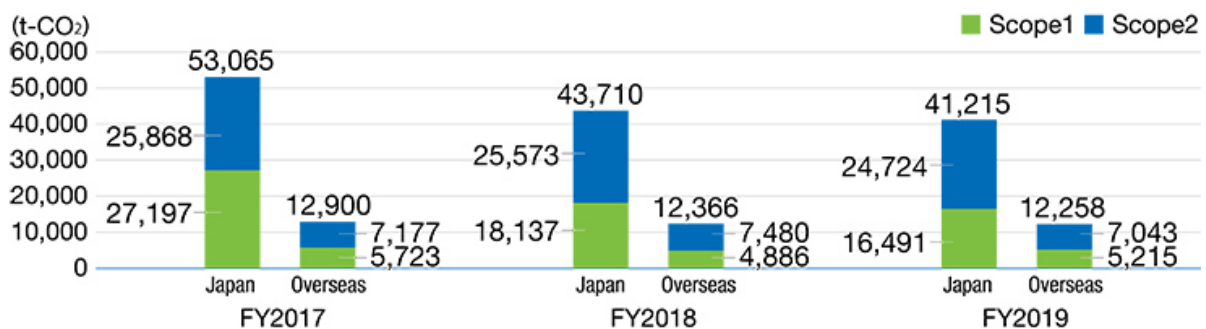
Amount of Greenhouse Gas Emissions

Scope 1 and Scope 2 emissions

(t-CO₂)

		FY2017		FY2018		FY2019	
		Japan	Overseas	Japan	Overseas	Japan	Overseas
SCOPE1 Direct emissions from in-house use of fuel, etc.		27,197	5,723	18,137	4,886	16,491	5,215
SCOPE2 Indirect emissions from power or heat purchased from an outside source	Location basis	27,309	7,177	27,212	7,480	24,980	7,043
	Market basis	25,868	-	25,573	-	24,724	-

Amount of Greenhouse Gas Emissions (Scope 1 and 2) – Emissions from Business Activities



Scope 1: Direct Emissions

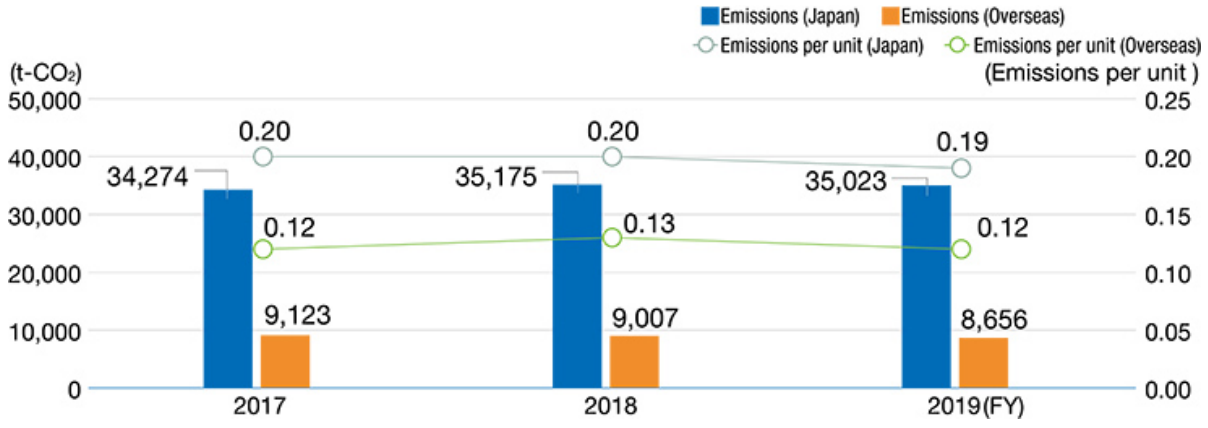
Combustion of fuel (town gas and oil, etc.) and release of greenhouse gasses (SF₆ and CFCs, etc.)

Scope 2: Indirect Emissions

Combustion of fossil fuel to generate electricity (electricity company) that is consumed by the company

* Renewable energy produces zero emissions

Amount of CO₂ Emissions from Energy Sources

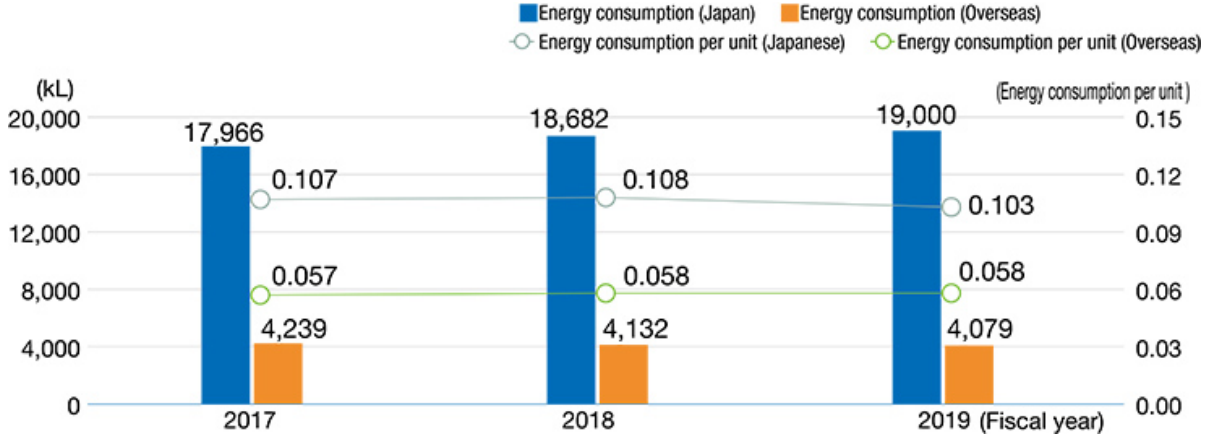


* Japanese emissions: The amounts of fuel oil and fuel gas are calculated referring to the "List of Calculation Methods and Emission Factors in the Calculation, Reporting and Publication System" published by the Ministry of the Environment. The amount of electric power is calculated referring to the "Emission Factor List by Electricity Power Company" published by the Ministry of the Environment.

* Overseas emissions: The amounts of fuel oil and fuel gas are calculated referring to the emission coefficient by country published by the GHG protocol. The amount of electric power is calculated referring to the average coefficient by country in 2010-2012 published by the International Energy Agency (IEA).

* Energy consumptions per unit are emissions (t-CO₂) divided by net sales (million yen).

Energy Consumption (crude oil equivalent)



* Energy consumptions per unit are energy consumption (crude oil equivalent, kL) divided by net sales.

Reduction of CO₂ Emissions from Business Activities

The Meiden Group is conducting strategic capital investment in order to reduce greenhouse gas emissions from energy consumption, such as by replacing lighting and air conditioning equipment with highly efficient models. Furthermore, we are working to improve operation of equipment by enabling visualization of power consumption and strictly managing power consumption, particularly at night and on holidays.

In fiscal 2019, our domestic CO₂ emissions decreased due to pursuing energy-efficiency measures such as work efficiency and improving the operation of air conditioners and compressors, and the initiation of new electricity procurement using non-fossil fuel certificates. Furthermore, CO₂ emissions per sales unit improved over fiscal 2017.

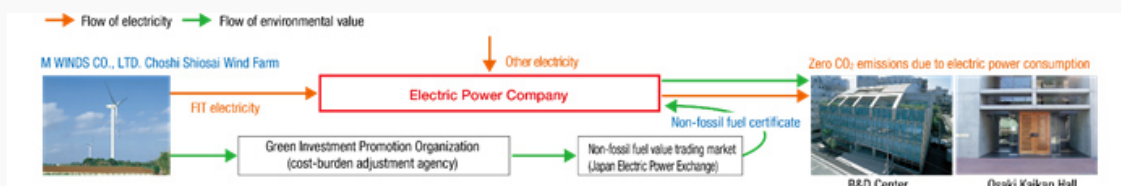
Going forward, we will further streamline energy usage through capital investment and operation.

| TOPICS

Procurement of Electricity with Zero CO₂ Emissions Using Non-Fossil Fuel Certificates

Since November 2019, Meidensha has procured electricity from substantially renewable energy sources for the R&D Center and Osaki Kaikan Hall in combination with FIT*1 and non-fossil fuel certificates*2, which carry tracking information for the subsidiary, M WINDS Co., Ltd.'s Choshi Shiosai Wind Farm. Through non-fossil fuel certificates containing tracking data, we are able to link electricity that is consumed by the R&D Center and Osaki Kaikan hall to the environmental value of energy produced by the Choshi Shiosai Wind Farm, demonstrating that we produce net zero CO₂ emissions. In this way, electricity consumption by Meidensha's R&D Center and Osaki Kaikan hall produces net zero emissions.

Furthermore, using non-fossil fuel certificates with tracking information makes it possible to conform with the international initiatives RE100, which has the goal of obtaining 100% of the electricity required for business activities from renewable energy sources. This expand our options to effectively utilize existing wind farms. As demand for electricity from renewable energy sources is rapidly increasing, with the aim of decarbonization, Meidensha will continue to work to reduce our environmental impact and provide products and services that contribute to a sustainable society.



*1 Feed-in tariff (FIT) system: A system to require electricity companies to purchase electricity generated from renewable energy sources (solar, wind, hydro,

geothermal, biomass) for a certain period of time. The system was launched in July 2012 in order to promote the use of renewable energy.

*2 Non-fossil fuel certificate: A certificate issued by the Ministry of Economy, Trade and Industry that certifies the environmental value of electricity that does not create CO₂ emissions, such as electricity from renewable energy sources. Trading commenced through Japan Electric Power Exchange in May 2018, and a demonstration experiment that included tracking information (information that clearly states the type and location of energy source) in certificates commenced in March 2019.

| TOPICS

New EV Factory Acquired the Highest Rating for BELS (Kofu Meidensha Electric Mfg. Co., Ltd.)

Kofu Meidensha Electric Mfg. Co., Ltd. acquired the highest five-star rating for BELS for its newly constructed EV factory on its premises.

BELS is a third-party rating system that indicates the energy efficiency features of buildings. It uses a five-star rating system to objectively rate energy efficiency based on primary energy consumption.

The new EV factory acquired the highest rating due to its 250-kW photovoltaic equipment and 100-kW battery, walls and window glass with exceptional insulation properties, optimized HVAC and lighting, etc.

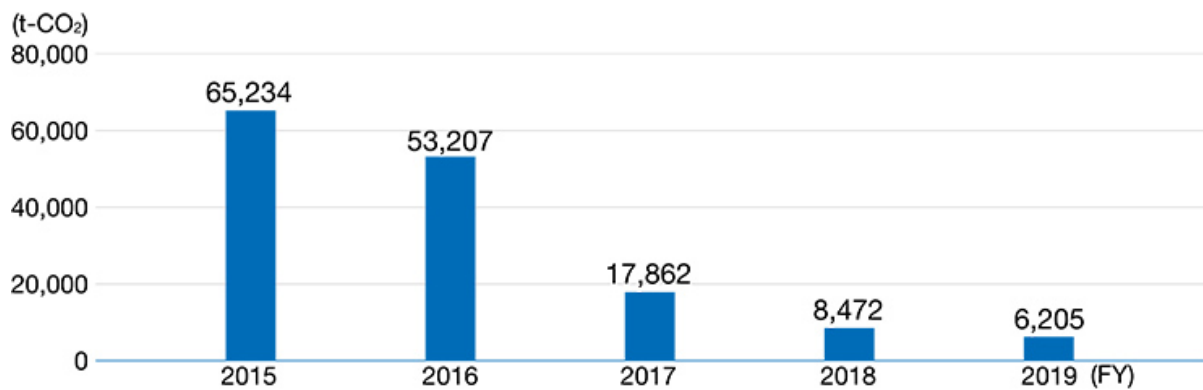


Reducing Emissions of Greenhouse Gasses Other than CO₂

The Meiden Group’s emissions of greenhouse gasses other than CO₂ include SF₆ gas, which is used for lightning arresters and circuit breakers, etc., and CFCs, which are used as refrigerants in air conditioners.

With regard to SF₆ gas, which contributes greatly to the greenhouse effect, we are working to reduce emissions and conducting technical investigations and trials of substitute gasses. Furthermore, in order to reduce CFC emissions, we are promoting stricter management and replacement of air conditioners.

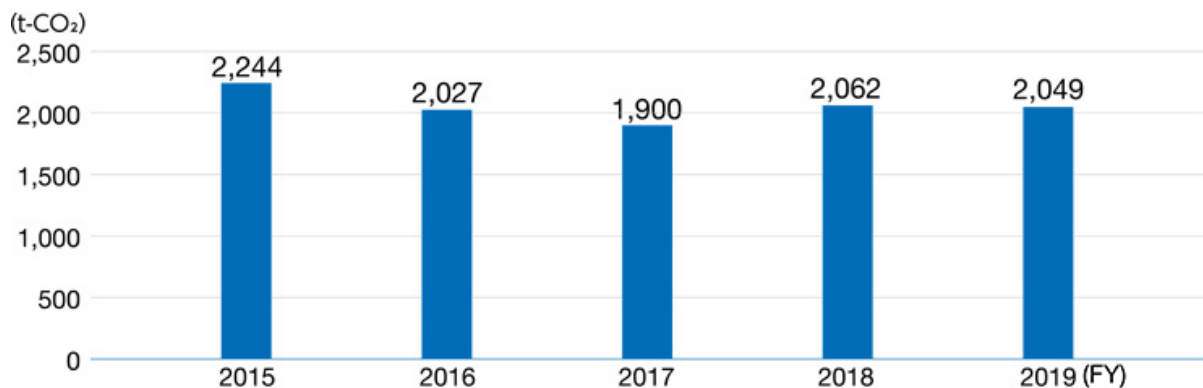
Emissions of Greenhouse Gasses Other than CO₂ (Japan)



Reduction of CO₂ Emissions from Product Transport

The transport division is conducting product transport efficiency reforms such as mixed loads and modal shift, as well as initiatives to reduce CO₂ emissions from transport. There are many issues relating to product transport, including diversification of forms of delivery, but going forward, we will work to reduce CO₂ emissions by promoting efficient transportation.

CO₂ Emissions from Product Transport (Japan)



Calculation of Greenhouse Gas Emissions in the Supply Chain

Meidensha is working to calculate greenhouse gas emissions, including indirect emissions in the upstream and downstream supply chain in addition to those produced in the course of its business activities.

Meidensha is facing the issue of producing a large proportion of its emissions from “use of sold products” (scope 3, category 11) and “purchased goods and services” (scope 3, category 1). We are promoting environmental measures throughout the entire supply chain, including reducing downstream greenhouse emissions through environmentally considerate product design and reducing upstream impact through green procurement.

Meidensha’s Greenhouse Gas Emissions in the Supply Chain (Scope 3)

Category	Calculation Method		Emissions Volume (t-CO2 eq)
	Amount of Activity	Basic Unit	
1. Purchased goods and services	Purchase price (materials, consumables, services, etc.)	3EID	787,564
2. Capital goods	Amount invested in fixed assets	Ministry of the Environment Basic Unit - DB	27,312
3. Fuel and energy related activities not included in Scopes 1 or 2	Amount of energy consumption (electricity, etc.)	Ministry of the Environment Basic Unit - DB	1,285
4. Transportation and delivery (upstream)	Transportation cost (freight, storage, packing, etc.)	3EID	822
5. Waste generated by operations	Emissions of each type of waste	Ministry of the Environment Basic Unit - DB	1,083
6. Business travel	Transportation expenses provided (travel expenses, etc.)	Ministry of the Environment Basic Unit - DB	2,179
7. Employee commuting	Transportation expenses provided (travel allowance, etc.)	Ministry of the Environment Basic Unit - DB	786
8. Leased assets (upstream)	Rent (Leased items, etc.)	3EID	1,545

9. Transportation and delivery (downstream)	Amount of activity of sales agents, etc.	3EID	775
10. Processing of sold products	Not applicable as the Company's products include many formed items	—	—
11. Use of sold products	Estimated with given operating conditions such as availability	3EID	8,726,650
12. End-of-life treatment of sold products	Expected cost of disposal of sold goods	3EID	4,089
13. Leased assets (downstream)	Energy usage at leased real estate	Ministry of the Environment Basic Unit - DB	12,631
14. Franchises	Not applicable as outside of the scope of the Company's business	—	—
15. Investments	Not applicable as shares held by the Company are not for the purpose of investment	—	—
Other	Excluded from the scope of calculation as item is optional	—	—
Total			9,566,721

*We calculate for our supply chain with reference to Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain Ver. 2.3 published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry

Environment

Prevention of Pollution and Effective Utilization of Resources

Policy

Commitment to Waste and Pollution Prevention

The Meiden Group is working to reduce the environmental impact of all domestic and overseas business activities, as well as achieve energy efficiency, promote the 3Rs in relation to waste, and reduce emissions of hazardous chemicals as stipulated in our Guidelines for Environmental Action. Furthermore, we will establish our own internal standards and work towards preventing environmental contamination while complying with all environmental laws, regulations, and other requirements.

[Guidelines for Environmental Action >](#)

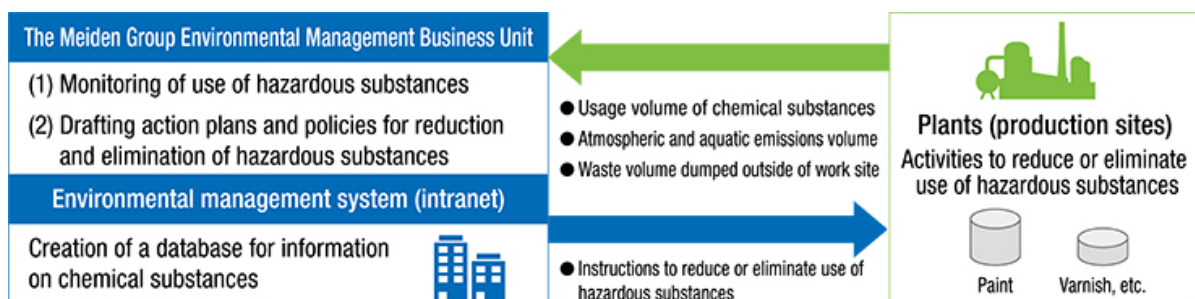
Initiatives and Results Data

Tightening Management of Chemical Substances

We are working to conduct risk assessment of chemical substances used at production sites, etc., to improve the workplace environment, and reduce or substitute hazardous chemical substances with a substantial risk.

In order to prevent workplace accidents, health impairment, and fire or environmental pollution due to leakage or discharge of chemical substances, we ensure workers remain aware by conducting daily monitoring of sites where chemical substances are used, and implement corrective measures where management of chemical substances is found to be lacking.

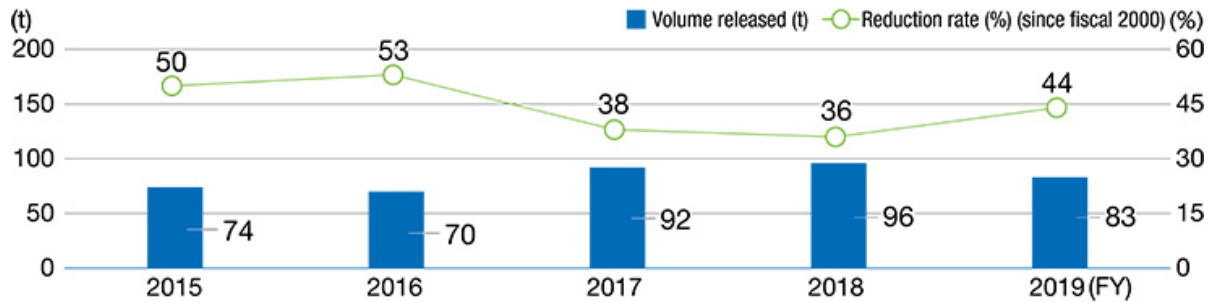
| Tightening Management of Chemical Substances



Reduction of Volume of Volatile Organic Compounds (VOC) Released

In fiscal 2019, we released 83 tons of VOC. Going forward, we will promote improvement of varnish impregnation processes, collection of organic solvents, substitution of low VOC paint and acetone, and reduction of VOCs released.

Volume of VOCs Released and Reduction Rate (Japan)



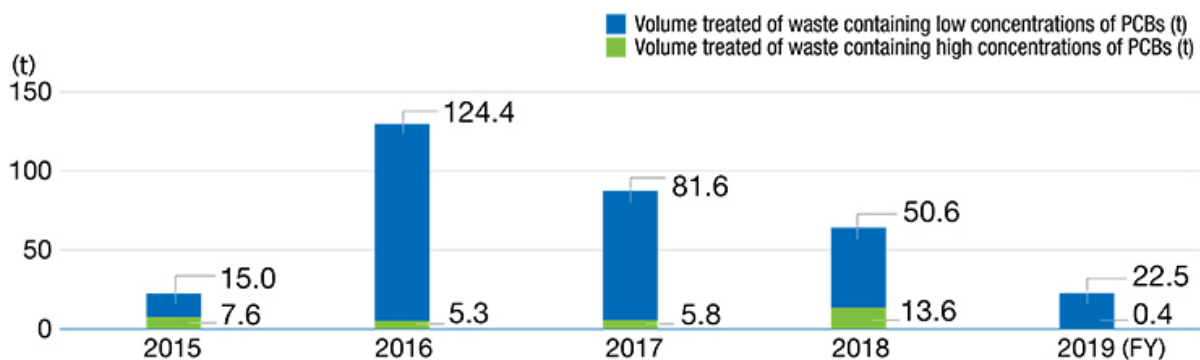
Promotion of Disposal and Processing of Devices that Include PCBs

Special Measures Act) we are gradually conducting disposal and processing of devices that include PCBs (polychlorinated biphenyls) such as transformers and condensers that we previously manufactured and stored for close to 40 years.

In fiscal 2019, we disposed of 0.4 tons of waste containing high concentrations of PCBs and treated 22.5 tons of waste containing low concentrations of PCBs.

Meidensha has been promoting disposal of PCB waste since fiscal 2007, and by fiscal 2019, we had disposed of approximately 102 tons of waste containing high concentrations of PCBs and treated 291 tons of waste containing low concentration of PCBs.

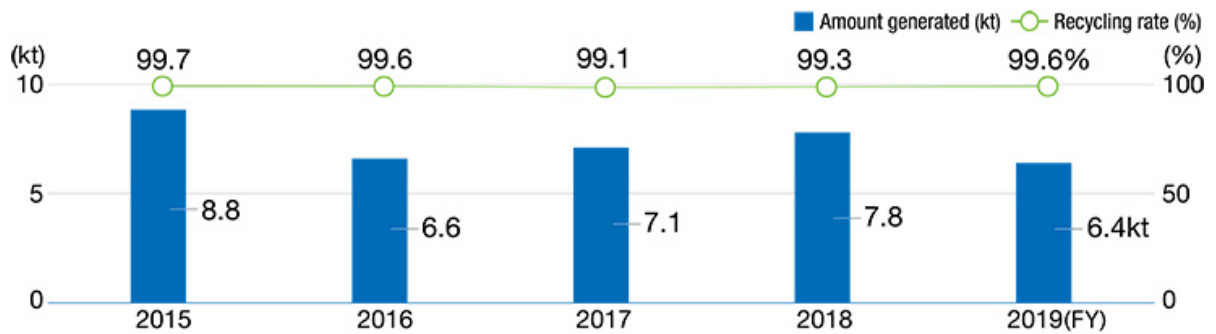
Volume Treated of Harmful Waste (Waste Containing PCBs)



Promoting reduction of waste discharge by the 3Rs (Reduce, Reuse, and Recycle)

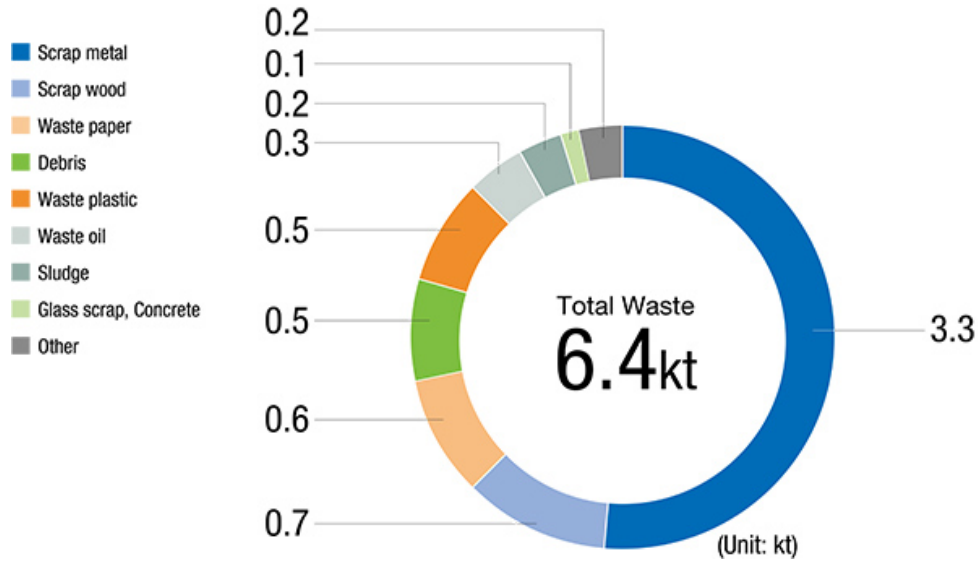
Meidensha is working to recycle waste generated at production sites and work sites. The recycling rate of waste for the entire domestic group was 99.6% in fiscal 2019 and we achieved zero emissions at 9 domestic production sites, Engineering Service Business Units, and Construction Service Business Units.

Trends in Generation of Waste, etc., and Recycling Rate (Japan)



* Construction sludge, etc., is excluded from the amount of waste, etc., generated.

Breakdown of Waste Generated in FY2019 (Japan)



Environment

Water Resources

Recognition

In recent years, there has been increasing global awareness of “water risks” such as water shortages and localized heavy rain as a factor that can greatly affect business due to increasing population and global warming, etc.

In order to prepare for risks such as supply chain disruptions due to flooding damage, we provide all suppliers with the Meiden Group Supply Chain CSR Promotion Guidebook and the Green Procurement Guidelines, and promote water resource conservation and Business Continuity Plan (BCP).

Initiatives

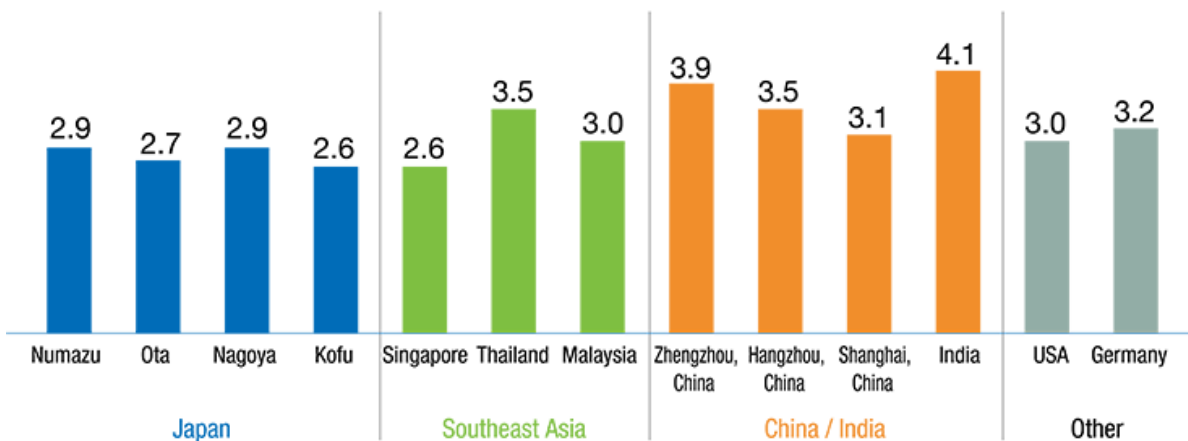
Water Risk Assessments

The Meiden Group conducts evaluation of water risk for initiatives to conserve water and comply with effluent standards. Using the free water risk evaluation tool, Water Risk Filter, provided by the World Wide Fund for Nature, we conducted evaluations for 13 production sites in 8 countries, and although many sites were assessed low risk, some sites in India and China were considered to be located in comparatively high-risk areas, and we found that risks relating to securing volume and quality of water were particularly high.

These sites do not use large quantities of water for production so there is no great concern at this time; however, based on the results of the evaluation, the Meiden Group takes the optimal countermeasures for each site based on the water risk assessment results.

Water Risk Assessment Results for Regions Where Production Bases are Located

*The numbers indicate the degree of risk from 1 to 5



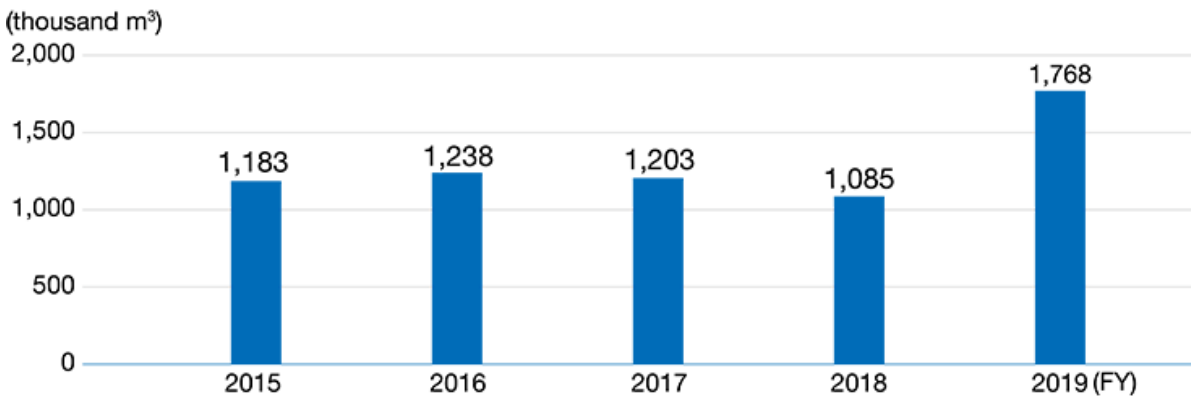
Reducing Water Consumption

We are concerned about the possibility of water leaks from buried water supply pipes on factory grounds as our facilities age. We are systematically updating pipes and placing more pipes above ground for easy maintenance and inspections.



Above-ground water supply pipes

Trends in Water Usage Volume (Japan)

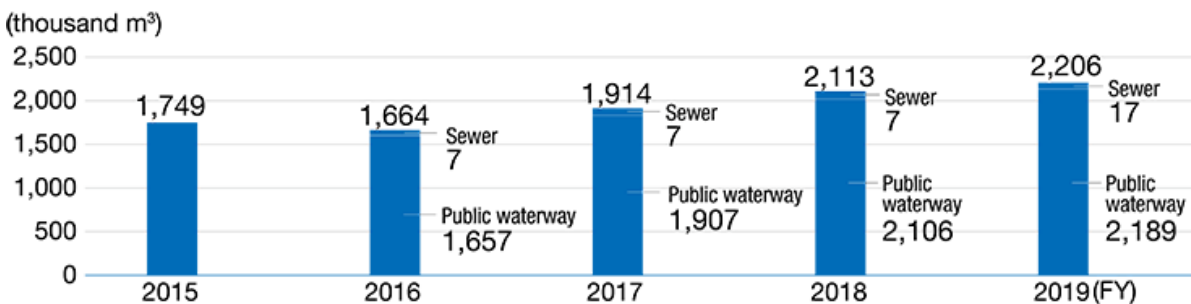


* Water usage volume includes tap water, water for industrial use, and ground water.

* Measurement points were changed in fiscal 2019 in order to increase accuracy, there is no continuity with those before fiscal 2018.

Trends in Effluent by Discharge Location (Japan)

We ensure legal compliance by establishing and applying voluntary standards at each site and affiliate that are stricter than legal restrictions.



* Only total values are available for FY2015.

Trends in BOD Emissions

	FY2017	FY2018	FY2019
BOD	6,297kg	7,389kg	4,843kg

Initiatives

Conservation of Water Resources: Initiatives through Business

Contributing to the Solution of a Range of Issues Relating to Conservation of Water Resources

In addition to design, construction, and execution of water treatment plants, the Meiden Group provides total support through to operation and maintenance as a general water treatment manufacturer, based on our record of involvement with construction and development of water and sewerage systems in Japan. We are contributing to the solution of a range of issues relating to the conservation of water resources through our water infrastructure systems business, which is one of our core businesses.

[Click here for details of products and services relating to water treatment.](#)

[Click here for Products & Services related to Water Infrastructure Systems >](#)

TOPICS

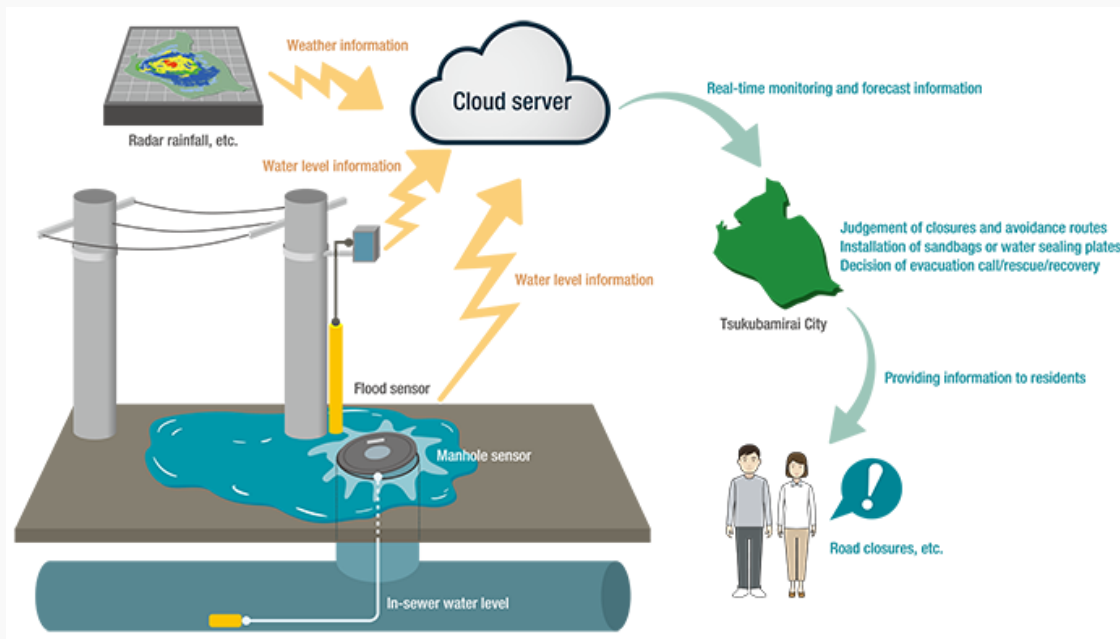
Demonstration Experiment of Flooding and Inundation Countermeasure Support Service in Tsukubamirai City


Meidensha reached an agreement with Tepco Town Planning Co., Ltd. to conduct a demonstration experiment of flooding and inundation countermeasure support service in Tsukubamirai City, Ibaraki Prefecture. Through this demonstration experiment, we verify the effectiveness of disaster prevention measures by collecting flooding data and distributing information based on it.

In recent years, localized torrential heavy rainfall in a short period of time and accompanying urban inundation have been increasing due to climate change. The annual average number of localized downpours was 226 from 1976 when records began through to 1985; however, from 2010 to 2019 the average was 327, which is about a 1.4-fold increase*1. Against such a background, it is required in terms of disaster prevention to take measures against flooding and inundation.

In this demonstration experiment, IoT technology visualizes information that has been difficult to manage up to now, such as the water level of sewer pipes and the water level overflowing on the ground, and centralizes disaster prevention information by sharing information on the cloud. The water level in the sewer pipes is detected by the sensors attached to manholes, and the water level on the ground is detected by the sensors attached to the power poles. In Tsukubamirai

City, real-time observation information and water level prediction information are integrated as disaster prevention information and utilized for road closures/traffic route determination, sandbag/water stop board installation, evacuation calls, rescue/recovery determination, etc., as well as information provision to citizens as needed. In this way, efforts to achieve disaster prevention and mitigation by centrally monitoring water levels above and below the ground are the first attempts in Japan to contribute to corresponding to climate change. Through this demonstration experiment, we contribute to the creation of a sustainable community that is responsive to issues relating to flooding and inundation.



*1: Source: Japan Meteorological Agency national (AMeDAS) annual frequency of rainfall of 50 mm or more in one hour 

Policy

Policy on the Conservation of Biodiversity

The Meiden Group relies on the blessings of nature, which has biodiversity at its core, while its activities also have an effect on the natural environment. The Meiden Group aims to minimize this effect and contribute to the creation of a sustainable society.

The Meiden Group understands that the conservation of biodiversity is a major issue to be faced in order to achieve a sustainable society and the Meiden Group's Basic Environmental Philosophy and Environmental Action Guidelines, as well as the Meiden Group Environmental Vision reflect our ethos in relation to the conservation of biodiversity.

Furthermore, we have drafted guidelines on the conservation of biodiversity in order to clearly state the relationship between our business activities and preserving biodiversity and we are applying them in our business activities.

Meiden Group Biodiversity Guidelines

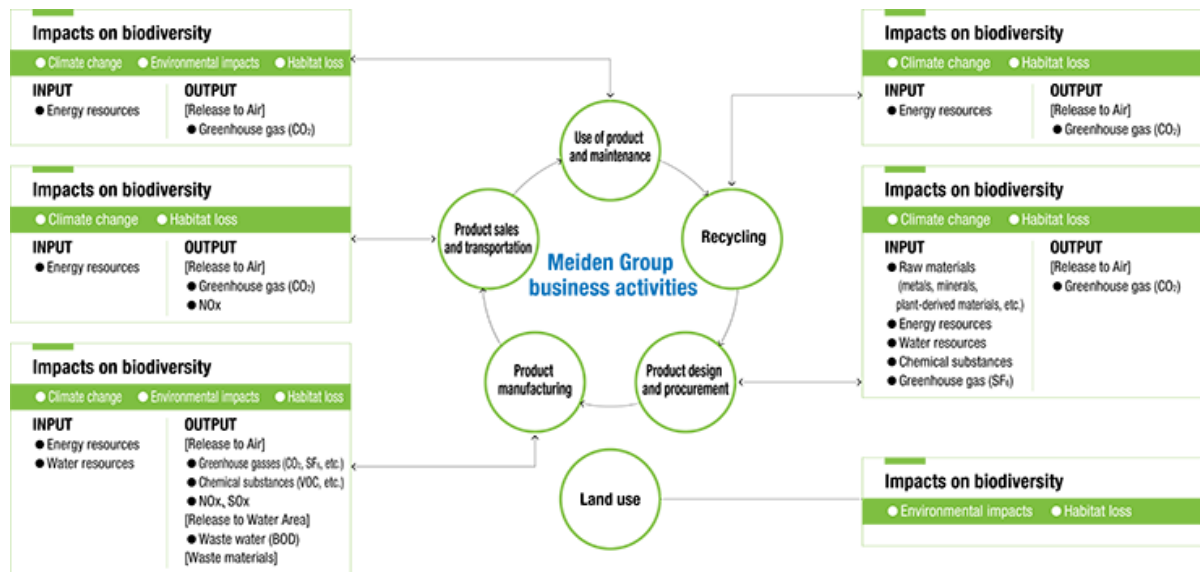
| Basic Policy

We understand that our business activities benefit from the blessings of nature and at the same time, give various environmental impacts. We will deepen our people's understanding of the importance of "Conserving Biodiversity" and contribute to realizing a sustainable society through our products and innovative technologies.

| Action Guidelines

- ① We will contribute to conserving biodiversity through the development and supply of environmentally conscious products and innovative related technologies and thus promote our water processing business and renewable energy-related business and reduction of the use of hazardous chemical substances in our products.
- ② We will clarify how our business activities interrelate with biodiversity and we will help to conserve biodiversity by reducing the environmental impacts of our business activities.
- ③ We will comply with applicable laws, regulations and international rules relating to biodiversity.
- ④ We will deepen our people's understanding of "conserving biodiversity" and we will take voluntary related initiatives at home and abroad.
- ⑤ We will undertake activities in cooperation with our stakeholders such as local communities, non-profit organizations (NPOs), and non-governmental organizations (NGOs), governments, etc., and we will promote environmental communication with such activities' information.

Map of Relationships between Business Activities and Biodiversity



* This map is based on the Business & Biodiversity Interrelationship Map® of the Japan Business Initiative for Biodiversity (JBIB).

Initiatives

A Head Office Building that is Considerate of Biodiversity

The ThinkPark Tower head office building in Osaki, Shinagawa City, Tokyo, is surrounded by the ThinkPark Forest on a block that is approximately 40% greenery. It is an oasis in the city and provides a relaxing space for employees and the local community.

Also, the Kazenomichi Path, which was designed so that the prevailing wind blows from the Meguro River and Tokyo Bay, provides relief from the heat island effect. ThinkPark Forest has been certified as an "urban oasis" by the Social and Environmental Green Evaluation System (SEGES).*

*A certification system for evaluation of green initiatives.

SEGES 



ThinkPark Tower



ThinkPark Forest

Initiatives at Each Site for the Conservation of Biodiversity

At each site of the Meiden Group, we are working to conserve biodiversity on the grounds of each site and nearby.

Head Office Area

| Nature Appreciation Events

Each year, we hold nature appreciation events in the green area (ThinkPark Forest) surrounding our head office (ThinkPark Tower), where we receive instruction from the Nature Conservation Society of Japan. In fiscal 2019, we held a nature appreciation event for the students at a local elementary school with the theme of “search for cicadas in the Osaki forest” as part of our community contribution activities. At the nature appreciation event, the children searched for cicadas and cicada shells in outdoor field work, and learned the life of a cicada and its shell. It was a great opportunity for both children and adults with an interest in cicadas or nature.



| Ikimono Log (Living Nature Log)

In the head office area of Osaki, Shinagawa Ward, Tokyo, we take pictures of the organisms that live in the vicinity of the head office building and post them on the Ikimono Log (Living Nature Log) website operated by the Ministry of the Environment. We hope to create a database with information on the organisms that live in the area.



Brown-eared bulbuls



Warbling white eye



Asian swallowtail butterfly



[Click here to view Ikimono Log.](#) 

Participation in Tree-Planting and Juvenile Fish Release Activities

Meidensha's Water Infrastructure Systems Business Unit participated in the Fiscal 2019 Water Source Reforestation Project conducted by the Association of Iwate Central Water Supply Companies and the Toyosawagawa-Tochikairyoku (Toyosawa River Land Improvement Zone). Meidensha is responsible for the maintenance and management of plumbing infrastructure in the Association of Central Iwate Water Supply Companies' Shiwa area. We approve of the intent to "contribute to a stable water supply into the future" and have participated annually since fiscal 2016.

In fiscal 2019, 10 employees participated, not only planting beech trees, but also releasing juvenile landlocked salmon and white-spotted char.

Meidensha will continue to maintain and manage water infrastructure, contribute to the preservation of water resources, and actively participate in activities to leave abundant nature for the next generation.



Numazu Works

The Numazu works is blessed with the bounty of nature such as a green zone (area = approximately 65 thousand m²) and groundwater. We are conducting activities use these natural resources in a sustainable manner and contribute to the community.

Summer Holiday Eco Classroom for Parents and Children

At the Summer Holiday Eco Classroom for Parents and Children held by Numazu City, we introduced the environmental activities undertaken at the Numazu works. In fiscal 2019, there were 43 families living in Numazu City. They participated in surveys of organisms, building electrical circuits, test rides in electric vehicles, events featuring rhinoceros beetles and stag beetles, made possible by the support of Meiden System Manufacturing Corporation, and a tour of the solar power system at the south office block, which was completed in May, 2018. This event was a good opportunity to provide fond memories of the summer holidays for both parents and children while teaching them about the appeal of connections with nature.



| Ikimono Map (Living Nature Map)

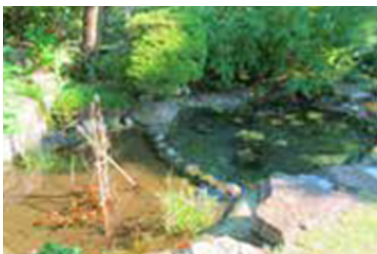
We survey the diverse range of organisms that inhabit the grounds and include them in the Meidensha Numazu Works Ikimono Map (Living Nature Map).

In fiscal 2019, we conducted a survey of the organisms in the green zone in the grounds and discovered organisms such as the Asian swallowtail butterfly and the blue rock thrush. The results of the survey will be used in future activities.

[Click here to view the Meidensha Numazu Works Ikimono \(Living Nature\) Map.](#) PDF

| Maintaining Biotopes

Through the survey of organisms, we discovered *atroclopteryx atrata* dragonflies, which are classified as class II endangered species, at the Numazu works. We hope to maintain a biotope where these dragonflies will lay their eggs.



| Numazu Machipika (Street Cleaning) Support Group

Meidensha participated in the Numazu Machipika (Street Cleaning) Support Group Program conducted by Numazu City, and conducts street-cleaning activities in the areas around its sites. The Numazu works is located next to a river, and there is a risk of litter on the streets will flow out from the river to the sea. Cleaning-up activities prevent river waste from flowing into the sea and contribute to solving marine plastic waste problems.

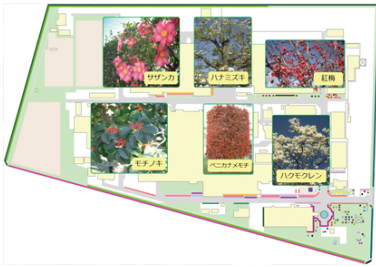


Ota Works

| Botanical Survey of On-Site Green Zone

At the Ota works, we conducted an on-site botanical survey and found more than 30 varieties of trees. We included the results of the survey on the Ota Works Green Zone Map and we will

apply the knowledge gained for future utilization of the green zone.



Ota Works Green Zone Map

| Kanayama Red Pine Forest Conservation Activities

The red pine forest in Kanayama is the most well-known natural landscape in Ota City. Kanayama castle was created using the natural contours of Kanayama and it is a precious historic site that is listed in the top 100 castles in Japan. The Ota works is registered as part of the “red pine management owner system” and we work to conserve the red pine forest by participating in activities such as weeding.



| Elimination of Plastic Shopping Bags from the On-Site Store

The problem of marine pollution caused by plastic waste has spread over a wide area, and there is concern that it can adversely affect the ecosystem, living environment, fisheries, tourism, etc. The use of plastic bags has been abolished since July 2020 at on-site shops in the Meiden Group's Numazu and Ota works. Shops sell eco-bags instead of using plastic disposable bags at the checkout; and we educate all employees on the problem of marine plastics waste in order for them to establish their custom carrying around their own bags.



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明電興産㈱、㈱明電舎(生体本)環境戦略部

The Biodiversity Working Group, The 4 Electrical and Electronic Industry Associations

Meidensha has participated in the Biodiversity Working Group since its creation by the four electrical and electronic industry associations* in fiscal 2011. Through this working group, we have promoted the biodiversity initiatives of industry associations and maximized the effectiveness of our own initiatives as a part of the electrical and electronics industry. In fiscal 2019, we summarized our approach to the marine plastics issues in the electrical and electronics industry as a leaflet.



[Click here to view information on the Electronic Industry Associations Biodiversity Working Group.](#)



* The Japan Electrical Manufacturers' Association (JEMA), the Japan Electronics and Information Technology Industries Association (JEITA), the Communications and Information Network Association of Japan (CIAJ), and the Japan Business Machine and Information System Industries Association (JBMA)

Environment

Promotion of Environmental Communication

Policy

The Meiden Group engages in two-way communication with all of our stakeholders, which is intrinsically linked to the success of our environmental activities. We also actively disseminate information on our activities and their results.

Initiatives

Promotion of Environmental Communication

The Meiden Group is working to create relationships of trust in order to remain a company that is relied on by society.

We actively release information concerning our environmental conservation activities and environmental impact through our website. We reflect the opinions and needs expressed by our stakeholders in the Meiden Group's environmental activities and environmental training.

Environmental Communication



FY2019 Initiatives

Tohoku Branch

Work to Restore Substations Damaged by the Great East Japan Earthquake

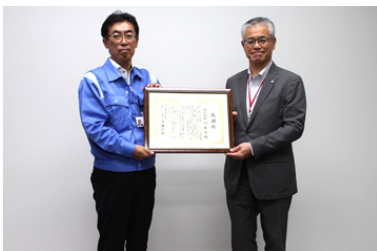
Meidensha received a certificate of appreciation from Tohoku Electric Power Co., Inc currently known as Tohoku Electric Power Network Co., Inc. for contributions to the restoration of the Okuma Substation, which suffered damage due to the Great East Japan Earthquake. The certificate of appreciation was awarded for supplying substation equipment and working to complete restoration for the Okuma Substation in Fukushima Prefecture, which was a substation owned by Tohoku Electric Power Co., Inc. that was damaged by the Great East Japan Earthquake on March 2011. The construction has been completed at the Okuma Substation on June 2018, and the operation was recommenced.

The Okuma Substation in Okuma City, Fukushima Prefecture, is located about 2 km from the Fukushima Daiichi Nuclear Power Plant. In addition to being located in difficult-to-return area with a high radiation dose, Okuma Substation was the only substation that was suspended from restoration work at a total of 75 affected substations in four prefectures of Aomori, Iwate, Miyagi, and Fukushima because of decrease in electricity demand associated with the evacuation of neighboring local residents. However, once an intermediate waste storage facility started operations as an interregional decontamination work began in both Okuma town and Futaba town, the Okuma Substation also needed an urgent restoration to supply power to them, and that we were required to work in a short construction period.

We therefore proposed a compact container cubicle-type substation, as positioning switchboards and switches inside containers saves space compared to installing individual devices, and installation of containers reduces the on-site labor required for wiring and checking. In this way, we were able to work efficiently in the restricted area within a limited period of time, as well as to suppress radiation doses to workers even when working in a difficult-to-return area.

The cubicle-type compact substation that was delivered to Okuma Substation on this occasion was a new proposal that arose through animated exchange of opinions with Tohoku Electric Power Co., Ltd. (currently Tohoku Electric Power Network Co., Inc.) in order to overcome various restrictions and conditions. Unlike conventional proposals to install individual devices, by amalgamating devices in a single unit, we expect to benefit from a range of advantages including reduced costs and shorter delivery times.

Going forward, we continue to contribute to realize a more prosperous future society through active communication with customers and original ideas not bound by precedent.



Container cubicle



Ship the whole container on the flatbed of a truck.

Environment

Foster Environmental Awareness

Policy

The Meiden Group believes that increasing each person's environmental awareness leads to environmental contributions to society.

Initiatives

Foster Environmental Awareness

We conduct education relating to environmental initiatives such as environmental management and environmentally conscious design as part of the curriculum for employee education, which is conducted for each level of employee such as new employees, new managers, and candidates for executive roles.

Furthermore, we promote environmental activities at each site, conduct internal auditor education, etc., for personnel that are involved with work that impacts the environment, and conduct specialist education as necessary.

Environmental Education (e-learning) for All Employees

Each year, we conduct environmental education for all employees of the Meiden Group through e-learning. In fiscal 2019, we conducted education for the whole group under a theme "the Meiden Group's medium to long-term environmental targets," in order to contribute to the achievement of environmental management SDGs. We also conducted education for "Meiden Group businesses and SDGs."

Promoting Acquisition of Certification Test for Environmental Specialists (Eco Test)® Certification

We promote acquisition of Certification Test for Environmental Specialists (Eco Test)® certification provided by the Tokyo Chamber of Commerce and Industry, and provide support for examination costs and provide sample questions, etc., through e-learning. In the December test in fiscal 2019, our pass rate was over 95% and we have 882 Eco Test certification holders including loan employees as of March 2020.

*Eco Test® is a registered trademark of the Tokyo Chamber of Commerce and Industry.

Specialist Education

We promote environmental activities at each site, conduct internal auditor education, etc., for personnel that are involved with work that impacts the environment, and conduct specialist education as necessary. In fiscal 2019, we conducted education concerning the legal requirements for chemical substances at factories. In addition, we also conducted education

for branches concerning management of chemical substances in products (RoHS directive and REACH regulations, etc.).

Education Concerning Environmental Laws

We conduct education relating to environmental laws as part of our compliance training. In this regard, in fiscal 2019 we held lectures concerning the Air Pollution Control Act and the Water Pollution Prevention Act, etc. We are providing our employees with opportunity to recognize the importance of compliance by explaining cases of legal violations.

Environmental Management Seminars for Management-Level Employees

We invite outside experts to give environmental management seminars from time to time.

In particular, responding to an explanation we received in 2019 of the trends related to TCFD, Task Force on Climate-related Financial Disclosures, and examined our activities at Meidensha.

Environment

Overview of Environmental Impacts by Our Business Activities

The Meiden Group finds out the overview of environmental impacts by our business activities and uses this information to plan specific activities.

Overview of Environmental Impacts by Our Business Activities (FY2019)

Our rate of use of major resources (INPUT) and our environmental impacts from our business activities (OUTPUT) are shown below.

INPUT	Japan	Overseas	
Energy			
Electricity (buying electricity)	54,340	11,856	MWh
Electricity (renewable energy)	234	25	MWh
Fuel oil	38,535	11,734	GJ
Fuel gas	153,674	28,278	GJ
Heat	4,752	-	GJ
Water			
Tap water	68	49	1,000m ³
Industrial water	70	6	1,000m ³
Groundwater	1,630	-	1,000m ³
Chemical substances			
VOC	417	63	t
Greenhouse gas			
SF ₆	13,684	11,120	kg

OUTPUT	Japan	Overseas	
Release to air			
CO ₂ (energy)	33,188	7,979	t-CO ₂
CO ₂ (automobile fuel)	1,822	676	t-CO ₂
VOC	83	63	t
SF ₆	259	158	kg
SO _x	0.2	-	t
NO _x	8.5	-	t
Release into public water area			
Wastewater	2,206	55	1,000m ³
BOD	4,843	-	kg
Wastes			
Amount not recycled	29	452	t
Amount recycled	6,332	2,316	t
Construction sludge	132	-	t
Transportation			
Product weight	40,095	-	t
CO ₂ release by transportation	2,049	-	t-CO ₂

Environment

Environmental Impact Data (Fiscal 2019) from the Four Main Manufacturing Sites (Domestic Manufacturing Sites)

Numazu Works

Message from the Environmental Manager

The Numazu works is the main factory of the Meiden Group and conducts development, design, and manufacture of monitor and control equipment, power conversion equipment, substation equipment, variable speed drives, electronic devices, and lightning arresters, installation of control devices, development of unit software, and on-site installation, and after-sales service for products.

In fiscal 2019, we focused on reducing environmental impact through business efficiency and preventing pollution. Going forward, we will roll out environmental activities that contribute to improvements in productivity.

Environmental Impact Data (Fiscal2019)

INPUT		
Energy		
Electricity	30,857	MWh
Fuel oil	3,244	GJ
Fuel gas	103,465	GJ
Water		
Tap water	23	1,000m ³
Industrial water	0	1,000m ³
Groundwater	1,616	1,000m ³
Chemical substances		
VOC	50,062	kg
Greenhouse gas		
SF ₆	13,684	kg

OUTPUT		
Release to air		
CO ₂ (energy)	19,317	t-CO ₂
CO ₂ (automobile fuel)	108	t-CO ₂
VOC	46,786	kg
SF ₆	259	kg
Release into public water area		
Wastewater	2,131	1,000m ³
BOD	4,602	kg
Wastes		
Amount not recycled	5	t
Amount recycled	3,157	t

| Message from the Environmental Manager

The Ota works conducts development and manufacture of large electric generators, generation equipment, dynamometer systems, and control equipment, etc.

In fiscal 2019, we engaged in energy efficiency activities, applying the 3Rs to waste, reducing harmful substances, environmental contribution through products, and community contribution activities (including weeding beneath Kanayama pines, which are the symbol of Ota City). Going forward, we will promote activities to reduce our environmental impact in order to achieve SDGs.

Environmental Impact Data (Fiscal2019)

INPUT		
Energy		
Electricity	7,123	MWh
Fuel oil	8,321	GJ
Fuel gas	15,558	GJ
Water		
Tap water	15	1,000m ³
Industrial water	70	1,000m ³
Groundwater	0	1,000m ³
Chemical substances		
VOC	27,515	kg
Greenhouse gas		
SF ₆	0	kg

OUTPUT		
Release to air		
CO ₂ (energy)	4,532	t-CO ₂
CO ₂ (automobile fuel)	59	t-CO ₂
VOC	18,441	kg
SF ₆	0	kg
Release into public water area		
Wastewater	53	1,000m ³
BOD	168	kg
Wastes		
Amount not recycled	0	t
Amount recycled	807	t

| Message from the Environmental Manager

The Nagoya Works conducts development and manufacture of logistics and transport products and ceramic flat membranes that are used in water treatment.

In fiscal 2019, we engaged in reduction of greenhouse gasses, reduction of environmental impact from business activities, reduction of waste discharge by the 3Rs, eliminating harmful substances, and responding to water risk. Going forward, we will promote biodiversity preservation and visualization of water usage, and electricity, and actively promote improved efficiency of energy usage.

Environmental Impact Data (Fiscal2019)

INPUT		
Energy		
Electricity	1,769	MWh
Fuel oil	311	GJ
Fuel gas	21,840	GJ
Water		
Tap water	5	1,000m ³
Industrial water	0	1,000m ³
Groundwater	10	1,000m ³
Chemical substances		
VOC	556	kg
Greenhouse gas		
SF ₆	0	kg

OUTPUT		
Release to air		
CO ₂ (energy)	1,895	t-CO ₂
CO ₂ (automobile fuel)	15	t-CO ₂
VOC	0	kg
SF ₆	0	kg
Release into public water area		
Wastewater	9	1,000m ³
BOD	73	kg
Wastes		
Amount not recycled	0	t
Amount recycled	88	t

| **Message from the Environmental Manager**

Since its foundation in 1943, Kofu Meidensha Electric Mfg. Co., Ltd. has been manufacturing industrial motors for small to medium capacity and forklift, and has been manufacturing EV motors since 2009. In fiscal 2019, we undertook various initiatives relating to prevention of global warming, elimination of harmful chemical substances, reduction of waste discharge by promoting the 3Rs, preservation of biodiversity, promotion of green procurement, and working with local communities based on our environmental policy.

In accordance with a new factory for EV motors and a new line at the second plant will start operations in fiscal 2020, we are committed to environmental activities throughout the Kofu area to minimize the increase in environmental load.

Environmental Impact Data (Fiscal2019)

INPUT		
Energy		
Electricity	6,221	MWh
Fuel oil	366	GJ
Fuel gas	11,817	GJ
Water		
Tap water	3	1,000m ³
Industrial water	0	1,000m ³
Groundwater	4	1,000m ³
Chemical substances		
VOC	35,680	kg
Greenhouse gas		
SF ₆	0	kg

OUTPUT		
Release to air		
CO ₂ (energy)	3,420	t-CO ₂
CO ₂ (automobile fuel)	16	t-CO ₂
VOC	12,824	kg
SF ₆	0	kg
Release into public water area		
Wastewater	7	1,000m ³
BOD	0	kg
Wastes		
Amount not recycled	0	t
Amount recycled	540	t

Environment

Third-Party Verification

In order to ensure that we release accurate and reliable environmental performance data for fiscal 2019, we have undergone an assessment by Bureau Veritas Japan Co., Ltd.



Verified greenhouse gas emissions

Greenhouse gas emissions [t-CO ₂ e]		Scope of calculation
Scope 1	16,491	CO ₂ (including emissions from use of automotive fuel), HFC, HCFC, and SF6 emissions from energy used for the business activities of Meidensha and 18 domestic Group companies during the period from April 1, 2019 to March 31, 2020.
Scope 2	24,980 (location basis)	
	24,724 (market basis)	
Scope 3 (Category 1)	787,564	Category 1 emissions (scope of calculation is based on Meidensha's determination) from the business activities of Meidensha during the period from April 1, 2019 to March 31, 2020.

Assessment Standards

ISAE3000: International Standard on Assurance Engagements (ISAE) 3000

ISO14064-3: Specification with guidance for the validation and verification of greenhouse gas assertions

Environment

Issue of Green Bonds

In July 2019, we issued green bonds through public offering for the purpose of funding mass-production equipment for Motors and Inverters for Electric Vehicles.

In June 2018, Meidensha pledged to reduce greenhouse gas emissions by 30% by fiscal 2030 (compared to fiscal 2017 levels) and as part of the First Meiden Environmental Vision and we are promoting reduction of environmental impact. Furthermore, we understand that contributing to the achievement of sustainable development goals (SDGs) is a major management issue facing the Company and we are promoting the environmental contribution business by rolling out environmentally conscious products and services.

By issuing green bonds, we plan to expand our capital procurement resources and deepen the understanding of a wide range of stakeholders regarding our active environmental initiatives.

Meidensha Green Bonds

Outline

Name of bonds	"Meidensha Corporation 2nd Series Unsecured Straight Bonds (with pari passu agreement limited to corporate bonds) (Green Bonds)"
Also known as	Meidensha Corporation Green Bonds
Maturity	5 years
Total amount of issue	6.0 billion yen
Coupon rate	0.260%
Issue price	100 yen for each 100 of corporate bonds
Date of issue/date of maturity	July 23, 2019 to July 23, 2024
Redemption method	Bullet payment at maturity
Subscription method	Open invitation
Security/guarantee	Unsecured and non-guaranteed
Rating	BBB+ (Japan Credit Rating Agency, Ltd./Rating and Investment Information, Inc.)
Use of proceeds	To provide partial funding of enhancement of mass-production facilities for electric vehicle components
Lead managing underwriter	SMBC Nikko Securities Inc.
Green Bond Structuring Agent	SMBC Nikko Securities Inc.
Principles with which to confirm compliance	Climate bond standard version 2.1 Low Carbon Transport (Land) Standard Version 1.0 (CBI) Green Bond Principles 2018 (ICMA) Green Bond Guidelines 2017 Edition (MOE)

List of investors that have declared their investment in corporate bonds

(As of July 17, 2019 in alphabetical order)

- Aichi Shinkin Bank

- Daitokyo Shinyokumiai
- Fukoku Mutual Life Insurance Company
- Hanno-Shinkin Bank
- JA Bank Fukuoka
- JA Bank Ibaraki
- JA Bank Iwate
- Kameari Shinkin Bank
- Kesenuma Shinkin Bank
- Kiryu Shinkin Bank
- Kitami Shinkin Bank
- Meiji Yasuda Asset Management Company Ltd.
- Sugamo Shinkin Bank
- Sumitomo Mitsui DS Asset Management Company, Limited
- Sumitomo Mitsui Trust Asset Management Co., Ltd.
- Taiyo Life Insurance Company
- THE BANK OF NAGOYA, LTD.
- THE DAIDO FIRE AND MARINE INSURANCE COMPANY LIMITED
- THE KAGAWA BANK, Ltd.
- THE TOWA BANK, LTD.
- Tokio Marine & Nichido Fire Insurance Co., Ltd.
- Tokio Marine Asset Management Co., Ltd.

External Evaluation of Compliance

Green bond framework

Meidensha Green Bonds are issued and managed according to the Green Bond Framework developed in accordance with the Green Bond Principles 2018*1 drafted by the International Capital Market Association, the Green Bond Guidelines 2017*2 Edition drafted by the Ministry of the Environment, and the Climate Bond Standard Version 2.1*3 drafted by the Climate Bonds Initiative (CBI).

Second-party opinion and ratings

Compliance with these green bonds is assessed by the Japan Credit Rating Agency (hereinafter JCR) according to the JCR Green Bond Evaluation, and the bonds received a rating of Green 1, which is the highest rating, as they fulfilled the Green Bond Principles 2018 and the Green Bond Guidelines 2017.

JCR green bond assessment attached 

Verification

DNV GL Business Assurance Japan K.K. (DNV GL), one of the world's leading organizations to evaluate and accredit the ESG performance, has verified that Meidensha Green Bonds cleared the requirements in the Climate Bonds Standard Version 2.1 as well as related technological standards.

Pre-assessment report issued by DNV GL 

Certification

Meidensha has received certification from Climate Bonds Initiative (CBI), an international nongovernmental organization dedicated to promoting large-scale investments to realize a low-carbon society that sets stringent standards for the issuance of such bonds. Meidensha is the first Japanese private enterprise to receive the CBI certification.

Additionally, JCR and DNV GL has received the notification of Green Finance Organization JAPAN's decision to grant as subsidy as part of the Financial Support Programme for Green Bond Issuance of MOEJ's FY 2018*4.



Green bond framework

1. Use of Proceeds

Eligible green project: Equipment for mass production of electric vehicle components

Outline of facility expansions (Total investment: Approx. 7 billion yen)

Nagoya Works: Renovation of existing buildings and introduction of new facilities	
Location	496 Ittangosewari, Nishibiwajimacho, Kiyosu City, Aichi Prefecture
Parts to be produced	Inverter-Integrated Motor Units for EVs
Start of operations	Scheduled for November 2019
Total floor space	4,620m ²
Production capacity	Maximum annual production of 170,000 units

Kofu Meidensha Electric Mfg. Co., Ltd.: Construction of new building and introduction of new facilities	
Location	825 Nakadate, Chuo City, Yamanashi Prefecture
Parts to be produced	Motors for EVs
Start of operations	Scheduled for November 2019
Total floor space	2,660m ²
Production capacity	Maximum annual production of 170,000 units

Numazu Works: Expansion of facilities	
Location	515 Kaminakamizo, Higashimakado, Numazu City, Shizuoka Prefecture
Parts to be produced	Inverters for EVs
Start of operations	Scheduled for April 2019
Total floor space	240m ²
Production capacity	Maximum annual production of 120,000 units

2. Process for Projects Evaluation

Nominated green bond projects were selected and evaluated by Meidensha Accounting & Financing Group Financing Division, after the consideration of conformity to qualified criteria, based on the Group's management philosophy, environmental vision, and CSR critical issues. Final approval of the project selection is implemented by the director of treasury executives of the company decision making committee. Furthermore, we also conduct verification of negative environmental impact of eligible projects.

3. Management of Proceeds

The proceeds from the Green Bonds will be fully allocated to eligible projects and assets and tracked. Fund allocation will be implemented in one year after bond issuance. The proceeds will be managed by the Meidensha Accounting & Financing Group Financing Division. The proceeds outstanding balance will be managed by internal Meidensha forms (earmarked by numbering) and its budget and actual expense tracked with Meidensha internal protocol (accounting management scheme) quarterly. These will be requested to receive approval from the Meidensha General Manager of Financing Division to avoid deviation (financial outflow). Meidensha also manages the preservation of documents related to cash management by using the accounting document retention term list and through the accounting regulations of Meidensha concerning the scope and preservation of accounting documents. Until the allocation of procurement funds is decided, we will manage cash or cash equivalents equal to funds.

4. Reporting

Funding status reporting

We will report the status of funding once a year until the full amount of funds to be procured is applied to projects that meet qualified criteria. Disbursement status disclosed is as follows: (1) Amount of funds appropriated, (2) Approximate amount or ratio in case of unappropriated funds, operation schedule of allocated time, and unappropriated period, (3) Estimated amount or percentage when the refund is applied.

We will disclose in a timely manner if there is a major change in the procurement funding plan or when there is a significant change in the fund status after the procurement funds have started to be appropriated.

Impact reporting

Until Green Bonds are redeemed, the following indicators showing the progress status of qualified projects funded and the environmental improvement effect are scheduled to be disclosed once a year on our website.

KPI in Impact Reporting: Annual CO₂ emission reduction from eligible projects*5

*1 The guideline regarding green bond Issuance is written by Green Bond Principles Executive Committee which is facilitated by ICMA (International Capital Market Association.)

*2 MOEJ (Ministry of the Environment of Japan) has established “the Green Bond Guidelines, 2017” in March 2017 with the purpose of spurring issuances of Green Bonds and investments in them in Japan. The Guidelines, with due consideration to the consistency with the GBP, which is widely accepted in the Green Bond markets in the world, provide issuers, investors and other market participants with illustrative examples of specific approaches and interpretations tailored to the characteristics of the Japan's bond market which will aid these market participants to make decisions on working-level matters related to Green Bonds.

*3 Climate Bonds Standards (CBS) is a standard developed by Climate Bonds Initiative (CBI), the UK's international nongovernmental organization, which includes certification process, pre issuance and post-issuance requirements and sectoral eligibility and guidance. And is aimed with the objective of “Ensuring credibility and transparency of Green Bond's contribution to the environment. CBS imposes a sectoral standard, and it is necessary to meet the applicable sectoral standard in judging the eligibility of projects and assets covered by the green bond.

*4 A program where subsidies will be provided for the expenses that are required by those who support companies, municipalities and other bodies who seek to issue Green Bonds, in the form of granting external reviews, consultation on establishing a Green Bond framework, etc.

(1) A Green Project that meets one of the following criteria:

1. Contributes mainly to domestic decarbonization (renewable energy, energy efficiency, etc.)
 - Projects for which equal to or more than half of the procured amount, or equal to or more than half of the number of projects is domestic decarbonization-related

project.

2. Has high decarbonization and effects on vitalization of local economy

- Decarbonization effects Those whose subsidy amount per ton of domestic CO₂ reduction is less than the specified amount.
- Effects on vitalization of local economy Projects that are expected to contribute to effects on vitalization of local economy as part of the ordinance and plan, etc. decided by the municipality, projects for which investment by municipalities can be anticipated, etc.

(2) Compliance with the Green Bond Guidelines to be confirmed by an external review organization before issuance.

(3) It cannot be “Green wash” bonds.

*5 The formula for calculation differs from Meidensha’s calculation of environmental contribution and CO2 emissions reduction, which are stated under Meidensha’s environmental targets, as they are calculated according to the ICMA Green Bond Principles 2018, the MOE Green Bond Guidelines 2017, the CBI Climate Bond Standard Version 2.1, and the Low Carbon Land Transport and the Climate Bonds Standard (v1.0).

This content is provided for the sole purpose of publicly announcing the Company’s issuance of the Bonds, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside of Japan.

Sustainability

Corporate Governance

Corporate Governance



Risk Management



Compliance Policy and System



Corporate Governance

Policy

Basic Approach

Under our corporate mission of “illuminating a more affluent tomorrow” and our corporate philosophy of providing the value “for customer peace of mind and satisfaction,” our group of companies takes the basic stance that we maintain fair and steady business activities with respect for people and the global environment, operate businesses focusing on profit while constantly pursuing new technology and high quality, and endeavor to contribute to prosperity of society. In order to implement this basic stance, we formulated the “Basic Policy to Improve the Governance to Secure Fair Business Practices” at the regular Board of Directors meeting held in May 2006. (This basic policy was revised at the regular Board of Directors meeting held in June 2020 to reflect the transition to a company with an Audit & Supervisory Committee and further enhancement of the internal control promotion system.)

The Company will work to further improve the efficiency and fairness of management by promoting initiatives to enhance corporate governance in accordance with the Corporate Governance Code.

Organization and Initiatives

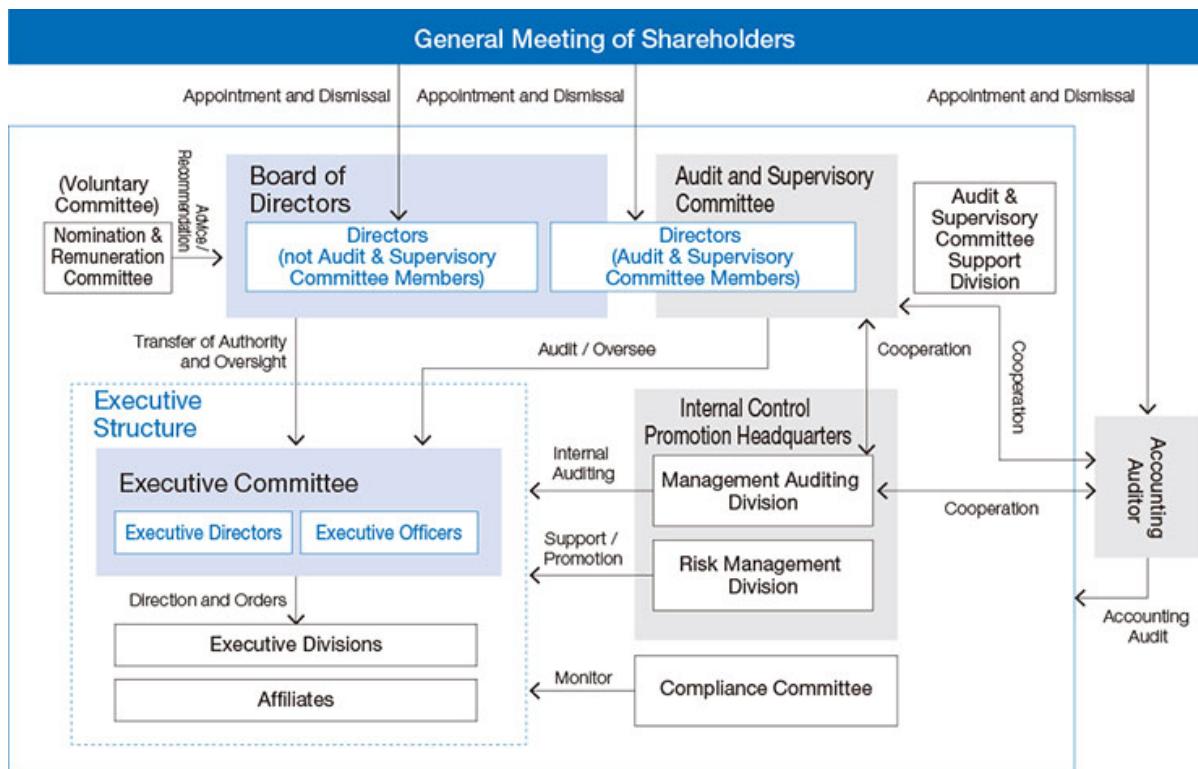
Corporate Governance Structure and Initiatives

The Company transitioned from the former institutional structure of a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee at the Ordinary General Meeting of Shareholders held on June 26, 2020.

The main purpose of transitioning to a company with an Audit & Supervisory Committee is as follows.

- (a) In order for the Directors who are members of Audit & Supervisory Committee having right to vote in the Board of Directors as well as having the right to express position statement on nomination and remuneration at shareholder’s meetings to further enhance the supervisory function by utilizing the legal authority.
- (b) In order to further enhance discussions on management strategies, etc. by transferring the Board of Directors meeting to a monitoring type, since a substantial portion of the Board of Directors' authority to make decision on business execution can be transferred to the Executive Director.
- (c) In order to further promote the separation of supervision and execution with regard to the executive officer system introduced in June 2003, in combination with transition of authority mentioned in the previous section (b).

Corporate Governance Structure: Supervision and Management and Internal Control System



Outline of Corporate Governance Structure

Form of Organization	Company with an Audit & Supervisory Committee
Directors	Number of directors (outside directors): 9 (2)
Directors (Audit & Supervisory Committee Members)	Number of directors (outside directors): 5 (3)
Number of Independent Officers	5 (2 outside directors and 3 outside directors (Audit & Supervisory Committee members))

(1) The Company's Board of Directors

In principle, the Board of Directors convenes on a regular monthly basis and holds ad-hoc meetings as necessary, to discuss major executive matters, business issues, and management issues related to the Company's business execution. In fiscal 2019, the Board of Directors held 13 meetings, and attendance rate of all Directors was 100%.

① Composition of Board of Directors

The Company's Board of Directors consists of 14 Directors, including five directors who are Audit & Supervisory Committee members, and five Outside Directors, including three Audit & Supervisory Committee members.

In order to ensure the effectiveness of the supervisory functions of outside directors, the Company attempt to ensure that at least one-third of the Board of Directors meets the Company's Criteria for Determining the Independence of outside directors.

Meidensha's outside directors satisfy the requirements of independent directors as stipulated in the rules of the Tokyo Stock Exchange.

② Policy for Appointment of Candidates for Director and Appointment/Dismissal Process

The basic policy of the appointment of Directors of the Company is to ensure the diversity of the Board of Directors as a whole and to balance the knowledge, experience, or abilities.

The basic policy of the appointment of Directors who are Audit & Supervisory Committee members is to balance the accounting, finance, and legal knowledge. The number of directors is stipulated as a number that is sufficient to fully deliberate on management issues, with an upper limit of 15 members.

Based on the above, we conduct a nomination of candidates for director that will contribute to the enhancement of the Board of Directors decision-making function and oversight function, by resolution of the Board of Directors, with advice from the Nomination and Remuneration Committee* (voluntary committee), which is chaired by an independent outside director. The candidates are then presented at the General Meeting of Shareholders.

Furthermore, with regard to the dismissal of directors, if it is discovered that a director has breached the law or the Articles of Incorporation, or committed acts that flagrantly breach the director's nomination policy, the Board of Directors will take the necessary steps to dismiss said director with the advice of the Nomination and Remuneration Committee.

*Meidensha established a voluntary Remuneration Committee in December 2017. In December 2018, the Committee took on the functions of a voluntary nomination committee to become the Nomination and Remuneration Committee. The Nomination and Remuneration Committee is chaired by an independent outside director and is comprised of two outside directors, the chairman of the Board of Directors, and the president of the Board of Directors.

③ Executive Officer System and Executive Structure

Meidensha introduced an executive officer system in June 2003 in order to streamline the Board of Directors, as well as to accelerate management decision-making and to enhance supervisory functions. At the same time, we sought to reinforce the functions of the Board of Directors by promoting the separation of the decision-making authority and supervisory function from the business performance function held by the Board of Directors.

Executive officers selected by the Board of Directors assume responsibility for the execution of specified tasks within the scope of authority transferred by the representative directors, and nimbly perform executive functions under the supervision of the representative directors, in accordance with the Meiden Group's management policies determined by the Board of Directors.

The executive committee, which comprises executive directors and executive officers with specific roles, is created for executive decision-making, and decides matters based on the rules of internal approval, as well as matters for which consultation from a full-company perspective is required.

Furthermore, apart from the meeting body to make decisions, we established advisory and internal bodies such as review and strategy meetings, and with regard to important management matters, we created a system wherein thorough discussion and deliberation are conducted prior to decision-making, and follow-up strategy and planning and improvement initiatives are conducted following decision-making.

The outline and main points of the proceedings at the Executive Committee and other internal meetings are reported as the status of business execution at the Regular Board of Directors meetings to ensure and improve the effectiveness and supervisory functions of the Board of Directors. As to execute business, executive directors and executive officers with the authority are taking attempt initiatives agilely by making resolutions and settlements. In this way, we are working to conduct executive functions autonomously and nimbly.

With the significant transfer of the authority for business execution from the Board of Directors to the executive officers, officers and executive officers must submit a business execution status report to the Board of Directors at least once every three months in order to ensure the effectiveness of functional supervision by the Board of Directors.

(2) Effectiveness Evaluation of the Board of Directors

Meidensha has a mechanism in place to conduct an analysis and evaluation of the effectiveness of the Board of Directors in order to strengthen the supervisory function of the Board of Directors.

With regard to the activities of the Board of Directors in fiscal 2019, all members of the Board of Directors, including outside officers, conducted self-evaluations of the effectiveness of the Board of Directors, and the following discussions took place at the meeting of the Board of Directors in May 2020.

i. Items Evaluated

Composition and operation (resolution and deliberation methods, etc.) of the Board of Directors, self-evaluations concerning effectiveness of the Board of Directors, other opinions

ii. Outline of Analysis and Evaluation Results

The results of the evaluation of each director and Audit & Supervisory Board Member were collected, and after deliberation by the Board of Directors, it was determined that the quality of operation and deliberation is sufficient, sufficient opinions and advice have been received from outside directors and outside Audit & Supervisory Board Members, and the effectiveness of the Board of Directors is currently secure.

In addition, through the establishment of a system in line with the transition to a company with an Audit & Supervisory Committee, we confirmed our evaluation that there is a trend to promote further deliberation and enhancing of the supervisory function of the Board of Directors. We will also improve understanding of Meidensha's business environment and strategy and provide ongoing opportunities for discussion such as through explanations in

advance, meetings to exchange opinions, and explanatory programs outside of the initiatives of the Board of Directors referred to below.

Composition of the Board of Directors, Nomination & Remuneration Committee, and Audit & Supervisory Board and FY2019 Attendance (Period: April 1, 2019 to March 31, 2020)

Name	Position (as of March 31, 2020)	Board of Directors	Nomination & Remuneration Committee	Audit & Supervisory Board
Yuji Hamasaki	Representative Director, Chairman Member of Nomination and Remuneration Committee	(13 / 13) ○	(4 / 4)	—
Takeshi Miida	Representative Director, President Member of Nomination and Remuneration Committee	(13 / 13)	(4 / 4)	—
Masamichi Kuramoto	Representative Director, Executive Vice President	(13 / 13)	—	—
Shosuke Mori	Director, Executive Vice President	(13 / 13)	—	—
Nobutoshi Ohashi	Director, Senior Managing Executive Officer	(13 / 13)	—	—
Norio Takekawa	Director, Senior Managing Executive Officer	(13 / 13)	—	—
Nobuaki Tamaki	Director, Senior Managing Executive Officer	(13 / 13)	—	—
Hiroyuki Takenaka	Outside Director Member of Nomination and Remuneration Committee	(13 / 13)	(4 / 4) ○	—
Junji Yasui	Outside Director Member of Nomination and Remuneration Committee	(13 / 13)	(4 / 4)	—
Taketora Ito	Audit & Supervisory Board Member	(13 / 13)	—	(6 / 6) ○
Seiji Kato	Audit & Supervisory Board Member	(13 / 13)	—	(6 / 6)

Yoshiaki Shin	Outside Audit & Supervisory Board Member	(12 / 13)	–	(6 / 6)
Mitsuru Nawata	Outside Audit & Supervisory Board Member	(13 / 13)	–	(6 / 6)

Note 1: Refers to the chair of the Board of Directors, Audit & Supervisory Board, and each committee

Note 2: Attendance of each type of meeting is marked as XX out of XX

Training for Officers

Legal training is conducted for officers on an annual basis, for the purpose of improving the effectiveness of the Board of Directors and internal control.

In fiscal 2019, we conducted training for our officers by outside instructors, relating to compliance and risk management, as part of internal control activities conducted at all companies.

The Meiden Group conducted trainings on the Companies Act for new officers of Meidensha and affiliated companies.

(3) Initiatives to Utilize Outside Directors

Meidensha seeks active participation in management by outside officers, in order to enhance the supervisory function of the Board of Directors. As such, we are conducting the following initiatives to ensure free and active debates.

① Initiatives at the Board of Directors

i. Advance Explanation of Agendas of the Board of Directors

We give explanations in advance so that directors are able to confirm the content of agenda items prior to participating in meetings of the board of directors. Our system allows us to accept questions, etc., relating to the content of agendas in advance and prepare an explanation to be given at the meeting of the Board of Directors, and this revitalizes and enriches deliberations.

ii. Timely and Appropriate Sharing of Information

Besides the agenda for the meeting, Meidensha provides briefings on current topics relating to the company at meetings of the Board of Directors, with the aim of timely and appropriate sharing of information with outside directors, so that they can share the status of the Company in a timely fashion.

② Initiatives Outside of the Board of Directors

i. Introductory Sessions

We create opportunities to explain the Company's business and structures, primarily to aid the understanding of newly appointed outside officers.

The officers or general managers in charge of each business explain their business and Meidensha's governance system to the outside officers, answer their questions and exchange opinions with them.

ii. Meeting for Exchange of Opinions

Apart from legally-required board meetings, we hold monthly discussion meetings in order to best utilize the knowledge of the outside directors and outside audit & supervisory board members.

In these meetings, participants vigorously exchange opinions, mainly concerning matters relating to corporate governance and the Company's management issues and strategy. The meetings also serve as preliminaries to discuss matters prior to passing resolutions at the Board of Directors.

(4) Auditing System

The Company transitioned from the prior institutional structure of a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee at the Ordinary General Meeting of Shareholders held on June 26, 2020.

The Audit and Supervisory Committee consists of five directors, including three outside directors, who are Audit & Supervisory Committee members, and there is also a Support Department for the Audit and Supervisory Committee has been established as a staff organization to support the Audit and Supervisory Committee. The committee communicates with directors, the Internal Auditing Division, and other related divisions, while adhering to the auditing policies, allotted duties, and auditing rules, etc., for Audit & Supervisory Committee members stipulated by the Audit & Supervisory Committee. Committee members attend meetings of the Board of Directors and other important meetings, and audit the execution of directors' duties through investigations of business and financial conditions.

Directors who are Audit & Supervisory Committee members are granted new authority, such as voting rights at meetings of the Board of Directors and the right to present a position statement at meetings of the Board of Directors relating to nomination and remuneration of officers. We are therefore promoting the establishment of an auditing framework and the enhancement of various initiatives to further strengthen the supervisory function of the Board of Directors, which is the aim of altering our institutional design, through new activities such as monitoring and auditing, etc. of the transfer of authority to executive directors and the status of the governance that guarantees it, in addition to the auditing activities previously undertaken, and by further strengthening cooperation with outside directors, etc.

(5) Internal Auditing System

The 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.

Since fiscal 2016, we have conducted risk management using control self assessment (CSA) at each Meidensha factory and each Japanese subsidiary in order to enhance internal control and increase the efficiency of risk audits at each business unit.

In fiscal 2019, we engaged in activities under the three basic policies of “promoting the three lines of defense and CSA (Control Self Assessment),” “strengthening prevention of faults and misconduct,” and “improving audit quality and thoroughly following up audits.” We conducted new initiatives such as external evaluation of risk management and individual audit reports for officers in charge of specific functions, and we enhanced internal control functions. In April 2020, we improved the framework to promote internal control by establishing the Internal Control Promotion Headquarters comprising the Management Auditing Division and the newly established Risk Management Division. We will further promote internal control functions by monitoring internal control systems through internal audits in conjunction with the Audit & Supervisory Committee and having a full-time department develop a risk management structure that covers the entire Group.

Officers’ Remuneration

Directors remuneration policy

i. Level of Remuneration

The level of remuneration of Meidensha’s directors is determined based on external objective remuneration market data, economic conditions, industry trends, and Meidensha’s business circumstances, etc., and it is confirmed by the Nomination and Remuneration Committee referred to above.

ii. Composition of Remuneration

Remuneration of directors is performance-based annual remuneration, and comprises basic remuneration and incentive remuneration according to each role. Of these types of remuneration, incentive remuneration comprises remuneration that is linked to business performance as a short-term incentive and stock remuneration as a medium to long-term incentive.

Target Proportion of Each Type of Remuneration (assuming targets were 100% achieved)



iii. Incentive Remuneration System

Performance-linked remuneration, which is a short-term incentive, varies from 0 to 140 depending on the degree of achievement of targets, with perfect achievement of targets counting as 100. We use operating income, which is also used for our financial targets in Medium-term Management Plan 2020, as a performance evaluation indicator, and also give consideration to revisions according to operating conditions and changes to the roles of each officer, etc.

Calculation Formula

$$\boxed{\text{Basic Remuneration for Each Position}} \times \boxed{\text{Coefficient According to Achievement of Target Operating Income (0.0 to 1.4)}}$$

Stock remuneration, which is a medium to long-term incentive, grants shares to the Officers' Shareholders Association for the purpose of further promoting sharing of profit and loss with shareholders.

iv. Remuneration Determination Procedures

The Nomination and Remuneration Committee confirms and considers the content of the remuneration system and the amount of remuneration from an objective perspective prior to determination by the Board of Directors.

FY2019 Results

Classification	Total Amount of Remuneration, etc. (millions of yen)	Total Amount of Each Type of Remuneration, etc. (millions of yen)		Number of People
		Basic remuneration	Incentive remuneration	
Directors (excluding outside directors)	320	268	52	9
Outside directors	14	14	-	2
Corporate auditors (excluding outside audit & supervisory board members)	43	43	-	2
Outside audit & supervisory board members	11	11	-	2
Total	391	338	52	15

1. The amount paid to directors includes performance-based remuneration for fiscal 2019.
2. The amount of remuneration paid to directors that concurrently serve as employees does not include the amount of remuneration paid to them as employees.

Tax

Tax Policy

The Meiden Group is aware that ensuring transparency of tax matters and payment of tax is its corporate social responsibility, and understands and complies with the principles of the taxation law of each country and region in which it conducts its global business activities. We contribute to the prosperity of each country and region by paying tax appropriately according to the application of a preferential tax system that avoids double taxation through normal procedures and complies with the aims of each system.

Furthermore, our policy is to refuse to engage in international tax avoidance, such as by complying with the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and refusing to use tax havens according to business circumstances.

Going forward, we will work to build friendly and healthful relationships with tax agencies through timely and appropriate provision of information and responding sincerely in the event of advance rulings and tax audits.

Dialogues with Shareholders and Investors

| Basic Approach and IR System

When any shareholders wish a dialogue with the Company that will contribute to medium to long-term improvement of the Company's corporate value, it is Meidensha's policy that the Company's management conducts the dialogue to the extent reasonably possible.

A system is in place where an executive officer is placed in charge of IR matters and an IR-specialist department conducts activities to enhance constructive dialogue with shareholders, including institutional investors and strengthens external communication.

| Results Briefings

We hold results briefings twice a year in May and November. In addition, we have also commenced briefings for individual investors since fiscal 2018.

We will continue to work to ensure an even fuller disclosure of information through results briefings, individual IR sessions, conferences, the website, and this report, etc., and continue to engage in dialogue with shareholders and investors.



| Main IR Activities in Fiscal 2019

Individual Sessions	Number
Japanese Investors	105
Foreign Investors	54
Total	159

The materials for the results briefings are available for viewing. Please visit “Fact Sheet for Account Settlement Briefing Session” under “Investors” on the Corporate website.

[Fact Sheet for Account Settlement Briefing Session >](#)

Board of Directors & Executive Officers as of July, 2020

Director	 <p>Yuji Hamasaki Representative Director, Chairman Nomination & Remuneration Committee Member</p> <p>Reason for Selection</p> <p>Yuji Hamasaki served as president since 2013, and since 2018, he has overseen all aspects of the Group’s management as chairman. He has extensive experience and results, and as chairman of the Board of Directors, he has worked to enhance the supervisory function of the Board of Directors in order for the Group to take appropriate risks. He has been selected as he is expected to further enhance the corporate governance of the entire Group by reflecting the aforementioned experience and achievements at meetings of the Board of Directors.</p> <p>Career Summary</p> <p>June 2004 – Executive officer of Sumitomo Electric Industries, Ltd. June 2005 – Managing executive officer of Sumitomo Electric Industries, Ltd. June 2006 – Managing director of Sumitomo Electric Industries, Ltd. April 2010 – Senior managing executive officer of Meidensha June 2010 – Director of Meidensha April 2011 – Executive vice president of Meidensha June 2013 – President of Meidensha June 2018 to present – Chairman of Meidensha</p>
	 <p>Takeshi Miida</p>

Representative Director, President
Nomination & Remuneration Committee Member

Reason for Selection

Takeshi Miida has been involved with drafting and implementing group-wide management plans, and since 2018, he has been responsible group-wide management and Medium-term Management Plan 2020 as president. Based on the aforementioned experience and achievements, he has been selected as he is expected to enhance the decision-making and oversight functions of the Board of Directors through his involvement in management as a promoter of Medium-term Management Plan 2020.

Career Summary

April 1978 – Joined Meidensha
April 2008 – Executive officer in charge of the Corporate Policy Planning Group and the Corporate Policy Planning Division
April 2011 – Managing executive officer in charge of the Corporate Policy Planning Group and head of the Corporate Policy Planning Division
June 2012 – Director
April 2015 – Executive vice president
June 2018 to present – President



Masamichi Kuramoto

Representative Director, Executive Vice President

Reason for Selection

Based on his extensive experience and achievements as an engineer in the Research and Development Business Unit, Masamichi Kuramoto is working to expand the scale of all of the Company's business, environmental initiatives, and the automobile-related business, which is one of the growth business under Medium-term Management Plan 2020.

Based on the aforementioned experience and achievements, he has been selected as he is expected to enhance the decision-making and oversight functions of the Board of Directors through his involvement in management.

Career Summary

April 1980 – Joined Meidensha
April 2013 – Executive officer in charge of the Research & Development Group
April 2014 – Managing executive officer in charge of the Research & Development Group
April 2015 – Senior managing executive officer in charge of the Research & Development Group

June 2015 – Director
April 2018 to present – Executive vice president



Shosuke Mori

Director, Executive Vice President

Reason for Selection

Since assuming his position in June 2019, Shosuke Mori has been responsible for new businesses, business alliances, and overseas businesses, etc. He is working to strategically enhance the social infrastructure systems business and the maintenance and servicing business, which are positioned as earnings-base businesses under Medium-term Management Plan 2020.

Based on the aforementioned experience and achievements, he has been selected as he is expected to enhance the decision-making and oversight functions of the Board of Directors through his involvement in management.

Career Summary

April 2011 – Executive officer in charge of the 1st Headquarters Sales Division of Sumitomo Mitsui Banking Corporation

April 2013 – Executive officer in charge of the General International Division of Sumitomo Mitsui Banking Corporation

April 2014 – Managing executive officer in charge of the General International Division of Sumitomo Mitsui Banking Corporation

April 2015 – Managing executive officer in charge of the Asia Pacific Division of Sumitomo Mitsui Banking Corporation

April 2017 – Senior managing executive officer, second in command of the International Division of Sumitomo Mitsui Banking Corporation

April 2018– Senior managing executive officer in charge of the Corporate Advisory Division of Sumitomo Mitsui Banking Corporation

April 2019 – Executive officer and vice president of Meidensha

June 2019 to present – Executive vice president of Meidensha



Nobutoshi Ohashi

Director, Senior Managing Executive Officer

Reason for Selection

Based on his experience of HR and general affairs-related operations, in recent years, Nobutoshi Ohashi has contributed to the improvement of corporate governance as the manager of the HR and General Affairs Business Unit, and since 2018, he has worked to promote the Smart Work 2020 work-style reform action plan.

Based on the aforementioned experience and achievements, he has been selected as he is expected to enhance the decision-making and oversight functions of the Board of Directors through his involvement in management as a promoter of initiatives to leverage the personnel of the entire Meiden Group and further improve corporate governance.

Career Summary

April 1979 – Joined Meidensha

April 2013 - Executive officer in charge of the HR & General Affairs Group and the HR Planning Division

April 2015 – Managing executive officer in charge of the HR & General Affairs Group

April 2018 – Senior managing executive officer in charge of the HR & General Affairs Group

June 2018 to present – Director

April 2020 to present – Senior managing executive officer in charge of the HR & General Affairs Group



Norio Takekawa

Director, Senior Managing Executive Officer

Reason for Selection

Norio Takekawa has extensive on-site experience as an engineer in the Construction Business Unit. He is currently leveraging this experience to improve Meidensha's production and quality management systems, and working to implement production process reforms and invest in streamlining equipment as work-style reforms, from the perspective of production.

With an outlook, perspective, and sense of balance based on the aforementioned diverse experience and achievements, he has been selected as he is expected to enhance the decision-making and oversight functions of the Board of Directors through his involvement in management.

Career Summary

April 1981 – Joined Meidensha

April 2015 – Executive officer in charge of the Plant Construction & Engineering Business Group

April 2017 – Managing executive officer in charge of the Production

Engineering and Management Group
April 2018 – Senior managing executive officer
June 2018 to present – Director
April 2020 to present – Senior managing executive officer in charge of the
Plant Construction & Engineering Business Group



Nobuaki Tamaki

Director, Senior Managing Executive Officer

Reason for Selection

Based on his experience as an engineer who worked on T&D products, which are Meidensha's core products, and as top management of an overseas subsidiary, Nobuaki Tamaki is working to expand the scale of the overseas business, which is positioned as a growth business under Medium-term Management Plan 2020.

With aforementioned perspective as an engineer and a global perspective, he has been selected as he is expected to enhance the decision-making and oversight functions of the Board of Directors through his involvement in management.

Career Summary

April 1982 – Joined Meidensha
April 2015 – Head of the T&D Business Unit
April 2016 – Executive officer
April 2017 – Managing executive officer
April 2018 – Senior managing executive officer
June 2018 to present – Director
April 2020 to present – Senior managing executive officer in charge of the Overseas Business Strategic Management Group



Hiroyuki Takenaka

Outside Director
Nomination & Remuneration Committee Member

Reason for Selection

Hiroyuki Takenaka uses his extensive management experience spanning many years and broad knowledge to tirelessly work to improve the Group's corporate governance. At present, he is serving as chair of the voluntary Nomination and Remuneration Committee and contributing to improved transparency of management.

He has been selected as he is expected to further enhance the supervisory function of the Board of Directors by continuing to reflect the aforementioned experience and knowledge at meetings of Meidensha's Board of Directors.

Career Summary

June 2001 – Director of Sumitomo Electric Industries, Ltd.

June 2003 – Executive officer of Sumitomo Electric Industries, Ltd.

June 2004 – Managing director of Sumitomo Electric Industries, Ltd.

June 2007 – Senior managing director in charge of the Electrical Cable, Materials, and Energy Business Headquarters and the Production Technology Headquarters of Sumitomo Electric Industries, Ltd.

June 2008 – Senior managing director in charge of the electrical cable, materials, and energy business headquarters of Sumitomo Electric Industries, Ltd.

May 2010 – Senior managing director of Sumitomo Electric Industries, Ltd.

June 2010 – Executive vice president of Sumitomo Electric Industries, Ltd.

June 2013 to present – Director of Meidensha



Junji Yasui

Outside Director

Nomination & Remuneration Committee Member

Reason for Selection

Junji Yasui uses his extensive management experience spanning many years and broad knowledge to tirelessly work to improve the Group's corporate governance. At present, he is serving as a member of the voluntary Nomination and Remuneration Committee and contributing to improved transparency of management.

He has been selected as he is expected to further enhance the supervisory function of the Board of Directors by continuing to reflect the aforementioned experience and knowledge at meetings of Meidensha's Board of Directors.

Career Summary

April 2004 – Executive officer in charge of the Third Solutions and Sales Business Headquarters of NEC Corporation

April 2005 – Executive officer in charge of the Fourth Solutions Business Headquarters of NEC Corporation

April 2008 – Executive vice president of NEC Corporation
June 2008 – Director and executive vice president of NEC Corporation
April 2010 – Director and managing executive vice president of NEC Corporation
July 2011 – Director, managing executive vice president, and chief supply chain officer of NEC Corporation
April 2012 – Representative director, senior executive vice president, and chief supply chain officer of NEC Corporation
April 2016 – Representative director and senior executive vice president of NEC Corporation
June 2016 to present – Director of Meidensha



Tadayoshi Machimura

Director and Audit & Supervisory Committee Member (Full-time Audit & Supervisory Committee Member)

Reason for Selection

Until March 2019, Tadayoshi Machimura served as a representative director of Meidensha. Until March 2020, he was involved with management as the president of Meiden O&M, which is the core of the Group's maintenance and servicing business, and he has extensive experience and achievements. He has been selected as he is expected to further enhance audit and supervisory functions by reflecting his perspective on management of the entire Meiden Group, including affiliates, in Meidensha's audits and meetings of the Board of Directors based on the aforementioned experience and achievements.

Career Summary

April 1977 – Joined Meidensha
April 2012 – Executive officer and supervisor of electric power conversion products of Meidensha
April 2014 – Managing executive officer, supervisor of electric power conversion products, and supervisor of power generation products of Meidensha
April 2015 – Senior managing executive officer of Meidensha
June 2015 – Director of Meidensha
April 2018 – Executive vice president of Meidensha
April 2019 – President of Meiden O&M Corporation
April 2020 – Adviser at Meidensha
June 2020 to present – Director (Audit & Supervisory Committee Member)



Taketora Ito

Director and Audit & Supervisory Committee Member (Full-time Audit & Supervisory Committee Member)

Reason for Selection

Taketora Ito has been involved with the Manufacturing Business Unit for many years. He has extensive experience and knowledge relating to manufacturing, production, and factory operation, etc. He has served as an Audit & Supervisory Board Member of Meidensha since June 2017.

He has been selected as he is expected to further enhance audit and supervisory functions by reflecting the aforementioned experience and knowledge in Meidensha's audits and at meetings of the Board of Directors.

Career Summary

April 1981 – Joined Meidensha

September 2011 – General Manager of Rotating Machinery Factory, Energy Systems Business Unit

April 2014 – Head of the Power Generation Products Planning Division

October 2015 – General Manager for Special Task of the Power Generation Products Business Unit

April 2017 – Manager of the Internal Auditors Office

June 2017 – Audit & Supervisory Board Member

June 2020 to present – Director (Audit & Supervisory Committee Member)



Yoshiaki Shin

Director and Audit & Supervisory Committee Member (Outside Director)

Reason for Selection

Yoshiaki Shin has extensive management experience and high-level knowledge spanning many years, and has experience as an auditor of Meidensha. He has been selected as he is expected to further enhance audit and supervisory functions by reflecting the aforementioned experience and knowledge in Meidensha's audits and meetings of the Board of Directors.

Career Summary

April 2008 – Director and chair of Mitsui Sumitomo Insurance Group Holdings, Incorporated
April 2010 – Director of Mitsui Sumitomo Insurance Co., Ltd.
April 2010 – Consultant at MS & AD Insurance Group Holdings, Inc.
April 2011 – Standing consultant at Mitsui Sumitomo Insurance Co., Ltd.
June 2012 – Outside auditor of Meidensha
June 2012 – Director of DSB Co., Ltd.
April 2014 to present – Senior advisor to Mitsui Sumitomo Insurance Co., Ltd.
June 2020 to present – Director (Audit & Supervisory Committee Member) of Meidensha



Mitsuru Nawata

Director and Audit & Supervisory Committee Member (Outside Director)

Reason for Selection

Mitsuru Nawata has extensive management experience and high-level knowledge spanning many years, and has experience as an auditor of Meidensha. He has been selected as he is expected to further enhance audit and supervisory functions by reflecting the aforementioned experience and knowledge in Meidensha's audits and meetings of the Board of Directors.

Career Summary

June 2007 – Managing executive officer of The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)
May 2008 - Managing executive officer in charge of the credit division of The Sumitomo Trust and Banking Co., Ltd.
January 2009 - Managing executive officer in charge of the first credit division of The Sumitomo Trust and Banking Co., Ltd.
May 2009 – Managing executive officer of The Sumitomo Trust and Banking Co., Ltd.
June 2010 – Director and chair of Life Housing Loan Co., Ltd.
June 2010 – Director and chair of First Credit Corporation
October 2010 – President of Sumishin Real Estate Loan & Finance, Limited (currently Sumitomo Mitsui Trust Loan & Finance Co., Ltd.)
April 2015 – Director and chair of Sumitomo Mitsui Trust Loan & Finance Co., Ltd.
April 2016 – Standing auditor of Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.
June 2016 – Outside auditor of Meidensha
June 2020 to present – Director (Audit & Supervisory Committee Member) of Meidensha



Keiko Hayashi

Director and Audit & Supervisory Committee Member (Outside Director)

Reason for Selection

Keiko Hayashi has a high-level of expertise and extensive experience as an accountant spanning many years. She has gained wide-ranging views and knowledge through organizational diversity promotion initiatives. She has been selected as she is expected to further enhance audit and supervisory functions by reflecting the aforementioned expertise, experience, views, and knowledge in Meidensha's audits and meetings of the Board of Directors.

Career Summary

April 1986 – Joined the Tokyo Regional Taxation Bureau

October 1990 – Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)

March 1994 – Registered as a certified public accountant

July 2006 – Partner of Tohmatsu Audit Corporation (currently Deloitte Touche Tohmatsu LLC)

July 2013 – Director of The Japanese Institute of Certified Public Accountants

October 2013 - Deloitte Tohmatsu Group diversity promotion officer

July 2016 to present – Managing director of The Japanese Institute of Certified Public Accountants

November 2018 – Representative director of Tohmatsu Challenged Co., Ltd.

January 2019 to present – Member of Acquisition, Technology and Logistics Agency Defense Procurement Council

June 2019 - Deloitte Tohmatsu Group D & I committee advisor

August 2019 – Chair of The Japanese Institute of Certified Public Accountants Audit Practice and Review Committee

October 2019 to present – Chair of The Japanese Institute of Certified Public Accountants Audit and Discipline Investigation Committee

June 2020 to present – Director (Audit & Supervisory Committee Member) of Meidensha

Senior Managing Executive Officer	Kazumi Ikarashi
Managing Executive Officers	Michihiko Kato Masayuki Iwao Tatsuki Mochizuki

	<p>Kuniake Yasukawa Masahiko Suzuki Akio Inoue</p>
Executive Officers	<p>Noritaka Matsushita Hiroshi Toke Minoru Kaneda Hisahiro Murashima Satoshi Momenya Norio Mizutani Hideki Miyazawa Akio Ikemori Takashi Furuta Takeo Suzuki Katsunori Suzuki Munekazu Shiratori Kuniteru Yamaoka Katsuyuki Watanabe</p>

Risk Management

Policy

Basic Approach

With regard to business activities in the near future, we must precisely understand various business risks that may manifest in the future and ensure that we provide for them in order to implement our business strategy and increase corporate value in unstable global circumstances with increasing complexity and lack of clarity. With this awareness, we consider that it is necessary for each business unit of the Meiden Group to increase their sensitivity when considering business risks, and establish their own PDCA risk management systems while enhancing risk management during times of normal operation through the establishment of a specialized risk management department. Furthermore, we aim to create a system that is capable of responding to constant change and all risks by creating a risk management system for all companies that incorporates Business Continuity Management (BCM) in order to respond to risks to the business continuity of the entire Group.

Organization

Initiatives to Establish a Risk Management System

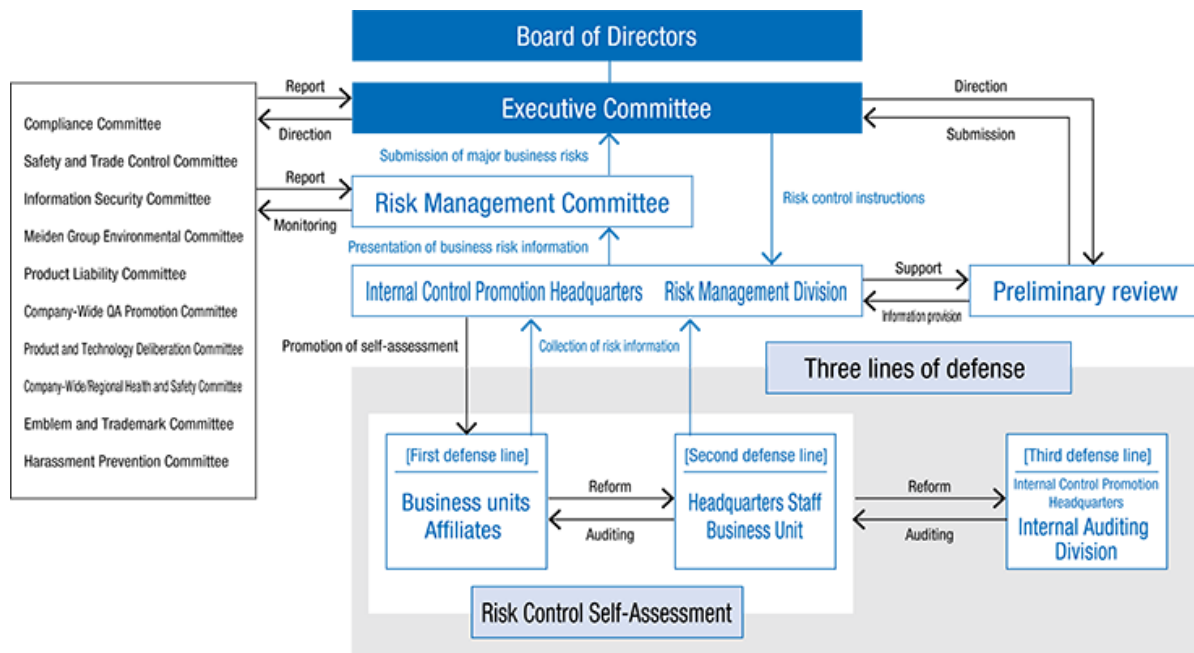
The Meiden Group deems risks to be “uncertain future events that could impede the achievement of plans,” and defines management as “devising and implementing response measures,” so risk management is defined as systematic management of risks. We have introduced control self-assessment to identify, evaluate, and control risks relating to the strategy and management of business units, including factories and affiliates, and the Internal Auditing Department is conducting verification of each business unit’s control self-assessment, as well as unique risk audits. The status of risk management ascertained through these internal audits is reported to the Board of Directors and relevant managers as appropriate. Going forward, we will continue to promote the establishment of a risk management structure, and work to foster even greater awareness of risk in employees, in order to completely achieve our business plan by precisely understanding and controlling a range of business risks.

Risk Management Structure

Operation of the Risk management Committee

Meidensha has established the Internal Control Promotion Headquarters in order to enhance governance of the Group, and has newly established the Risk Management Division within the headquarters. The Risk Management Division promotes the business self-assessment system in each business unit, and identifies key business risks to be dealt with by the entire Meiden Group in conjunction with the Headquarters Staff Business Unit and the various committees. The Risk Management Committee, which is convened by the Risk Management Division, is chaired by the head of the Internal Control Promotion Headquarters. It scrutinizes the Meiden Group's business risks that have been identified by the Risk Management Division and provides an opportunity for key members of the Headquarters Staff Business Unit to debate response policies. Managers further debate business risks debated by the Risk Management Committee, stipulate key business risks facing the Meiden Group, and determine response policies.

The Meiden Group's Risk Management Structure



Initiatives

Risk Management Relating to Business Activities

Preliminary Risk Assessment

Preliminary risk assessment was initiated for the proposing business unit and the reviewing business unit to scrutinize information necessary to make management decisions relating to projects that may seriously negative impact the Group and provide it to managers. More than 100 projects have been reviewed to date. Projects subject to review are generally classified as large scale EPCs, M&A, partnerships, joint developments, new businesses, or other matters that

require a resolution by the Executive Committee according to regulations.
In preliminary risk assessment, we encourage proposers to:

- (1) Identify and assess the high risk factors of EPC project such as risk of construction works and project profit and take necessary measures to the project.
- (2) Identify and assess contract risk such as commercial and technical conditions regard to tenders, partnerships etc., and enhance risk management to the relatives.
- (3) Analyze risk from multiple perspectives by third party experts and take measures to reduce risk.

As mentioned above, in the preliminary risk assessment, we evaluate not only financial risks, but project risks, operation risks, etc. At present, preliminary risk assessment is operated by the Management Planning Headquarters and the Internal Control Promotion Headquarters, and their responsible executives decide whether or not to conduct preliminary review. Depending on the content, the Legal Division, the Overseas Strategy Headquarters, and the Accounting and Finance Headquarters participate in the assessment.

Business Continuity Plan (BCP)

Promotion of Business Continuity Plan (BCP)

We conducted the following initiatives to promote formulation of BCP as a project of the entire Meiden Group in fiscal 2019.

1. BCP Education:

In fiscal 2019, we conducted BCP education at all sites in Japan, including branches. The purpose of this education was to clearly explain the importance of BCP and the meaning of business continuity, and increase awareness for independent engagement with BCPs. Education was conducted 17 times in total at 15 locations in Japan. 730 people participated.

2. BCP Implementation:

Under the BCM Committee, which determines the Meiden Group's BCP policy and measures, in fiscal 2019, the Meiden Group newly established the Corporate BCP Promotion Committee, BCP promotion committees for each business, Domestic Affiliate BCP Subcommittee, and the Working Group to Consider Priority Businesses, and promoted BCP throughout the Group. We also held workshops to create BCP manuals in conjunction with each of the aforementioned committees, and consider ways to enable each department to understand and create effective BCP.



New staff education



BCP education (Chubu branch)



Business BCP creation workshop

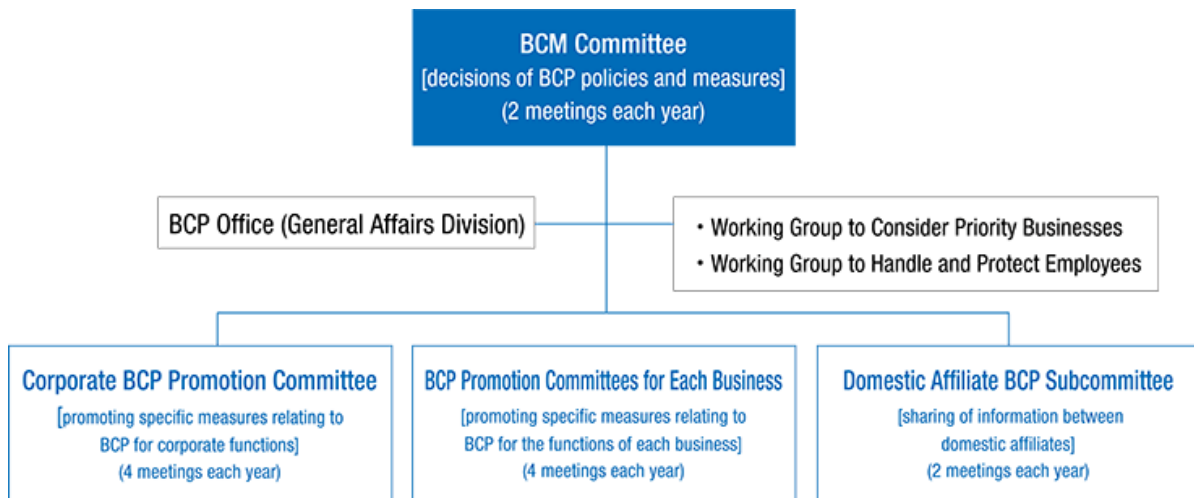


Company-wide BCP creation workshop



“Disaster response card” carried by all employees

BCM Promotion System



Increasing Effectiveness of BCP

Based on resolutions of the BCM committee, we conducted the following initiatives to enhance disaster response measures.

1. BCP drills for business sites (FY2019: Numazu Works)
2. e-Learning for all Meiden Group employees (including Group companies)
3. Ongoing safety confirmation system drills and satellite telephone drills
4. Launch of the Meiden Disaster Portal, which is operated in times of disaster



BCP drill at the Numazu Works

Response to the novel Coronavirus Disease (COVID-19)

The global spread of the novel coronavirus disease (COVID-19) impacted the Meiden Group in ways such as suspension of production at overseas sites such as China, delay of parts procurement, and postponement of sales.

The Meiden Group established the Company-Wide Response Headquarters, created the Novel Coronavirus (COVID-19) Response Action Guidelines and the Novel Coronavirus (COVID-19) Response Manual, and is continuing to act with awareness of preventing infection after the state of emergency has been lifted (avoiding the three Cs and reducing commuting outside of the region of factories by 70%, etc.) with the health and safety of employees as our utmost priority, and reducing the impact on business activities such as by continuing operation of all factories in Japan in accordance with the guidelines.

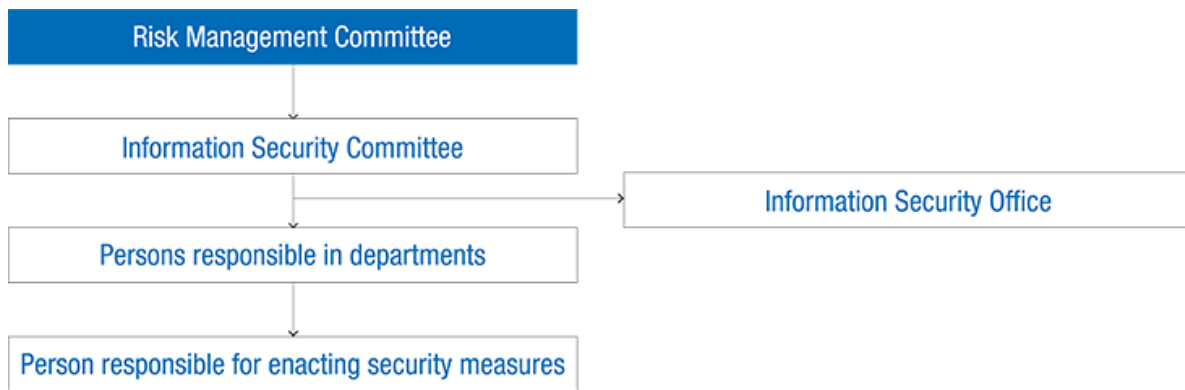
Furthermore, we have ensured both the health and safety of employees and business continuity at overseas sites, by creating behavior standards to prevent infections, introducing working from home and rotation shifts, and accelerating the introduction of Internet communication tools, in accordance with relevant national government policies. We expect global restrictions on the movement of people to extend into the long term, so we will promote new work styles through greater use of Internet communication tools.

Policy and Organization

Strengthening Information Security Management

The Meiden Group understands that ensuring the security of the information we handle is a most critical issue. We therefore protect information assets from disasters, accidents, criminal acts, errors, and other threats. We also maintain and enhance information management to prevent leaks, tampering, or theft.

Information Security Control System



Initiatives

In fiscal 2019, we are continuing to implement initiatives to reinforce information security for the entire Meiden Group.

1. Analysis of Incidents and Countermeasures for Each Cause

We conducted analyses and implemented measures to cover both aspects of hardware/software and human factors: the former includes data protection from unauthorized logins, virus infections from suspicious emails, targeted email attacks, etc. as well as the theft, loss, or mishandling of information devices.

2. Sustainable Information Security Measures

We had previously conducted initiatives based on “defense,” but we are now working to implement sustainable security measures in the areas of “prediction,” “defense,” “detection,” and “response.” We introduced the Security Operation Center (SOC) in fiscal 2017, established a detection system that operates 24 hours per day, 365 days per year, and in fiscal 2019 we installed next-generation antivirus software on all computers, in order to enhance detection. We established the Meiden Computer Security Incident Response Team (CSIRT), joined the Nippon CSIRT Association, and promoted the establishment of an internal system to speed up responding to incidents in fiscal 2019, in order to enhance response.

Going forward, we will continue to strengthen hardware and software measures and continue to conduct personnel measures, such as information security education and suspicious email drills. We are continuously rolling out measures for information security on a group-wide basis.

3. Enhancement of Supply Chain Information Security

Since fiscal 2017, we have continuously conducted activities to enhance information security together with our suppliers. We ensure that suppliers are aware of information security measures as management issues, and we hold training and information sessions as required. In fiscal 2019, we began conducting site visits for some suppliers and activities to confirm the status of measures. In this way, we are continuing to conduct activities to enhance information security throughout the entire supply chain.

Compliance

Policy and System

Compliance Policy and System

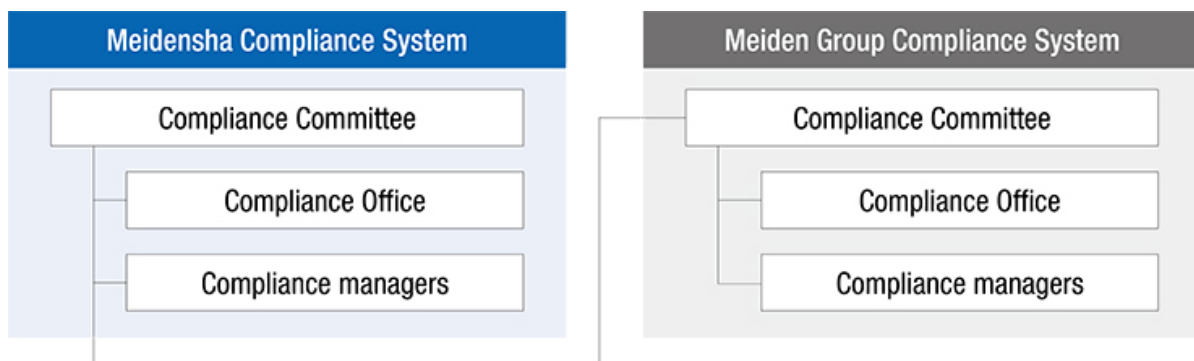
The Meiden Group Code of Conduct (COC) defines that we shall strive to ensure compliance with applicable laws and regulations of our business-related matters, other applicable laws and regulations both at home and abroad, social and ethical norms, and its underlying spirit, and we shall conduct our businesses with strong corporate ethics and good social common sense. Under this policy, the Meiden Group aims to sincerely engage in activities to live up to the trust of customers and society. Directors, executive officers, and general managers of Meidensha and each Group company, play a central role in promoting compliance in each of their workplaces, in accordance with the Meiden Group Compliance Promotion Rules.

Besides such workplace schemes, we also have a Compliance Committee set up in place, which lays down policies concerning compliance activities, organizes compliance training, dealing with whistleblowing reports, and expresses opinions and provides solutions to problems relating to a range of compliance issues that may arise.

In order to enhance the communication and reporting system, we appointed a Compliance Manager in each workplace to serve as a link between the Compliance Committee and the workplace by reporting to the Committee issues discussed and problems found in the workplace. Thus, we are engaged in activities that promote compliance, while ensuring communication among the Meiden Group companies.

In fiscal 2019, we enhanced compliance promotion systems for domestic Group companies as a group-wide compliance initiative. Also, in order to enhance overseas compliance, we are continuing to promote the implementation of internal control systems at overseas group companies.

Meiden Group Compliance System



Whistleblower System on Compliance

Meidensha has a whistleblower system for compliance. This is to prevent illegal actions and misconduct and to solve problems as early as possible.

This whistleblower system includes the Compliance Hotline dealing with a broad range of compliance issues including breaches of laws such as the Antimonopoly Act and bribery regulations, breaches of internal or external rules, and labor problems, the Harassment Consultation Hotline, which is specifically designed to deal with harassment, and the Public Whistleblower Hotline for early detection and rectification of unlawful acts, etc. Furthermore, we have also established a supplier-specific whistleblower hotline in fiscal 2018.

The Internal Hotline System is an internal measure to receive anonymous whistleblower reports from employees including retirees, through a dedicated phone line, letters, or email contacts .

The Public Whistleblower System handles external communications at a law firm as well as internal communications, and may be used by employees of the Meiden Group (including retirees), temporary staff and subcontractors, and suppliers.

The Compliance Committee investigates the report that is brought to the whistleblowing contacts and, if necessary, consults with a lawyers to deal with them. We are working to increase the dependability of management of information, such as the names of whistleblowers, of and the whistleblower system as a whole, in accordance with national guidelines, to ensure that whistleblowers are not disadvantaged by using the system. In fiscal 2019, the Meiden Group received 47 reports and consultations, of which we thoroughly confirmed which cases required a response and dealt with them accordingly. The Audit Department conducts internal audits of the operation of the system.

Initiatives to Avoid Infringement of Human Rights

| Harassment Prevention System

Harassment is one of the compliance issues regarding which consultation is most frequently sought, so we established the Harassment Prevention Committee to create a system that is specifically designed to handle harassment issues, and we are working to centralize handling of confidential information and responses as well as enhance activities to promote understanding. When a report of harassment is made, responses are required that are considerate of personal relationships, and particularly those of the reporter, so we created a system to avoid infringement of human rights by establishing a hotline that is specifically designed to deal with harassment issues and creating an environment that is conducive to talking about issues. In addition, we are conducting activities to educate employees including managers, about Anger Management as a measure against harassment.

Compliance Education

The Compliance Committee conducts compliance training at our business locations throughout Japan, in order to maintain and improve awareness of compliance and internal control systems while collecting opinions from workplaces. Compliance training aimed at employees, including Compliance Managers at each company in the Meiden Group, provides updated information and education on compliance activities, and an opportunity to exchange opinions with the Compliance Committee.

In fiscal 2019, we conducted compliance training at locations around Japan, with 1,443 participants. The Committee made reports concerning the status of compliance activities at the company as a whole, and the Legal Affairs Division gave further training using case-studies aiming at sales and manufacturing activities in compliance with the Anti-Monopoly Act, and the Subcontracting Act.

In addition, we conducted education concerning harassment and environmental laws, and we are working to increase awareness of a broad range of compliance issues.

Also, we are continuing to conduct trainings for Officers by external instructors and group-work education for heads of business units, in order to enhance internal control.

The participants of these courses sent us feedbacks about their workplace status, opinions/requests to the Committee, and many questions, so we utilize them in our activities for fiscal 2020.



Compliance training

Streaming Group Corporate Code of Conduct towards Globalization

The Meiden Group has the “Meiden Group Corporate Code of Conduct” in place and is working to ensure compliance with laws and other social norms. In addition, we compiled the corporate philosophy system and guidance into a booklet in three languages (Japanese, English and Chinese) in preparation for globalization.

Furthermore, we have released the Bribery Prevention Policy in three languages, as guidelines to supplement the aforementioned code of conduct, in order to observe laws and regulations relating to bribery prevention. These standards and policies can be referred to in the Group-common web portal.

Sustainability

Social

Product Responsibility



Supply Chain Management



Human Rights



Labor Practices



HR Development



Occupational Safety and Health



Community



Social

Product Responsibility

Policy

For customer peace of mind and satisfaction, we understand customers' needs and concerns, and help customers solve various issues and realize their dreams by providing high-quality products and services. The Meiden Group strives to be trusted and depended on by customers and society.

Quality Policy

Basic Policy

For customer peace of mind and satisfaction

Each of our employees is aware that we are a partner that helps our customers solve their problems and of the social responsibility of Meidensha's products and services and the severity of the negative impact that defects can have on management. We aim to provide high-quality products and services resulting in customer satisfaction by conducting business in accordance with clear procedures.

Plan and Targets

Under Medium-term Management Plan 2020, we will promote initiatives to improve quality with the quantitative target of reducing the number of defects and the cost of rectifying defects by half in comparison with 2017 results and contribute to increased profits by increasing customer satisfaction and reducing unnecessary costs.

Organization

Quality Assurance System

Under the direction of the President, who is our chief executive officer, and the Executive Committee, the head of the Quality Control Management Unit (Director and Senior Managing Executive Officer, Norio Takekawa) oversees quality management for the whole Meiden Group. The quality assurance (QA) promotion system comprises the General Manager of the Quality Control Management and Remote Monitoring Service Division, who is responsible for promoting quality at a company-wide level, and members under the direction of the quality assurance managers of each business unit. We conduct activities such as sharing quality information and roll-out of policies to other business units at meetings of the Company-wide Quality Assurance Meeting and each business unit's Quality Assurance Meeting, etc.

Quality Assurance System



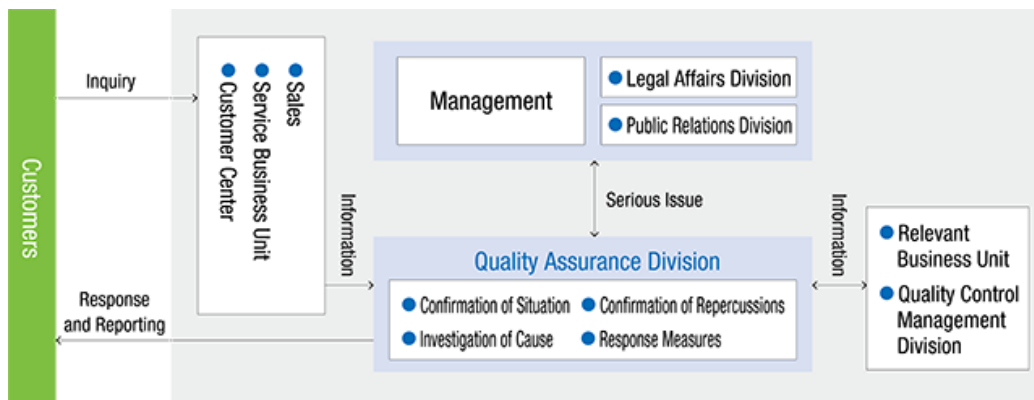
Quality Assurance Activities and Quality Risk Management

The Meiden Group conducts initiatives in each business unit for quality assurance and quality improvement according to the President's Quality Management Policy. We comply with relevant laws, we have created quality management systems based on ISO9001 not only for production divisions, but for each business unit including sales divisions, technical divisions and for each Group company, with a focus on manufacturing companies, and we are implementing quality assurance measures.

In order to maintain and improve said systems, we conduct ISO9001 internal auditor education for all Group companies in order to improve the skills of internal auditors.

Furthermore, if there is a quality issue that is likely to have a severe effect on society, such as a blackout, a stoppage of water supply, or a recall, we handle the matter in accordance with stringent rules to ensure swift and appropriate action through reporting to management and sharing information with specialist divisions, relevant divisions, and relevant business units, etc.

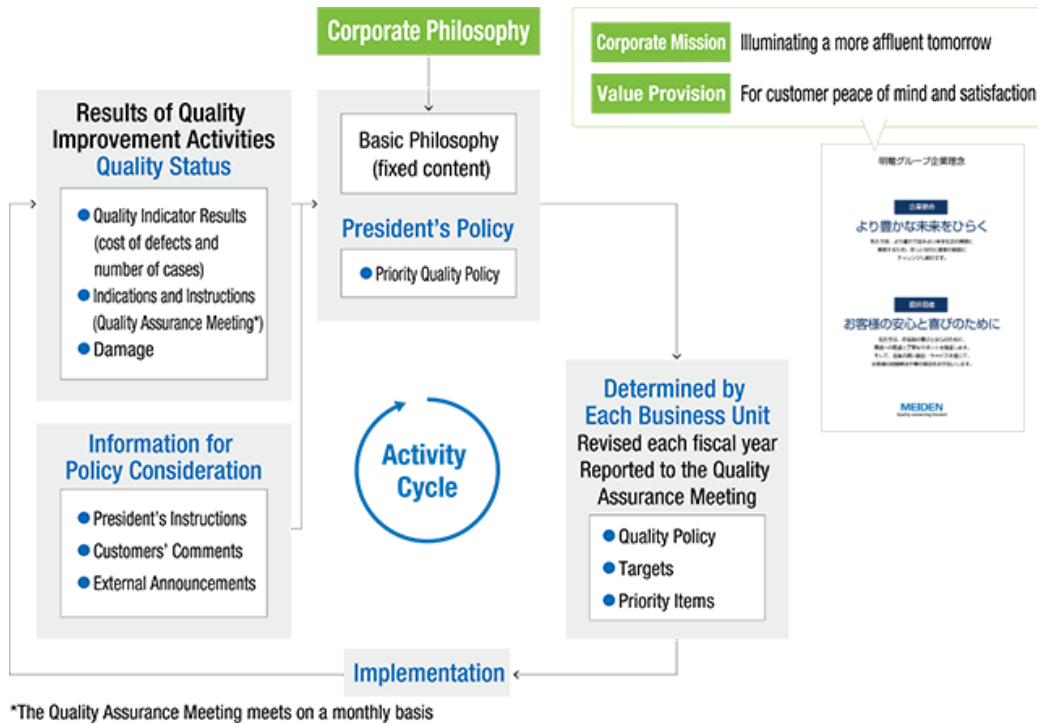
Response Flow for Quality Issues



Quality Activity Cycle

Each fiscal year, each business unit drafts a priority quality policy for their own business unit, promotes activities such as CS activities and defect elimination activities based on the President's Quality Management Policy and the directions of the top management, etc., with the aim of increasing customer satisfaction.

Quality Activity Cycle



Initiatives

Initiatives to Improve Quality

Improving Product Development and Design Quality through Mechanisms to Incorporate Quality and Multifaceted Design Reviews (DR)

The Meiden Group has determined items that need to be managed from the perspectives of “no defective unit accepted,” “no defective unit made here,” and “no defective unit shall leave here,” in order to improve quality in each internal process, such as development, design, manufacture, testing, and inspection, including purchasing parts and materials, etc., from affiliates, and we conduct activities accordingly.

DR (Design Reviews)

Activities ○ : Particularly Relevant			
	No defective unit accepted	No defective unit made here	No defective unit shall leave here
3H Measures		○	○
Quality Improvement of DR		○	○
Management of Remaining Work for DR		○	○
Applying Lessons from Past Defects		○	
Implementing and Complying with Standards and Procedures		○	○
Auditing and Instructing	○	○	○
4M-Change Management	○		

In particular, we are strengthening activities relating to the quality of such development and design that has the risk of a defect with potential widespread influence. The main content of those activities is as follows.

3H Measures

Specific risks increase if one of the three elements (3H: Hajimete “first time,” Henkou “change,” Hisashiburi “first case in a long time”) is applied to the four main elements of manufacturing (4M: Man, Machinery, Method, Materials). Therefore, we identify these three elements and consider them through DR, etc., and respond to them in advance, which leads to reduction of risk.

Risk Map

A risk map is used to assess the level of risks, and create a mechanism for clearly stipulating the level of DR.

Improved Quality of DR (design review)

Experts in each product field are nominated each time DR is conducted and these experts have a duty to participate in DR. With their involvement, we create an environment where extensive content is considered and risks can be identified, which results in high-quality DR. Furthermore, in order to facilitate nominating and requesting the participation of experts in DR throughout the organization, we have published a company-wide list of experts.

Management of Remaining Work for DR

We have created and we implement and strictly manage a system of notifying managers and administrators of remaining items so that processes do not proceed without resolving matters that have been identified and matters that require consideration, etc., through DR by the deadline that has been set, in order to reduce the risk of defects arising from unresolved matters.

| Applying Lessons from Past Defects

We have created and operate a system to convert information about trouble that has arisen into easily applicable knowledge and to facilitate the accumulation and application of this knowledge. We then apply this knowledge to subsequent development and design to ensure that similar defects do not arise in the future.

| Establishing and Complying with Standards and Procedures

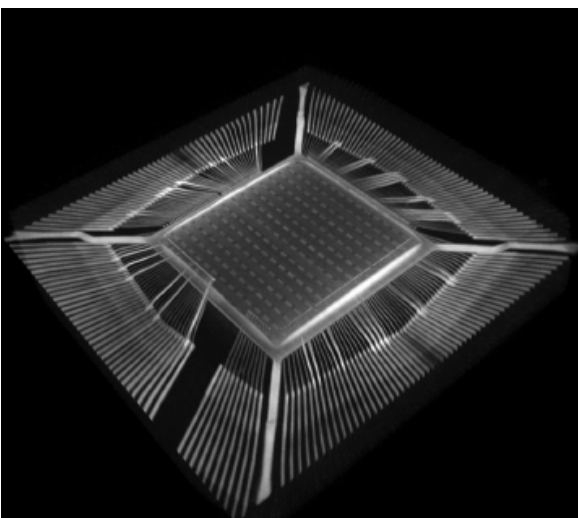
We comprehensively articulate management items and methods in each process in the Quality Control Process Chart (QC Process Chart) in each process, and we reduce the risk of defects due to disparity between persons in charge by ensuring that required actions are conducted. Furthermore, we encourage filling in the Quality Control Process Chart (QC Process Chart) so that the implementation status can be confirmed by third parties.

Quality Analysis of Parts and Materials to Prevent Defects

At the Materials & Semiconductor Device Analysis Center, we promote activities to improve product quality and prevent defects through analysis and reliability evaluation of semiconductor devices and materials that are used in our products, adopting “improving product quality,” “creating new products,” and “consideration for the environment” as our basic policies.

If new parts and components such as semiconductor devices are used, they do not only undergo evaluation of variation in electrical characteristics and failure analysis, but (1) they undergo non-destructive inspection, (2) they are removed from packaging and further examined, and (3) the internal structure is examined by taking cross-sections etc., to evaluate whether they comply with internal standards. We also actively work to achieve long-term reliability and have a system of checking the potential effects of a range of stresses such as heat, humidity, and corrosive gasses.

Also, we are improving screening technology for plastics that contain phthalates, in accordance with trends in environmental regulations and amendments to the RoHS directive, in order to provide products that customer can use with confidence.



X ray transmission observation of electronic components



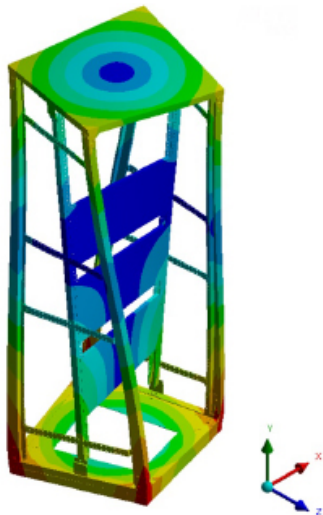
Evaluation of electrical characteristics of semiconductor devices (power device)

analyzer)

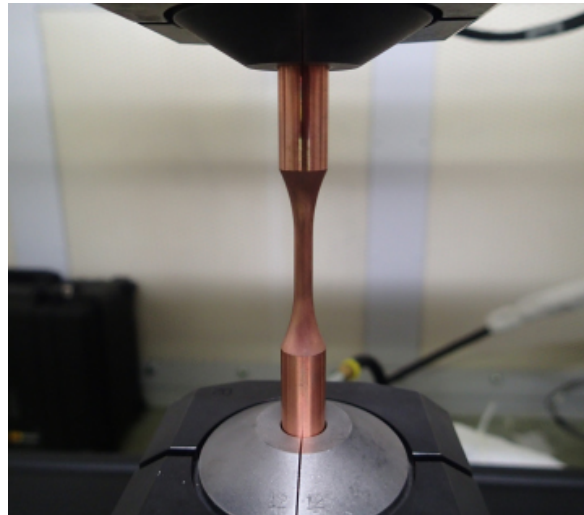
Coexistence of Limit State Design and Product Quality

At the Analysis Center, we conduct research and development relating to improving the precision of vibration analysis and obtaining more material strength data in order to achieve both product competitiveness and product quality through limit state design. If product components are made as small and light as possible, strength can be an issue where it was not in the past. We are therefore improving the precision of vibration analysis by conducting vibration analysis and testing of each component and whole product. We have also introduced high-speed fatigue testing equipment to obtain more complete strength data for materials such as copper, which is used in heavy electrical products.

For example, when conducting vibration resistant design for the switchboard of electrical equipment, we achieve reliable products by conducting vibration resistance analysis simulations from the initial design stage, and conducting detailed evaluations of equivalent models once design is complete. Furthermore, we conduct evaluation of product life by comparing results of vibration analysis of rotating machinery and materials strength data.



Structure Analysis of Switchboard



Ultra-high cycle fatigue testing of copper

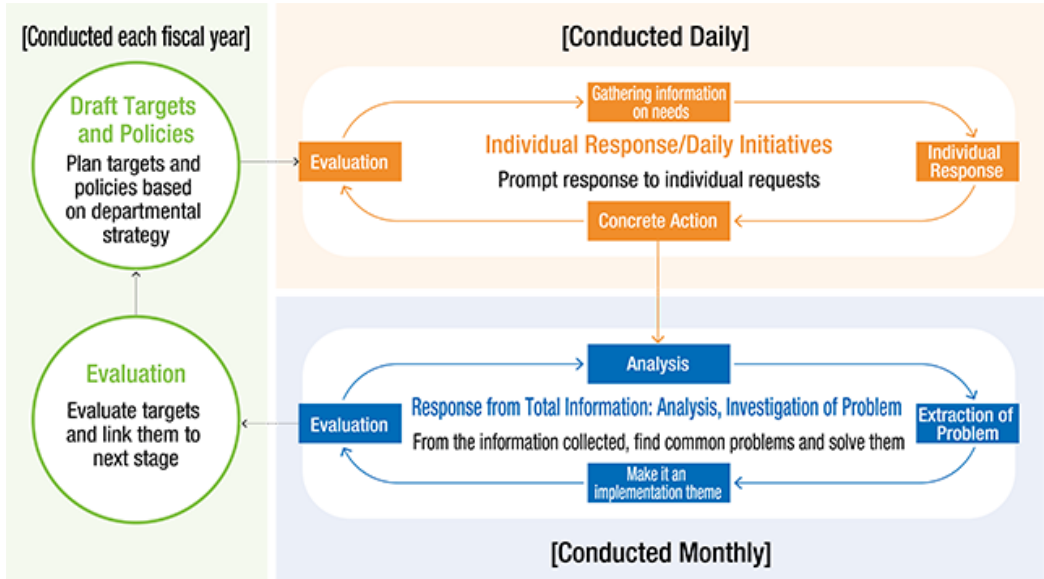
Promoting Initiatives to Collect Customers' Needs

In order to provide products and services that satisfy our customers, we are gathering and analyzing the needs of our customers on a daily basis, including information and requests provided by customers, complaints, and market trends, and implementing activities that lead to concrete actions such as proposing solutions, developing new products, and engaging in servicing and various improvement activities. In development, sales, engineering, manufacturing, and local construction divisions that have contact with customers, we work to improve our activities through the PDCA cycle, by reviewing and evaluating tasks being conducted at each division, creating a plan for the next fiscal year in each fiscal year, and conducting self-evaluation of the results of activities.

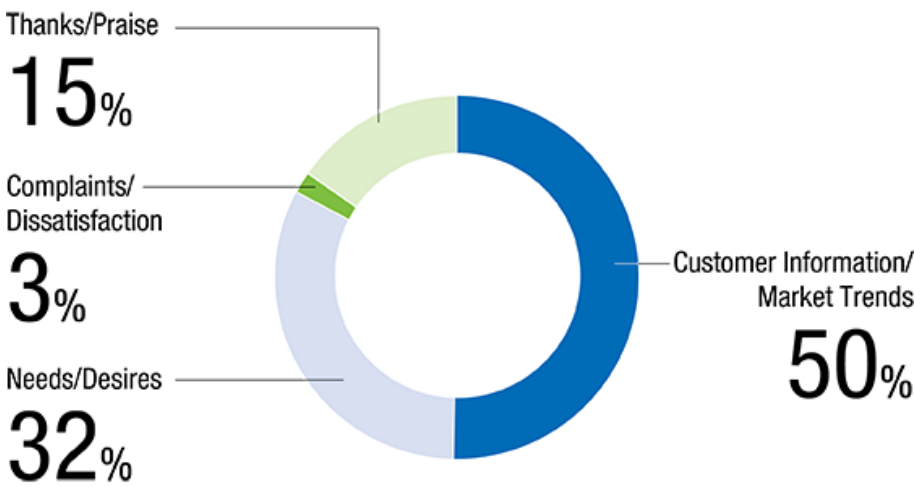
Furthermore, at factories in Japan, we ask customers who have visited our facilities through factory observations, etc. to fill in a customer satisfaction survey. The in-person opinions of our

customers are shared with relevant divisions to provide information on customer needs, leading to rapid development of new products, specific proposals, and work process improvements, etc.

Flow of Initiatives for Finding Customer Needs



Composition of Customers' Needs (FY2019)



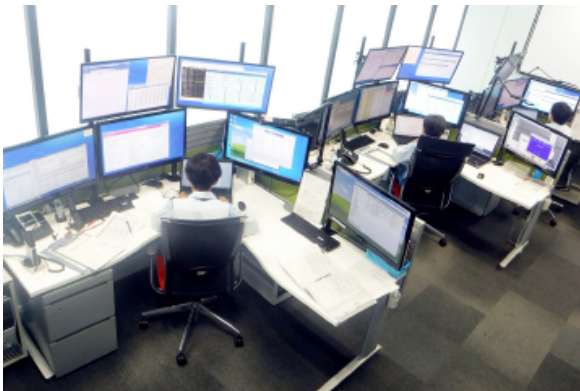
24 Hour Support for Customers' Facilities

In order to respond to urgent trouble or product enquiries in a timely fashion, the Customer Center has staff ready to provide support to customers 24 hours a day. We also use the Center to provide remote monitoring services for substation equipment and wind power generation equipment, etc.

We contribute to the optimal operation of our customers' equipment.



ISMS certification
(ISMS: Information Security Management System)



24 hour Customer Center

Developing Human Resources to Support the Supply of High-quality Products

Education Relating to Quality Management Technology

In order to increase all employees' awareness of quality and impart basic knowledge of quality management, we conduct education relating to quality management technology for all employees that are involved with manufacturing, even if they are not directly connected to the Production Business Unit. We conduct training that includes drills relating to the role of quality management, how to promote reform, seven tools for quality control, analysis based on the five whys, preventing human error, and preventing defects and recurrence, etc., for each level of employee such as new employees and group leaders. We are in the process of rolling out the curriculum for Japanese and overseas subsidiaries.



Training scene

Technical Skills Maintenance Training for Safety and Security

At the technology center adjacent to Numazu Works, we conduct training programs for workmanship and technical skills maintenance engineers. We raise engineers who contribute to the stable, safe, and efficient operation of customers' equipment through practical training using real equipment.

Instructors are veteran engineers with extensive real-world experience and the curriculum is formulated to allow participants to touch and experience actual equipment, such as extra high-voltage and high-voltage receiving substation equipment, computers, power converter equipment, generators, and rotating machinery. Maintenance training is conducted each year for customers to whom Meidensha's products have been supplied. Participants deepen their understanding of the internal composition of machinery through cross-sectional models of products, and gain experience of actually operating disconnecting switches and circuit breakers, testing protective relays, and using generating equipment and inverters, etc.

As one of our 120th anniversary projects, we have granted internships to two Thai university students each year since fiscal 2017, and we have conducted technical education for these two university students in fiscal 2019 as before.



Thai university student internships
(product observation)



Technical training (creating sequencing
circuits for rotating machinery)

Social

Supply Chain Management

Policy

The Meiden Group promotes supply chain CSR when procuring materials

The Corporate Code of Conduct and the Meiden Group President’s CSR Policy Statement are based on the Corporate Philosophy. With the Basic Procurement Policy, we ask all of our business partners to conduct business activities in accordance with our activities about all CSR items.

| The Meiden Group Basic Procurement Policy

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

Plan and Targets

The Meiden Group promotes enhanced supply chain management based on the basic policy of “Medium-term Management Plan 2020.”

We are working to conduct fair and impartial transactions, and to improve CSR further while strengthening partnerships to help business partners understand the importance of promoting CSR in the supply chain.

Furthermore, we hope to promote legal compliance, environmental conservation, and community contribution activities, etc., with our business partners, with the aim of achieving mutual sustainable development.

We are continuing activities to support the acquisition of EMS certification by our business partners and supporting CSR promotions such as through follow-up education after EMS certification has been acquired and education concerning information security measures.

Organization

Promotion of CSR that Involves the Entire Supply Chain

Promotion of CSR that Involve the Entire Supply Chain

With regard to procurement of materials, we are committed to ensure fair transactions, including compliance with the Antimonopoly Act and anti-corruption, in order to maintain fair, equitable and mutually developable transactions. Based on CSR that is promoted throughout all business activities, the Meiden Group requests that its business partners and their suppliers promote CSR, including such issues as “human rights, labor, health and safety, the environment,

fair transactions, and ethics (including prevention of corruption and bribery, etc.).” In order for them to understand the Meiden Group approach to CSR supply chain management, we have prepared the “Meiden Group Supply Chain CSR Promotion Guidebook”^{*1} and distributed it to approximately 1,600 of our business partners in Japan.

The content is based on the Supply Chain CSR Deployment Guidebook produced by the Japan Electronics and Information Technology Industries Association (JEITA) (published in August 2006).

We request that all new business partners (100%) disseminate it and apply it at the time of the first transaction.



The Meiden Group Supply Chain CSR Promotion Guidebook

Risk Evaluation

Evaluation of Suppliers

We convey the importance of CSR and our philosophy to our business partners, including legal compliance, environmental protection, and community contribution, which are the basic policies of the Procurement Group. In addition to quality, delivery date, price, technological development proficiency, and environmental certification, etc. we evaluate our business partners' social responsibility for the risks of environment and social issues such as human rights and labor, fair trade principles, social contribution, environmental conservation, and management of chemical substances.

Through this evaluation, we work to gain an understanding of business conditions relating to social issues such as climate change, biodiversity, environmental management, human rights, and working environments, and then to identify suppliers which have a high-risk.

We conduct appropriate, fair, and impartial procedures for all business partners through surveys relating to CSR promotion and environmental conservation activities at the time of the first transaction.

Furthermore, we evaluate suppliers through “our business partners' evaluation system” and issue a score card each year based on the results.

Promotion of Green Procurement

Based on our Basic Environmental Philosophy: “contribute to people, society, and the global environment to make a world a better place to live,” we are proceeding with activities in accordance with the Meiden Group’s Environmental Action Policies. In material procurement, throughout the entire life-cycle to disposal, we try to make environmentally conscious products and reduce disposal, and engage activities in protecting the global environment by energy-saving, resource-saving, and minimizing the use of toxic chemicals, etc.

We view procurement of materials as part of our supply chain CSR activities. We drafted the Green Procurement Guidelines to clarify our policies and request even greater understanding and cooperation from our business partners.

We provide the Green Procurement Guidelines to Japanese business partners and we request all new business partners (100%) to disseminate and apply at the time of the first transaction. Furthermore, by issuing CSR surveys (including environmental activities surveys), we are able to understand our business partners’ CSR promotion activities and environmental activities, and conduct risk assessment. They cooperate with our CSR procurement activities including green procurement.

We have recently revised the Green Procurement Guidelines to meet the needs of the times. We engage with a broad range of environmental issues that need to be considered by companies such as promotion of reducing greenhouse gasses and efficient use of water resources and consideration for biodiversity. We work with business partners to promote climate change countermeasures.

We ask our business partners to understand the importance of global environmental conservation activities and to cooperate our activities. Please refer to the Green Procurement Guidelines (revised April 2020) for details.

Initiatives

Activities to Reduce Environmental Impact in the Supply Chain

Environmental Management Initiatives

When promoting environmentally conscious design, which forms part of our environmental management activities, we operate an environmental BOM* management system that is compliant with the regulations governing chemical substances in products.

The Meiden Group has stipulated two risk levels (prohibition and reduction) for hazardous substances regulated by laws and regulations relating to chemical substances such as the RoHS directive and REACH regulations. Based on the Green procurement guideline, we conduct surveys of chemical substances contained in procured materials and expand environmentally conscious products by promoting the elimination of hazardous substances.

*BOM: Bill of materials

Reducing Environmental Impact by Building Environmental Management Systems for Business Partners

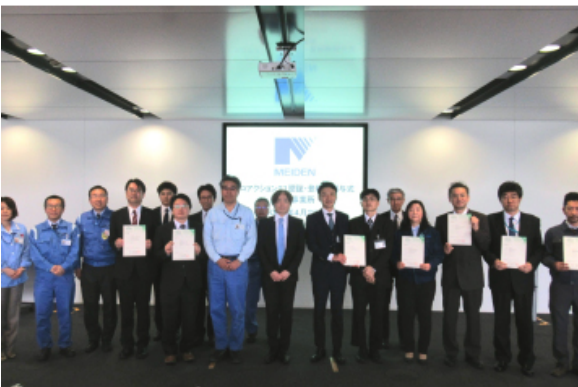
We provide assistance not only for the Meiden Group but also for business partners, to build environmental management systems (EMS) and promote the reduction of environmental impact. We ask our partners to participate in these activities too, and promote the reduction of environmental impact throughout the entire supply chain.

We ask our business partners to create environmental management systems. In particular, we strongly recommend acquiring external system certification such as ISO14001 and Eco-Action 21.

Promoting and Supporting Eco-Action 21 Certification and Registration

In fiscal 2019, for the fifth consecutive year, we held a study group for the Eco-Action 21 environmental management system (greening program) for small and medium-sized enterprises without environmental management systems, which is endorsed by the Ministry of the Environment, in the Meiden Group's four regions, for the fourth consecutive year, and we promoted and supported certification and registration. As a result, 34 participating business partners received certification, and a ceremony to confer certification and registration certificates was held at each production location. (A total of 124 suppliers have an EMS and hold Eco-Action 21 certification.)

Also, we conducted follow-up education and individual visits for the 90 companies that had received certification up to 2018, and created opportunities for discussing and sharing information with educators. We will continue providing support for our business partners in relation to Eco-Action 21 certification and registration activities, and aim to spread environmental management systems and environmental improvements throughout the entire value chain.



Certification ceremony in the Numazu district



Follow-up education in the Numazu district

Communication with Business Partners

The Meiden Group is conducting the following activities to build relationships with business partners.

1. Holding Meidensha Partners Meetings

We have held Meidensha Partners Meetings since fiscal 2019 in order to enhance two-way communication with Business Partners and strengthen relationships. The President gives messages to business partners concerning future Meidensha policies, and awards to praise the assistance and contribution towards business activities and production activities. We appreciate them face-to-face, and reward exceptional activities and results. In fiscal 2020, with implementation of thorough measures to prevent the spread of novel coronavirus (COVID-19) infection, the President visited our business partners in person.



President's message



Companies awarded in
FY2019



A visit and commendation
at a business partner in
FY2020

2. Holding Production Plan Explanatory Meetings for Suppliers

Each year, we invite our major business partners to each production site in order to directly share information, inform, exchange opinions, and communicate with our business partners.

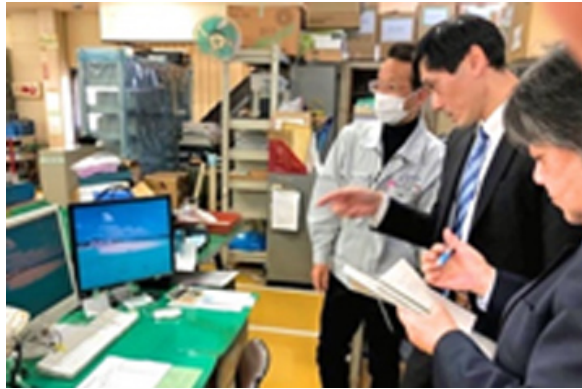
- Explanation of the Meiden Group's procurement policy (purchase record and plan)
- The record and plan of the business status of Meidensha and each business unit
- Announcement of examples of notable improvement and sharing information to increase technical ability from business partners
- Explanation of the Meiden Group's environmental policy and green procurement policy, and request for cooperation from business partners

3. Holding Various Seminars

We hold various seminars at business partners' manufacturing plants concerning subjects such as reforming processes and information security in order to increase the capabilities of our suppliers. In fiscal 2019, we visited high-risk business partners and conducted on-site checks and instruction to ensure that appropriate steps are being taken to prevent information leaks, based on the results of a survey of information security measures. Also, with the assistance of the Shizuoka Industrial Foundation, we held an event to showcase instances of improvement through IoT, wherein business partners showcased the results of their successful improvements and shared information.



IoT seminar



Information security instruction

4. Seeking Procured Items on the Website

The Meidensha website has introduced “instructions for initial transactions” and “transaction application form” on material procurement, and we collect information on a broad range of business partners.

5. Using the Supplier Portal (web)

We are using the supplier portal (web) to increase the efficiency of estimates, ordering, ATP and delivery tasks, and promote paperless operations through electronic information. We are conducting various investigations including the conflict minerals investigation, which takes the form of a survey, and confirmation of BCP implementation and damage incurred from earthquakes and typhoons, etc.

6. Establishment of the Public Whistleblower System

Meidensha has established the Public Whistleblower System: contact person is an outside lawyer (Law Office Hironaka), for the officers and employees of our business partners, in order to promote appropriate dealings. Please use the system to make a report or for a consultation if you discover that Meidensha employees have committed breaches of the law or inappropriate acts in relation to our dealings.

Please refer to “Public Whistleblower System” on the “Procurement Headquarters” page of our website for details regarding management of information, protection of consulters and reporters, and responses to consultations and reports, etc.

Enhancing Group Procurement Systems (education of procurement managers)

Thoroughness of Absolute Compliance and Prohibited Matters of the Procurement Headquarters

In order for the member of Procurement Headquarters to behave in a proper manner, we have devised “absolute compliance matters” and “absolute prohibitions” as a code of conduct for the Procurement Headquarters so that all employees reflect on their own actions and do not

commit any inappropriate conduct.

We read the following items at every morning meeting and ensure that all employees know them as a daily education; legal compliance, prevention of corruption, respect for human rights, labor practices, consideration for the environment, quality, safety, and information security, etc.

Enhancing Group Procurement Systems

The whole Meiden Group is working to enhance procurement systems. We conduct regular Meiden Group Procurement Meetings, and promote initiatives to improve our procurement base and sharing of information.

| Initiatives to Improve Our Procurement Base

- Be thorough with legal compliance
- Be thorough with CSR procurement
- Enhance risk management (BCP and internal control)
- Enhance professional development

Social

Human Rights

Policy

Compliance with ILO Labor Standards

Based on a fair and just employment system, we are creating workplaces that are conducive to work, and where each of the Meiden Group’s employees showcase their abilities as much as possible. Furthermore, we respect the basic human rights, such as “Freedom of Association Convention,” “Prohibition of Forced Labor and Child Labor,” and “Elimination of Discriminatory Treatment in Respect of Employment and Occupation,” which are among the ILO’s* core labor standards. We will continue and promote initiatives to protect human rights through human rights trainings.

* ILO (International Labor Organization): A UN organization that gives recommendations and guidance to national governments with regard to improving labor conditions and social welfare.

Policies and Initiatives Aimed at Labor Issues

Item	Policies and Initiatives
<p>Respecting human rights</p>	<p>The Meidensha Corporate Code of Conduct includes “respect for human rights,” and stipulates that fundamental human rights shall be respected by regarding people as individuals without discrimination based on nationality, race, beliefs, gender, social status or other factors.</p> <p>As a member of international society as well as of local communities, we promote business activities while respecting cultures and customs from a global perspective and working to achieve cooperation and harmony with local communities.</p> <p>We also comply with all relevant laws concerning the prohibition of forced labor and abolition of child labor. We are conducting various types of training and educational activities to achieve respect for fundamental human rights.</p>
<p>Interaction with employee representatives</p>	<p>We value conversations between employee representatives and managers to ensure that employees can engage in meaningful work. We have established a regular central labor-management conference and regional labor-management conferences, and we are working to improve the workplace environment according to the circumstances of each site.</p>

Item	Policies and Initiatives
Support for a living wage	<p>We provide a family allowance to support the lifestyles of employees who satisfy certain conditions such as carrying spouses and children to provide for.</p> <p>The Meiden Group Mutual Aid Association also provides various types of condolence, sympathy, and celebratory monetary funds, as well as loans for financial assistance required for the mutual support and welfare of members. In addition, we have a home loan program to receive funding from financial institutions when those who have saved property accumulation residence fund eventually make a purchase.</p>

Organization

Risk Management

Establishment of an Internal Hotline System for Compliance Violations (Internal Hotline System)

We introduced a whistleblower system that enables direct reporting to the internal compliance manager (business unit) or an external law firm in order to prevent, discover quickly, and immediately rectify illegal and inappropriate conduct. We established an Internal Hotline System for Compliance Violations.

This system may be used by employees of the Meiden Group (including retirees), temporary staff and subcontractors, and business partners. Furthermore, we are working to increase the dependability of information management, such as the names of whistleblowers and of the whistleblower system as a whole, in accordance with national guidelines, to ensure that whistleblowers are not disadvantaged by using the system.

We investigate all reports and promptly take appropriate measures as necessary having confirmed the facts of the matter.

[Whistleblower System on Compliance >](#)

Initiatives

Promotion of Respect for Human Rights

Human Rights Education for Officers and Employees

The entire Meiden Group understands international norms (Universal Declaration of Human Rights and International Bill of Human Rights) and is working to conduct education activities focused on human rights. With the aim of ensuring “respect for human rights,” which is listed in the Meidensha Corporate Code of Conduct.

We conduct periodic group training and visual education, relating to compliance and harassment for all Group employees and improve understanding and awareness by providing opportunities for individuals to reexamine their workplace and views.

With regard to mental health, we conduct education as part of our level-dependent education in the second year after joining the company, and we are reinforcing our efforts in relation to younger employees.

Content of Human Rights Training (FY2019)

Content of Initiatives	Targets
Workplace discussions relating to compliance and human rights	All employees
Anti-compliance and harassment training	All employees
Mental health training	Second-year employees

Regarding harassment, we have established an internal consultation system to respond promptly while adhering to the principles of protecting the privacy and confidentiality of the user. The system is available to Meiden Group employees as well as dispatch workers and contractors. Information obtained through the system is used to conduct surveys of the user and relevant parties, provide feedback after having understood the situation, and prevent recurrence. The system provides an opportunity to implement recurrence prevention measures and conduct individual education.

We have also included items concerning harassment in our employee awareness survey, which allows us to observe trends each year.

Harassment prevention system >

Social

Labor Practices

Policy

Basic HR Management Philosophy

As issues facing our customers and society as a whole become increasingly complicated and unclear, it is important to have personnel with the abilities to think flexibly and act courageously, creating the value necessary to solve these issues in order to enhance corporate competitiveness. For this reason, we are determined to achieve sustainable growth by focusing on employing and developing competent personnel and creating an environment where each person can derive pride and fulfillment from their work.

In order for the employees to maximize their abilities, it is important to promote diversity management and create a workplace in which a diverse range of employees can participate with a healthy mind and body. Specifically, by engaging as a group in initiatives such as achieving a work-life balance, and improving occupational health and safety, we will enhance the corporate value for the entire group.

Labor Practices Policy

Employment Policy

We are creating an employment framework that enables a diverse range of employees to maximize their potential, irrespective of attributes such as age, gender, nationality, religion, sexual orientation, or disability. We are focusing on diversity education at all levels, rethinking human resource management systems and evaluation systems that can shape careers, and creating an environment where each person's individuality can be expressed.

Policy and Initiatives

Ensuring Fair and Impartial Evaluation and Treatment

Meidensha conducts evaluation of results and roles as part of an HR treatment system that places weight on the results of both executives and regular employees in order to reform and enhance corporate character, with the key word of professional development. Therefore, we have introduced management by objectives to ensure that results are reflected in impartial treatment of employees. We hold discussions to mutually confirm objectives and results indicators, etc., between superiors and subordinates through objective-setting interviews and objective management results interviews to ensure that there is no discrepancy in expected results.

Furthermore, we disclose our evaluation standards through the Company's intranet and the explanatory leaflet issued by the trade union, we periodically hold evaluation feedback interviews for all employees that are subject to evaluation, and we focus on developing and fostering the abilities of individuals. In order to ensure impartial evaluation and treatment of employees, complete understanding of the evaluator concerning the HR system and prevention of errors during evaluation, as well as communication between superiors and subordinates are essential, so we conduct evaluator training, which includes evaluation and interview exercises, for new managers.

Promoting Diversity Management

Meidensha is actively working to achieve diversity management to enable participation by a diverse range of people, irrespective of gender, age, or nationality, etc. We emphasize steadily achieving work-style reform as expressed in the SDGs Action Plan 2020, which was released by the Japanese government's SDGs Promotion Headquarters. Creating a work environment with flexible work styles where individual employees are able to maximize their abilities and various educational opportunities, etc., improves employee productivity and creativity, and leads to the creation of a fulfilling workplace environment.

Promotion of Opportunities for and Participation by Female Personnel

Meidensha was evaluated for promoting women's participation and advancement, and in November 2017, for the first time in the heavy electric machinery industry, we earned the top Stage 3 "Eruboshi" certification by the Minister of Health, Labour and Welfare.

We continue to formulate action plans in line with the purpose of the Act on the Promotion of Women's Participation and Advancement in the Workplace, promote measures to encourage the acquisition of childcare leave for men, and promote measures to actively recruit/train female technical employees.

| Meidensha's Original Work-Life Balance Support System

- Up to 2 years of unpaid childcare leave (can be used even if the child is enrolled at a childcare center)
- Paid maternity leave
- System for shorter working hours during pregnancy
- System to support early return to work after unpaid childcare leave (additional annual leave)
- Payment of transportation costs to childcare center
- System for shorter working hours during nursing care for as long as the care is required (4-day work week is possible)
- System for up to 730 days of unpaid nursing care leave
- System for working from home or from a satellite office
- Expanded system to take leave for infertility treatment and system of shorter work hours for employees receiving infertility treatment

- Tie-up with company-operated childcare center
- Expanded welfare service menu (support for unauthorized childcare center fees and expanded nursing care services, etc.)
- Short-term leave system to promote childcare leave for men (1 month paid)
- Special leave to promote participation in childcare for men (spouse maternity leave)



FY2019 Initiatives

Observation of worksite with female engineers

In fiscal 2019, Meidensha held a worksite observation to promote interaction between female staff who work in administrative and accounting roles in the Tokyo area and female engineers who work in Plant Construction & Engineering Business Group. During the observation, female engineers introduced their duties and spoke about the conditions on construction sites and how they can be improved. Participants observed construction and facilities utilizing Meidensha's equipment. There was also a meeting for participants to share their opinions with each other, which proved to be a valuable opportunity to interact with other departments.



Step-up training to promote female participation

Since fiscal 2017, Meiden Engineering has conducted training for the Management Department with the objective of new work-style reforms to increase female participation. In fiscal 2019, we invited outside instructors to conduct an education program with the themes of “try it first,” “get excited,” and “small things produce results.”



| Nursing care seminar

In fiscal 2019, Meidensha held seminars with the theme of “achieving a balance between work and nursing care” in the four areas of Tokyo, Numazu, Ota, and Nagoya as an initiative to promote diversity management. Outside instructors were invited to present the seminars, during which they explained the fundamentals of nursing care, such as the nursing care insurance system and nursing care services. The Human Resources Department further explained the internal system to support balancing work and nursing care.



Numazu

Introduction of Mandatory Retirement at 65 Years of Age and System to Extend Employment to 70 Years of Age

In April 2020, Meidensha raised the mandatory retirement age from 60 to 65 years of age for all employees. Until then, a re-employment system had been in place, which enabled employees to be re-employed on annual contracts as special fixed-term employees until the age of 65. However, going forward, all employees will continue their employment until the age of 65. We have also raised the level of remuneration so that older employees can enjoy about the same level of remuneration as when they were 60 years of age, depending on performance, in order to facilitate more meaningful work for experienced senior employees. We hope to promote successor development, improve quality, and enhance customer service by leveraging the knowledge and experience of senior employees more so than in the past.

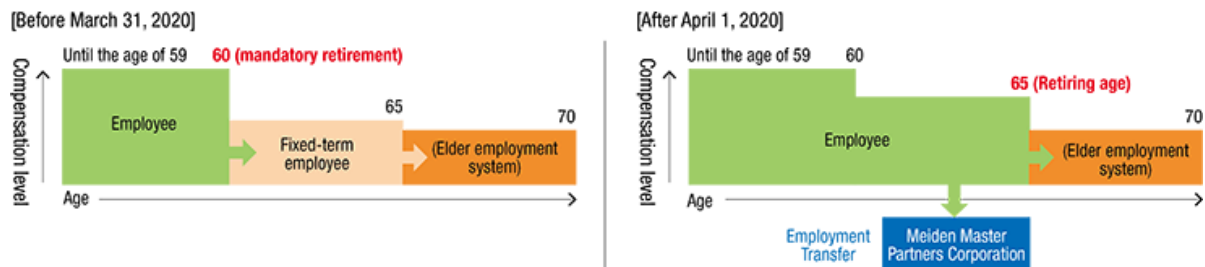
Furthermore, we have established a subsidiary (Meiden Master Partners Corporation) to provide flexible workstyles to senior employees. For employees who wish to work reduced days/hours, we have established a system that allows them to transfer to Meiden Master Partners and work as temporary employee at our office. Work that accommodates the lifestyle

of employees and side-jobs are now possible, and we are working to secure employment by supporting diverse work styles.

In addition, in January 2017, we introduced the “elder system,” which enables employees to further extend their employment from 65 to 70 years of age. This system allows employment to continue beyond the age of 65, depending on the needs of the workplace, and possible to re-employ the employees who have retired once. Going forward, we will create a workplace environment wherein senior employees can securely participate.

Senior employment system

- September 2001: Introduction of the extended employment system
- April 2006: Introduction of the re-employment system
- April 2013: Revision of the re-employment system (extended to all employees who apply)
- January 2017: Introduction of the elder system
- April 2020: Raised the mandatory retirement age from 60 to 65 years of age



Initiatives to Employ People with Disabilities

We established the special subsidiary company, MEIDEN UNIVERSAL SERVICE LTD., in order to create opportunities for people with intellectual disabilities to work, and thereafter we have been expanding the scope of employment at each manufacturing facility through branch deployment, etc. In 2015, MEIDEN UNIVERSAL SERVICE LTD. received a commendation from the governor of Gunma Prefecture as a “business of excellence for the employment of people with disabilities in Gunma Prefecture” for its contributions to employment and occupational independence for people with disabilities over many years.

Meidensha also promotes employment of people with disabilities. From 2020, we aim to increase the number of workplaces that welcome people with disabilities and promote company-wide hiring activities.

Ratio of Employees with Disabilities (Meidensha and MEIDEN UNIVERSAL SERVICE)

Item	June, 2015	June, 2016	June, 2017	June, 2018	June, 2019
Ratio of Employees with Disabilities (%)	2.19	2.27	2.24	2.24	2.42

Promotion of Participation by Foreign Employees

As an aspect of our effort to promote diversity, the Meiden Group employs people irrespective of nationality, and they are also active in various fields including sales, development and design after joining the Company. We also support them in various ways so that they can get used to work and life in Japan as soon as possible, as well as individually appoint their training personnel and provide various support to each and every one of them in order to improve work skills.

Creating a Comfortable Workplace Environment for Employees from a Variety of Cultural Backgrounds

Since fiscal 2017, we have established prayer spaces at some offices to create a work environment that makes it easier for employees from various cultural backgrounds to work.

Work Style Reform

Rolling Out “Smart Work 2020”- Toward reduction of total annual working hours

An employee survey showed that there are many opinions and demands in employees of the Meiden Group concerning issues relate to long working hours, such as “shortage of personnel,” “consciousness reform,” and “operations review.” Therefore, we identified the issue of long working hours as a management challenge.

Since the previous medium-term management plan, we have started efforts to reduce total annual working hours as Smart Work V120. Under the "Medium-Term Management Plan 2020", we promote innovative production as "Smart Work 2020" based on the results and reflection of "V120", and improve work efficiency by RPA (Robotic Process Automation) and telework, so as to strengthen our efforts to realize flexible working styles.

| Vision and Target Values of “Smart Work 2020”

We will realize work styles based on legal compliance by reviewing and improving the work style itself, working on holidays, and eliminating excessive overtime work on week days.

	People worked overtime >80 h/month	People worked overtime >720 h/year	Average days of paid leave used up	Average hours of overtime	Total annual working hours
Target value	Zero	Zero	20 days/person-year	24 hours/person-month	1,950 h/person
Fiscal 2019 results*	Zero	Zero	19.1 days/person-year	26 hours/person-month	1,991 h/person

* Paid leave, overtime, and total working hours are average figures per person at Meidensha and Meiden Engineering

Promoting Flexible Work Styles

We have developed “Smart Work 2020”, which is an implementation plan for work style reform, in Medium-term Management Plan 2020. It is aimed to focus on improving productivity and rolling out measures to realize a comfortable workplace environment.

As part of this, we expanded our satellite office at the Numazu Works in September 2018.



Numazu Works Satellite Office

In August 2019, the head office refresh space "Meiden Plaza" was completely renewed, and environments have been created where employees can use in various scenes, such as being able to use it as a satellite office for business travelers from other districts. The space is broadly divided into four areas (meeting area, café area, satellite area, and Skype area). The concept of space is different for each area, and users can use it according to the application of the day. In addition, new private seats have also been installed, so anybody can use the area not only for lunch with colleagues and friends at work, but also feel free to eat lunch alone. In addition, a large-scale projector and broadcasting equipment have been introduced and can be used as a seminar venue for about 100 people. The space also functions as a company-wide disaster response headquarters in the event of a disaster.



The refurbished Meiden Plaza. The layout is easy to use for individuals and groups.

In March 2020, we completely renovated lounge in the R&D Center. We changed the name from “Lounge” to “Relaffice” (a conjunction of “relax” and “office”), to reflect an innovative space that is more useful to employees.

Not only useful as a satellite office, it also features a roundtable space for small group

discussions and active exchanges of ideas. This bright and invigorating space allows employees to work in a refreshing environment.



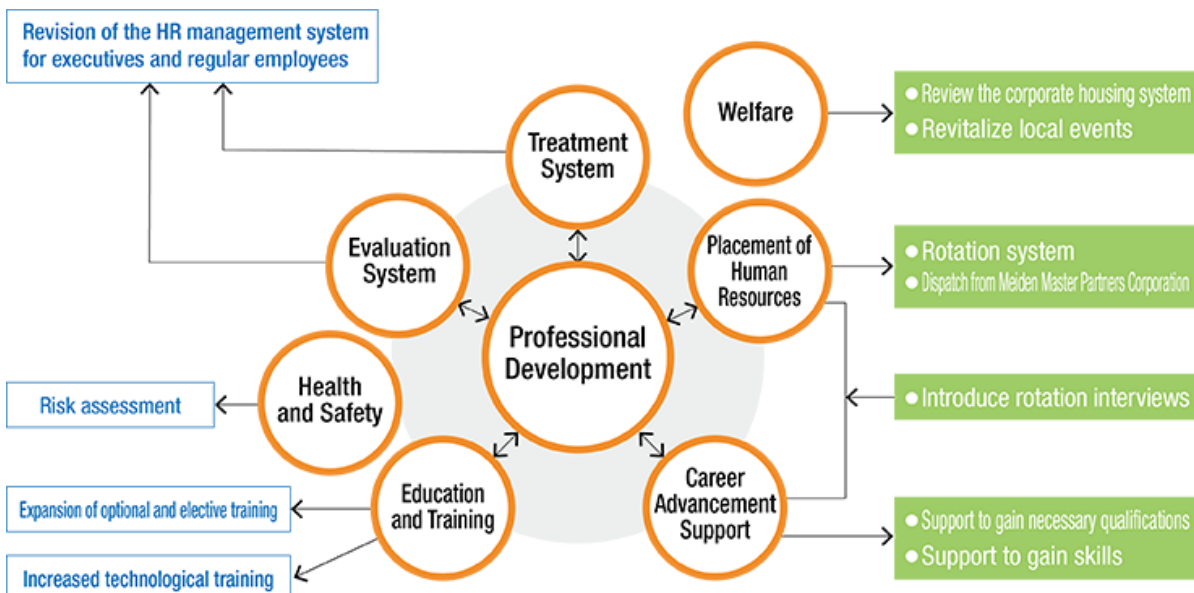
The General Research Laboratory Reloffice: Available for versatile use than before.

Creating a Fulfilling Workplace

Personnel Treatment System

In April 2015, we revised our personnel treatment system for general employees to give employees an incentive to contribute to the Company and to further improve their motivation. The system aims to operate personnel treatment that can reward employees with higher contributions, by balancing the "role" and "contribution" of employees, with a system that allows multi-truck type qualification and treatment according to their degree of contribution. Furthermore, in order to be able to respond to a diversity of work style, it is also a system that allows both Executives and general employees can work in a limited area.

Diagram of the Personnel Treatment System



Major Initiatives

1. MBO Performance Measuring System	<p>In order to ensure high evaluation transparency, we use the MBO (management by objectives) performance measuring system coordinated with MAP activities*.</p> <p>*Meidensha's reform and improvement activities (MAP = Meiden Advantage Program)</p>
2. Self-Reporting System	<p>The self-reporting system helps employees develop personal talent and form career plans.</p>
3. Meister Program	<p>We operate a Meister system that specially treats employees who contribute to the Company with outstanding skills as highly specialized professionals. We have certified 18 certified as Meisters from 2008 to 2019.</p>
4. Job Rotation System	<p>We have adopted a job rotation program to develop the abilities of our young employees.</p>

Ensuring a Complete Welfare System to Support the Lifestyles of Employees and Help Them to Refresh

(1) Housing Lease System

We have a housing lease system that caters to people at all stages of life, from single dormitories for people that have newly joined the company through to family housing and houses for married couples. In addition, we offer full support systems for transferees in order to relieve any strain placed on them, including a system of providing assistance to rent appliances in addition to leasing corporate housing.

(2) Welfare Service

We have introduced a general welfare service as a system to meet the diversifying needs of employees. As a service unique to Meidensha, there are tickets for lodging and popular theme parks, an additional Company assistance to specific menus such as childcare/nursing care. In addition to a menu that enhances leisure time for the purpose of family travel and refreshment, a menu is also prepared to support the balance between work and private life, with the aim of further enhancing the system.

(3) Cultural Events and Club Activities

Various cultural/sport events are planned and held at each business office or sites for the purpose of employee interaction, refreshment, and overcome lack of exercise. Sports events are annually organized on holidays for employees and one's family to communicate each other. Sports day, called "Sports Festa" for instance. In addition, each office has a variety of company-approved circles in cultural/sports fields, and through these activities, employee's friendships are promoted beyond workplaces and ages.



Internal bowling tournament



Soccer spectator tour



Meiden Group Sports Festa



Club activities

Communication Revitalization Initiatives

Industrial relations

Meidensha has concluded a labor agreement with the Meidensha Union and we periodically exchange opinions and conduct consultations about management policies, business outline, and the working conditions of employees at the Central Management Conference and the Central Staff Gathering. We are promoting the creation of an environment where employees can securely work without interruption because labor and management respect each other's positions and sincerely engage in dialog.

Employee Awareness Survey

We conduct an annual employee awareness survey for all employees. Each year, the response rate is close to 95%, demonstrating how much our employees value the survey. The survey comprises seven sections, which are "vision and management policy," "motivation," "career," "management," "evaluation systems," "diversity," and "workplace environment." The purpose of the survey is to statistically understand what employees feel about their work, working conditions, and other general company-related information. In addition to the numerical results of the survey, we also evaluate the various measures and initiatives based on what employees really think written in the free description section, and use them for future measures. We further hold workshops for the head of each business unit and provide feedback and

opportunities for discussion of results. Information gained from survey results and exchanges of opinion is reflected in the following year's business unit targets.

Results Data

HR Data

Basic Data

Employees (only Meidensha)

		Units	FY2017	FY2018	FY2019
Number of employees	Male	People	3,240	3,294	3,367
	Female	People	529	519	557
	Total	People	3,769	3,813	3,924
Number of consolidated employees*1	Male	People	-	-	-
	Female	People	-	-	-
	Total	People	8,995	9,297	9,599
Number of foreign employees	Male	People	21	16	17
	Female	People	5	7	8
	Total	People	26	23	25
Number of foreign consolidated employees*1		People	1,730	1,923	1,974
Proportion of all employees accounted for by contractors and temporary workers		%	12	11.8	13.7
Average age	Male	Age	43.4	43.4	43.7
	Female	Age	43.7	44	43.7
	Total	Age	43.4	43.5	43.7
Years of employment	Male	Years	18.1	18.3	18.1
	Female	Years	19.7	20.1	19.6
	Total	Years	18.3	18.6	18.3
Number of	Male	People	783	797	823

managers*2		Units	FY2017	FY2018	FY2019
	Female	People	32	33	33
	Foreigners	People	2	3	3
Managers of level of department chief or above*2	Male	People	164	174	171
	Female	People	2	3	3
	Foreigners	People	0	0	0
Officers*2	Male	People	33	34	34
	Female	People	0	0	0
	Foreigners	People	0	0	0
Officers that are executive officers*2	Male	People	23	23	24
	Female	People	0	0	0
	Foreigners	People	0	0	0
Proportion of women*2 *3	Managers	%	3.92	3.96	3.84
	Managers of level of department chief or above	%	1.20	1.69	1.72
	Officers	%	0	0	0
	Officers that are executive officers	%	0	0	0
Number of people with disabilities employed*4 *5		People	93	94	103
Rate of employment of people with disabilities*4 *5		%	2.24	2.24	2.42
Number of employees leaving the company (voluntary)	Male	People	42	46	65
	Female	People	8	11	11
	Total	People	50	57	76
Rate of	Male	%	-	1.2%	1.6%

		Units	FY2017	FY2018	FY2019
employees leaving the company (voluntary)*6 *7	Female	%	-	0.3%	0.3%
	Total	%	-	1.5%	1.9%
Rate of union membership		%	65.5	64.4	64.7
Annual average salary*8		円	7,186,313	7,707,752	7,528,871

*1 Applicable organizations: The Meiden Group

*2 As of March each year

*3 Number of female managers are divided by number of total managers.

*4 Applicable organizations: Meidensha and special subsidiary

*5 Legally mandated employment rate: 2.0% (rising to 2.2% from April 1, 2018)

The number was calculated in consideration of those with severe disabilities, etc. The specific number was 71.

*6 Ratio of employees leaving the company is calculated as follows: Number of people that have voluntarily left their position in the last fiscal year as of the end of each fiscal year/number of employees as of April 1 each fiscal year

*7 Ratio of employees leaving the company is for fiscal 2018

*8 There is no difference in basic salary between men and women at the Meiden Group.

Number of Employees by Age (only Meidensha) (as of March 31, 2020)

	Male	Female	Total
Under 30	632	88	720
30-39	644	73	717
40-49	802	209	1,011
50-59	992	163	1,155
60 or over	297	24	321

Graduate Recruits (only Meidensha)

	University graduate			Junior/technical college graduates	High school graduates/other	Total
	Male	Female	Total			
Joined April 2018	54	11	65	5	27	97
Joined April 2019	60	15	75	5	47	127
Joined April 2020	52	16	68	6	35	109

* University graduates includes those with master's degrees and doctorates. Junior/technical college graduates includes those who attended colleges of technology

Mid-Career Hires (only Meidensha)

	University graduate			Other		Total
	Male	Female	Total	Male	Female	
2017.4 – 2018.3	29	3	32	2	5	39
2018.4 – 2019.3	28	4	32	24	7	63
2019.4 – 2020.3	45	1	46	12	1	59

Work Style-Related (only Meidensha)

		Units	FY2017	FY2018	FY2019
People taking maternity leave		People	5	16	12
People taking parental leave*1	Male	People	0	1	1
	(within 1 week)	People	-	34	43
	Female	People	15	14	9
	Total	People	15	49	53
Rate of return after leave of absence for child care purposes	Male	%	-	100	100
	Female	%	-	100	100
	Total	%	100	100	100

	Units	FY2017	FY2018	FY2019
People taking family care leave	People	3	1	4
Days of paid leave available	Days	23	23	23
Days of paid leave taken	Days	14	14	16
Rate of taking paid leave	%	61	61	68
Annual total hours worked*2	hours/year/person	2,002	2,019	1,978

*1 The number of males includes special leave (nonstatutory) when the spouse gave birth.

*2 Annual total hours worked: The actual hours worked over the course of a year, comprising official working hours plus overtime minus leave taken.

		Units	FY2017	FY2018	FY2019
Proportion of employees that receive feedback interviews	Male	%	94.1	96.5	93.7
	Female	%	95.1	98.8	95.6
	Total	%	94.2	96.9	96.9
	Managers*	%	93.4	98.4	92.3
	Regular employees	%	94.7	96.1	94.7
	Total	%	94.2	96.9	96.9

Social

HR Development

Policy

HR Development Policy

We value our employees as the foundation of the Company and support each one to grow and fulfill their potential.

1. We clearly state the required qualities and abilities for employees, and conduct systematic training in order to implement and promote our business strategy.
2. We provide each employee with opportunities to engage in self-directed and multifaceted learning.
3. We create an environment that is supportive of employees embracing new challenges.

Plan and Targets

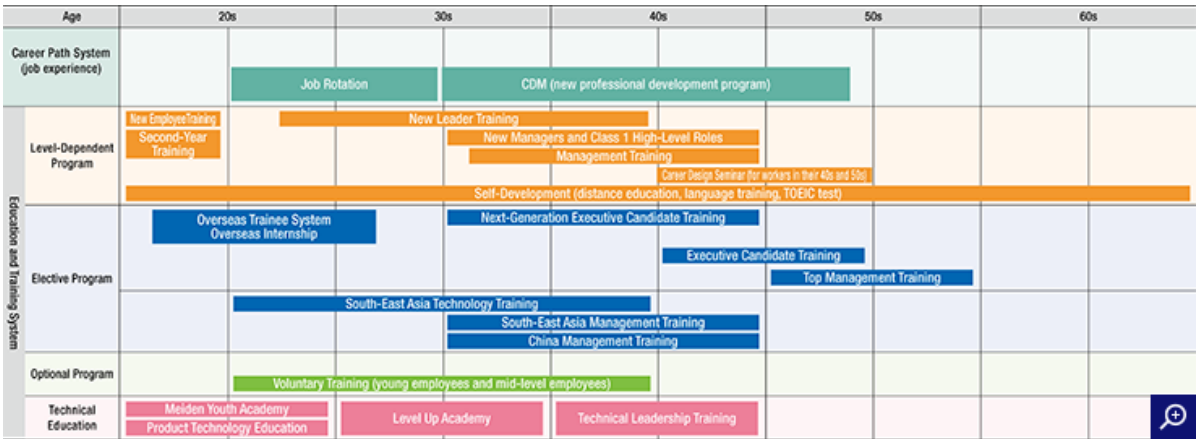
We implement many training programs to encourage employee growth in different aspects as an employee, member of society, and professional.

As the business environment under Medium-term Management Plan 2020 becomes increasingly unclear, we are focusing on creating the value necessary to solve these issues, in order to, enhance corporate competitiveness and training personnel to think flexibly and act courageously.

Furthermore, continuing development of global operations offers increasing opportunities for strategic alliances such as technical collaboration with foreign companies, as well as working with people with differing viewpoints or abilities.

We are promoting growth through opportunities to work with diverse personnel, such as our system of offering staff exchanges with local employees from overseas subsidiaries, the foreign trainee system, and the overseas assignment system.

Training system



Level-Dependent Curriculum

This training facilitates understanding of the roles, abilities and skills required of each age group or qualification level. Smooth growth and implementation are expected from this training.

Selective Program

This training hones thought patterns, skills, and practical abilities to solve problems faced by management, in order to enhance technology management capabilities.

Optional Program

This training teaches the knowledge and skills necessary for employees to achieve their own career goals.

Technical Training

This training teaches product knowledge according to the technical level of the employee.

Self-Development and Acquisition of Qualifications

We cover 60% of course fees and cover the full amount if completed with high grades, if the required distance education has been completed.

We provide incentives for acquiring designated public qualifications at the time of acquisition.

Initiatives

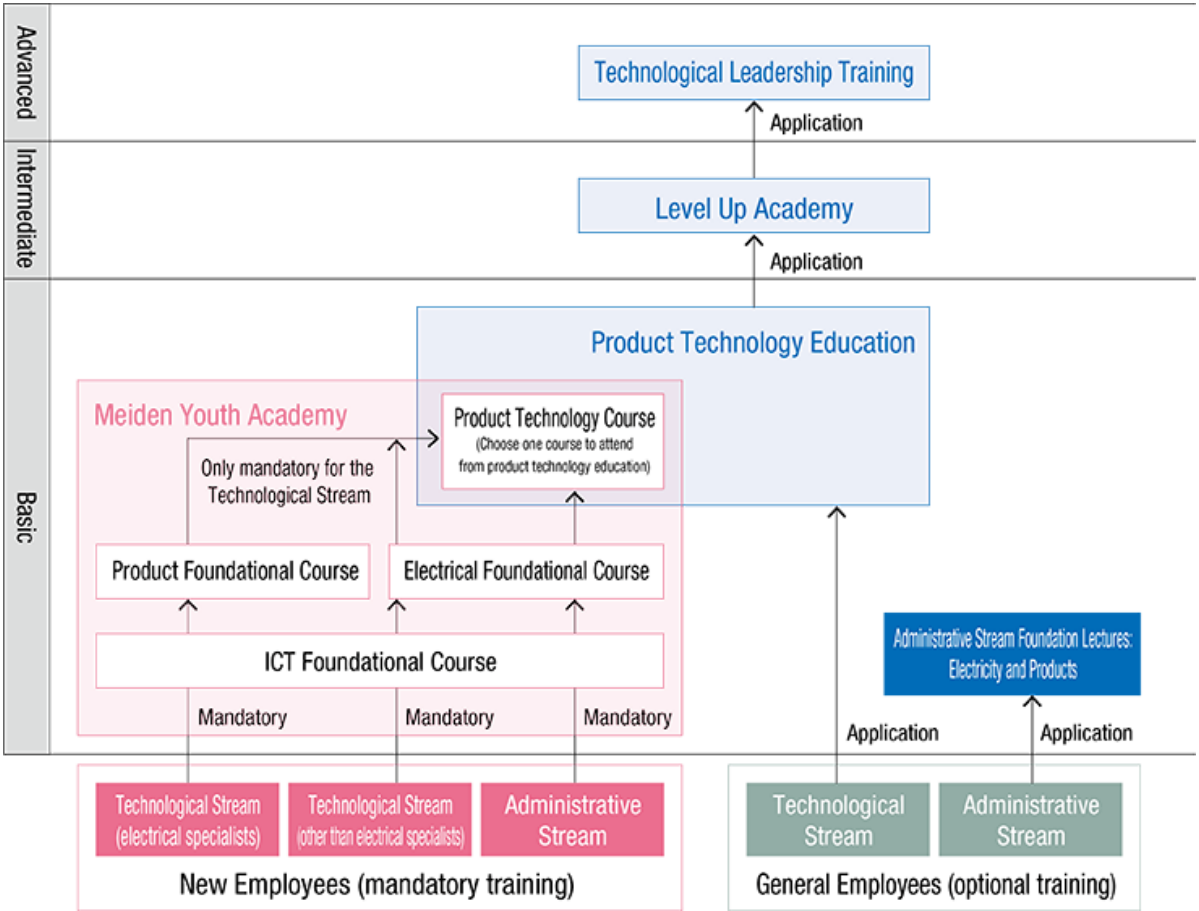
Development of Personnel with Abilities to Implement and Promote Our Business Strategy

Extensive Technical Education

In fiscal 2018, we established the Meiden Youth Academy in order to enhance technical education for young employees. We used to conduct technical education for technical employees; however at Meiden Youth Academy, we provide opportunities to gain fundamental knowledge about electricity, which is essential to understand Meidensha’s products and technologies, for all workers in their first three years at the company, irrespective of whether they are in a technical or administrative role.

In fiscal 2019, we launched the ICT Fundamentals Course at the Meiden Youth Academy, where workers acquire software basics, concepts, and information literacy from a young age. In order to develop human resources who revitalize the promotion of business reform through digital use and make business proposals.

Technical Education System



Acquisition and Transmission of Techniques and Skills

In October 2020, we plan to open a technological training center at the Numazu Works, in order for technicians to achieve rapid acquisition/transmission of techniques/skills. At the technological training center, we will provide a full range of experiential educational

contents through technical and skills education instructed by coaches led by skilled workers, as well as facilities that use VR (virtual reality) and augmented reality (AR), and systematically develop and improve the level of technicians. We plan to make this facility open to customers and local residents.



Image of the technological training center (scheduled to open in October 2020)



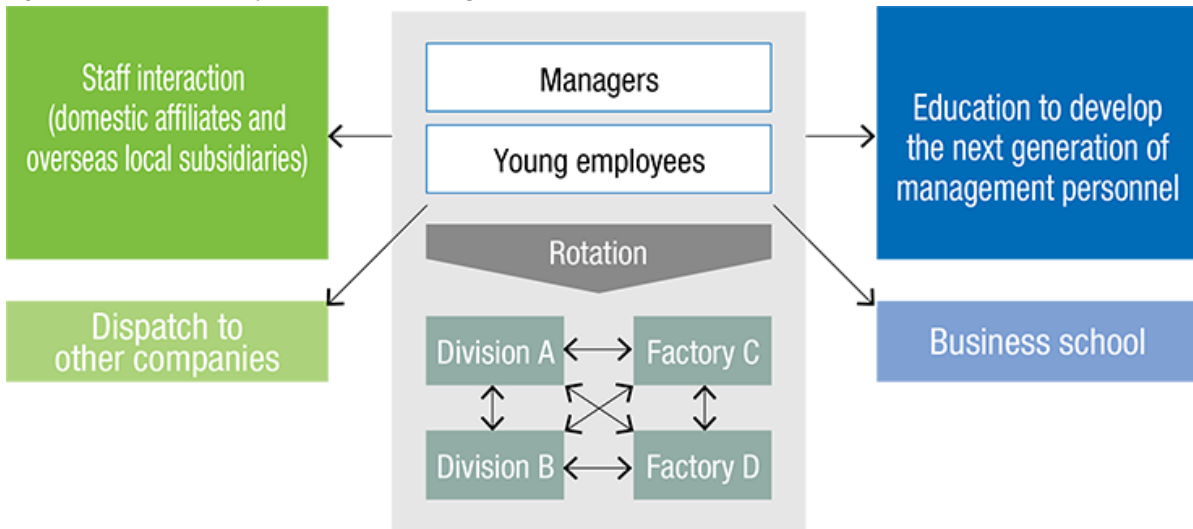
Safety experience using VR

Developing the Next Generation of Group Personnel

Systematic Development of Management Personnel

Since fiscal 2019, we have established a new Career Development Management Program, a training program to systematically and strategically develop the next generation of personnel. We aim to develop personnel that can think and act with a broad perspective and outlook that exceed the bounds of their own areas of specialty and roles by selecting and recruiting young and mid-level personnel to attend business school and engage in professional exchange with people outside of their own business divisions, factories, and business units, engage in personal exchange with overseas subsidiaries and Japanese subsidiaries, and engage in cultural exchange through placement outside of the Group and at government institutions, etc. We have further added a young employee program to selective training in order to systematically develop the next generation of management personnel. In addition, we increase creativity and foster innovative mindset through absorption of diverse knowledge and broadening experiences, by introducing the Innovation Professional Development Program for the next generation of management and using professional development measures to provide experience in new areas.

Systematic Development of Management Personnel



Local Staff Development

Since fiscal 2018, the Meiden Group has been conducting a Japanese exchange program for local staff (employees of overseas subsidiaries) in order to develop personnel who are candidates for leadership positions at overseas subsidiaries. The program includes interaction with Meidensha management, observations at Japanese sites and factories to which products are delivered, and on-the-job training at various workplaces for the purpose of increasing preparedness to take on leadership roles and the knowledge necessary for top management positions in the Meiden Group. This Group-wide interaction of personnel and creating personal connections bring the Meiden Group together.



Career Formation and Networking of Young Employees

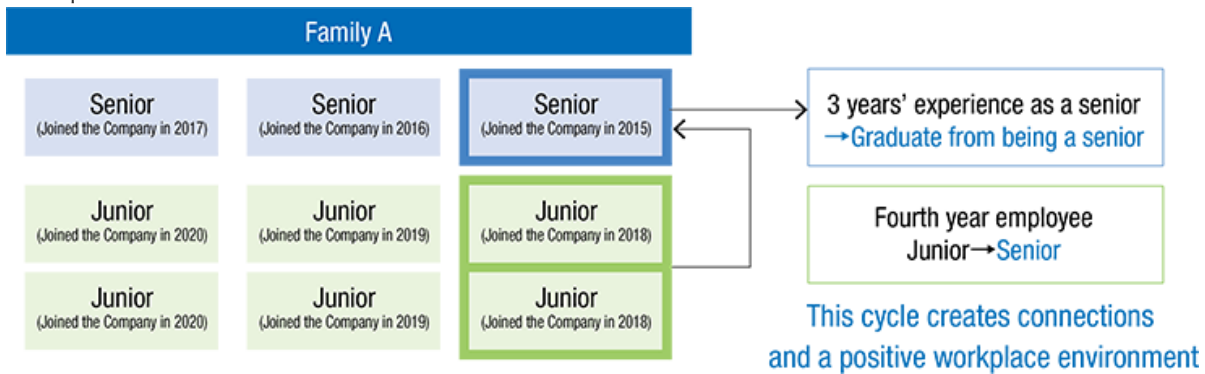
Raising Awareness of Career Formation

We conduct a rotation system to systematically develop young employees. Based on a rotation model, individuals share their career plans with their workplaces and the HR Department, and we implement rotation through regular interviews, etc. Having young employees experience a variety of jobs supports early development of their ability and raise their awareness of career formation.

Revitalizing the MFC Mentor System

In fiscal 2016, we introduced the MFC mentor system for the purpose of strengthening internal connections between young employees and building an atmosphere of professional development. The MFC stands for “Meiden Family Chain” with the idea that staff would form a supportive familial bond where they would support each other like links in a chain. Meidensha refers mentors as “seniors” and mentees as “juniors.” We also have groups consisting of multiple pairs, which we call them “families,” that create bonds that go beyond divisions and business units. We provide further impetus to activities by holding social events for families, and by establishing a Promotion Committee for young employees to plan and implement company-wide activities.

Composition of MFC Families



Results Data

Number of Participants in Each Type of Training

Training Type	FY2017	FY2018	FY2019
Hierarchical program	595	643	630
Selective program	67	72	147
Optional program	114	85	57
Technical training	690	691	1,103
Other	2,275	1,983	1,774
Total	3,741	3,474	3,711

Data Concerning Professional Development

Item	FY2017	FY2018	FY2019
Total expenses of education and training*1	98,598,000 yen	97,877,000 yen	95,375,000 yen
Total hours of education and training*2	46,064 hours	46,183 hours	52,550 hours

*1 Excludes personnel expenses for trainers and management and administrative expenses for training facilities, etc.

*2 Training days x designated work hours x number of participants (excludes OJT and remote training).

Social

Occupational Safety and Health and Health Management

Policy

Rolling Out Safety and Health Activities Based on the Top Management's Safety and Health Management Policy

The Meiden Group develops the "President's Safety and Health Management Policy" every year, and rolls out occupational safety and health activities based on it.

The President's policy is an overarching policy that applies to relevant Japanese and overseas contractors as well as each site and construction business unit of Meidensha and its affiliates (English and Chinese editions distributed to overseas affiliates).

We have explicitly stated that ensuring the safety and health of each employee is at the core of corporate management, and we aim to eliminate workplace accidents and maintain and improve health.

FY2020 President's Safety and Health Management Policy

"Safety comes first before anything else" and Nothing is more valuable than good health"

1. Basic Policy

The Meiden Group views the safety and health of employees as being central to management value, and we implement our corporate action guidelines of "working to ensure a safe environment that is conducive to work and achieve comfort and affluence for employees," through increased personal awareness of safety and health at businesses in all countries and regions and ongoing improvement of the 4M elements.* Through these activities, we aim to achieve safe and healthy workplace environments at the Meiden Group and be a leading company when it comes to safety and health.

*4M: Management, machine, media, man

2. Action Guidelines

- (1) Based on the awareness that ensuring safety and health is reliant on good communication, we value employee consultation and participation and all employees together strive to improve workplaces where everyone can work in comfort.
- (2) Abide by applicable legislation and other regulations and strictly obey the existing internal (each BU or workplace level) rules regarding OH&S. In so doing, aim to improve the Meiden Group's OH&S management level.
- (3) Promote the OH&S Management System and perform the Plan-Do-Check-Act Cycle on a continuous basis. In so doing, improve the overall Meiden Group's OH&S level.
- (4) Remove and/or reduce all workplace risk to an acceptable level, realize a safe and healthy

workplace, and prevent workplace accidents and occupational disease through appropriate management.

(5) Conduct OH&S education programs in the repeated manner, acquire correct knowledge and skills, improve awareness on the OH&S on a daily basis, increase opportunities to experience the importance of safety, and increase “the sensitivity of each person on the risks.” * *Note: This means one should be fully aware that there are some hidden dangers even in the daily activities. For example, when you walk down stairs under rain, you need to exercise your care on the risk of slippery surface and take a walk.

(6) All employees shall raise awareness of their own health and strive to improve mental and physical health.

(7) Promote measures against novel coronavirus (COVID-19).

Health Promotion: Aiming to Maintain and Improve the Health of Employees

The Meiden Group believes that “Nothing is more valuable than good health,” and we are conducting measures and implementing a system to improve the health of employees. Specifically, we continue to provide follow-ups to employees who received findings in their results of periodic health examination results and conducted initiatives such as mental health measures, health management of workers that work long hours, and various forms of health education on an ongoing basis. In fiscal 2019, we implemented the Meiden Group Health and Wellness Policy and promoted further enhancement of health initiatives.

In order to realize the Meiden Group’s corporate philosophy of “Illuminating a more affluent tomorrow,” it is important for employees to maintain their physical and mental health, and work with vigor and purpose. Going forward, we will promote activities as an organization to support the health of each individual such as sharing the belief that health is an asset with all employees, and actively supporting their own health activities. Through these initiatives, we will work to become a company that enables employees and their families to live a vigorous and healthy lifestyle.

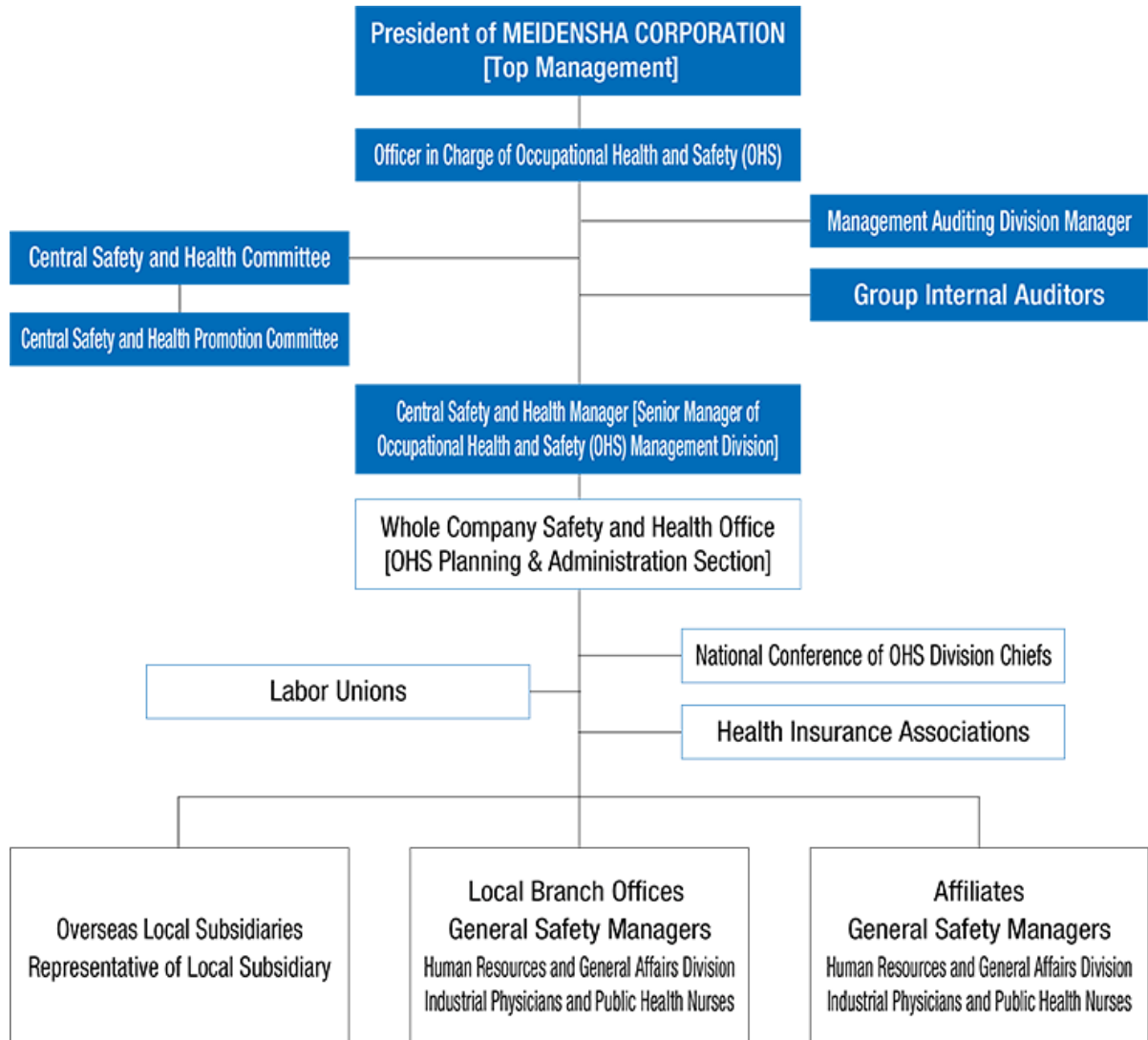
President's Health and Management Policy Statement

In order to realize the Meiden Group's corporate philosophy of "illuminating a more affluent tomorrow," it is important for employees to maintain their physical and mental health and work with vigor and purpose. We are promoting activities as an organization to support the health of each individual such as sharing the belief that "nothing is more valuable than good health" with all employees and actively supporting employees' own health activities. Through these activities, we are working to become a company that enables employees and their families to live a vigorous and healthy lifestyle. The Meiden Group will promote the following five core principles of health management initiatives.



Organization

The Meiden Group Organization System for Occupational Safety and Health and Health Management



Promoting the Occupational Safety and Health Management System

Move from OHSAS 18001 to ISO 45001 Certification

In fiscal 2015, the Meiden Group obtained OHSAS 18001 certification for the four main Japanese production sites of the Ota Works, Numazu Works, Nagoya Works and all sites at Kofu Meidensha Electric Mfg. Co., Ltd., including on-site affiliates. Furthermore, Meiden Singapore Pte. Ltd. obtained certification in fiscal 2013, and the four remaining main overseas sites of Meiden Zhengzhou Electric Co., Ltd., Shanghai Meidensha Changcheng Switchgear Co., Ltd., P.T. Meiden Engineering Indonesia, and Prime Meiden Ltd. obtained certification in fiscal 2017.

Since fiscal 2018, we have promoted expanded application of the Occupational Safety and Health Management System to the entire Group, and transition to ISO 45001 certification due to the need for international standards.

Acquisition of International Standard ISO 45001

In fiscal 2019, we acquired joint certification for the four main Japanese production sites (Ota Works, Numazu Works, Nagoya Works, and Kofu Meidensha Electric Mfg. Co., Ltd. *including on-site affiliates) under ISO 45001, which is the international occupational safety and health standard.

In fiscal 2020, we intend to expand ISO 45001 certification to Japanese workplaces other than production sites.

Going forward, we will aim to create and promote an occupational safety and health management system at all sites, and strive to create safe, secure, and healthy workplace environments for all Group employees.

Results, Plan, and Targets

FY2019 Results

● Results of Occupational Safety and Health Initiatives

| Certification status of the occupational safety and health management system

1) Acquired ISO 45001

Area	Scope
Ota area	Meidensha (factories, research and development business unit, staff business unit), on-site affiliates* * On-site affiliates: MEIDEN KIDEN KOGYO CO., LTD. / MEIDEN KOHSAN CO., LTD., Ota Branch / MEIDEN FACILITY SERVICE CORPORATION / MEIDEN SYSTEM SOLUTIONS CORPORATION, Ota Branch / MEIDEN UNIVERSAL SERVICE LTD., Headquarters
Numazu area	Meidensha (factories, research and development business unit, staff business unit), on-site affiliates* * On-site affiliates: MEIDEN SYSTEM MANUFACTURING CORPORATION / MEIDEN KOHSAN CO., LTD., Numazu Branch / MEIDEN SHOJI CO., LTD., Numazu Branch / MEIDEN SYSTEM SOLUTIONS CORPORATION, Headquarters / MEIDEN UNIVERSAL SERVICE LTD., Numazu Branch / MEIDEN TECHNO SYSTEMS CO., LTD., Headquarters / MEIDEN PLANT SYSTEMS CORPORATION, Equipment Factory / MEIDEN FACILITY SERVICE CORPORATION / MEIDEN CHEMICAL CO., LTD., Headquarters

Area	Scope
Kofu area	KOFU MEIDENSHA ELECTRIC MFG. CO., LTD. / MEIDENSHA CORPORATION (EV Business Division in Kofu and Electromotive Application Business Division)
Nagoya area	Meidensha (factories, research and development business unit, staff business unit), on-site affiliates* * On-site affiliates: MEIDEN SYSTEM SOLUTIONS CORPORATION, Nagoya Branch / MEIDEN UNIVERSAL SERVICE LTD., Nagoya Branch

2) Acquired OHSAS 18001

Area	Scope
Overseas subsidiaries	SHANGHAI MEIDENSHA CHANGCHENG SWITCHGEAR CO., LTD. / MEIDEN ZHENGZHOU ELECTRIC CO., LTD. / MEIDEN SINGAPORE PTE.LTD. / P.T. MEIDEN ENGINEERING INDONESIA / PRIME MEIDEN LTD.

●Results of Occupational Safety and Health Initiatives

1) 2020 Certified Health and Productivity Management Outstanding Organization in the Large Enterprise Category Recognition

Meidensha joined the Certified Health and Productivity Management Outstanding Organization Recognition Program that is jointly recognized by the Ministry of Economy, Trade and Industry(METI) and Nippon Kenko Kaigi, and 2020 certified Health and Productivity Management Outstanding Organization in the Large Enterprise Category. Our efforts to focus on risk holders were evaluated as the Health and Productivity Certification based on information such as the development of organizational structure to promote internal health management and medical examination results.



| 2) Quitting Smoking Initiatives

We held quitting smoking courses at our four major production sites in Japan to raise awareness about the possibility of health problems caused by smoking and passive smoking. There were eleven applicants came to participate our recruitment and took on the challenge in the ICT online quitting smoking assistance program.



Poster for recruitment of participants in the quit smoking program

| 3) Achieving Healthy Body Weights for at Least 70% of Staff (Under 40)

With a figure of 71.9%, we achieved the goal of our activities to improve the percentage of healthy body weights for our staff (under 40) to at least 70%. The goal has been in place since fiscal 2009 for the purpose of preventing illnesses such as lifestyle diseases.

| 4) Group Analyses of FY2019 Stress Checks

With regard to the results of stress checks, we continued to take an individual approach to self-care, such as encouraging people with high stress levels to counsel a physician. We classified the group analysis results according to the type of each business unit, and made the issues faced by each business unit easy to identify, in order to support line-care measures. The results of the analysis are explained to managers and supervisors, and shared together with the results of the separate Survey of Employee Awareness, which is useful for activities to improve workplaces.

Safety and Health Indicators

Occupational Safety and Health Indicators (Meiden Group)

Meiden Group	Occupational Accidents (cases)		Occupational Diseases (cases)	Days Off Work Due to Illness		Traffic Accidents (cases)
	Lost Time Accidents	No Lost Time Accidents		Total (including mental)	Mental	
FY2019 (target values)	6 (20% reduction compared to the previous fiscal year)	3 (30% reduction compared to the previous fiscal year)	0	11,690 days (5% reduction compared to the previous fiscal year)	7,909 days (10% reduction compared to the previous fiscal year)	33 (10% reduction compared to the previous fiscal year)
FY2019 (established values)	6	5	0	14,943 days	10,990 days (17 people took leave lasting at least 1 month)	38
FY2020 (target values)	3 (50% reduction compared to the previous fiscal year)	4 (20% reduction compared to the previous fiscal year)	0	14,196 days (5% reduction compared to the previous fiscal year)	10,441 days (5% reduction compared to the previous fiscal year)	34 (10% reduction compared to the previous fiscal year)

Occupational Safety and Health Data (only Meidensha)

Item	2016*1	2017	2018	2019
Lost time accidents rate*2	0.96	0.29	0.99	0.60
Severity rate of lost time accidents*3	0.02	0.00	1.28	0.00
Number of fatalities (cases)	0	0	1	0
Number of lost time accidents (cases)*4	6	2	6	1
Number of no lost time accidents (cases)	9	5	3	3

*1 Totals are per calendar year.

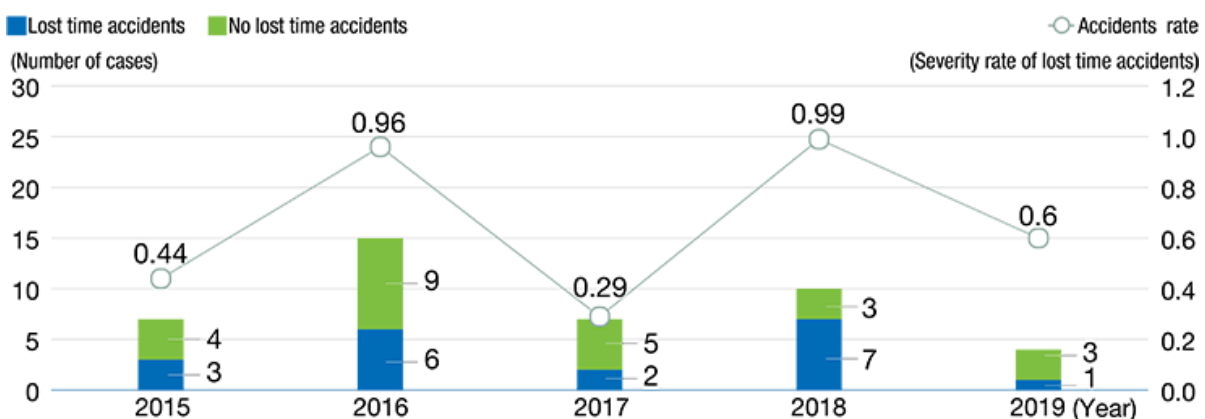
*2 “Frequency rate” indicates the frequency of casualty due to industrial accidents per 1 million gross hours of actual work.

If the same person was damaged more than once, the number of casualties is calculated as the number of accidents.

*3 “Severity rate” indicates the significant degree calculated from days of lost work due to industrial accidents per thousand gross hours of actual work.

*4 “Accidents accompanied by lost worktime” refers to accidents that require at least one day off work according to Meidensha’s own calculation standards.

Safety Record (only Meidensha)



* Minor accidents are not included in the number of accidents.

Number of official participants in the Combined Labor and Management Safety and Health Committee as labor delegates

Item	2018	2019
Proportion of total workers (those whose operation or workplace is under organizational control) that send delegates to the Combined Labor and Management Safety and Health Committee	1.56% (37 delegates/2,368 people)	1.45% (40 delegates/2,755 people)

Health Management Indicators

Item			2017	2018	2019
Participants in the program for smokers to quit smoking			-	-	11
Participants in Meiden Smart Walking			-	612	767
Number of Health Web Kencom members			-	1,502	1,663
Rate of regular health examinations			99.4	100	100
Rate of thorough examination, second examination, or treatment (%)			63.9	72	69
Rate of stress checks (%)			91.6	91.2	96.1
Rate of consultations with highly-stressed workers (%)			4	2	4
Average rate of utilization of leave			Listed in labor practices Smart Work vision and targets		
Average hours of overtime					
Number of workers exceeding 80 hours of out of hours work (work outside of legally stipulated hours) per month					
Rate of smoking (%)			26.4	24.7	24.0
Regular health examination results (rate of conditions discovered (%))	Obesity (BMI of 25 or over)	Male	33.4	34.9	35.0
		Female	17.9	20.9	20.7
		Total	31.2	32.8	32.8
	Rate of blood pressure risks (proportion of workers with systolic blood pressure of 180 mmHg or more or diastolic blood pressure of 110 mmHg or more)		1.8	0.6	0.5
	Proportion of workers at risk of diabetes (proportion of workers with fasting blood sugar of 200 mg/dl or more)		0.5	0.5	0.4
Medical expenses per person (yen)			170,255	178,000	174,772

Item	2017	2018	2019
Insurance expenses per person (yen)	16,883	16,590	16,799
Absenteeism (proportion of workers taking sick leave or other leave (%))	0.32	0.29	0.43
Loss of absolute presenteeism (first University of Tokyo scale) (%)	-	-	20
Job turnover rate (%)	Listed in labor practices results data		

Initiatives

Priority Items

The Meiden Group promotes its basic occupational safety and health measures from the following eleven perspectives.

1) Promotion of the Safety and Health Management System

We promote risk management and safety and health activities based on our occupational safety and health management system, and systematically maintain and improve our safety and health management framework.

2) Compliance with Legal Requirements

We comprehensively cover and maintain an understanding of the status of compliance regarding legal requirements in order to achieve thorough compliance.

3) Improvement of Employees' Safety and Health Awareness

We encourage employees to raise their awareness of the danger and hazards.

4) Promotion of Activities to Prevent Industrial Accidents

We promote preventive activities mainly for accidents with a high risk such as falls, work at heights, and electric accidents, and high-risk attributes such as immature workers and elderly workers, based on the accident characteristics of our company all over Japan.

5) Promotion of a Healthy Work Environment and Its Appropriate Management

We conduct the three forms of industrial health management (work environment management, work management, and health management) as appropriate, improve, maintain, and manage work environments, and prevent occupational disease.

6) Achieving a Safe Workplace Environment

We promote the 5 S's (Seiri, Seiton, Seisou, Seiketsu, and Shitsuke in Japanese, or order, organization, cleanliness, hygiene, and discipline) with a focus on the 2 S's (Seiri and Seiton in Japanese, or order and organization), and achieve a safe and cleanly workplace environment.

7) Measures to Reduce Traffic Accidents

We prevent and implement measures against traffic accidents and promote activities aimed at preventing them, particularly with regard to accidents that occur when commuting to and from work.

8) Measures to Prevent Traffic Accidents on Premises

We comprehensively inform employees and visitors of on-site traffic rules and establish safe passageways within the grounds and in facilities such as factories.

9) Comprehensiveness and Revitalization of Safety Activities

We ensure the vitality of daily safety activities, including at factories, worksites, and staff business units, and foster improvements in workplace safety and a culture that values safety.

10) Promotion of Risk Assessment and Continuous Improvements through Risk Reduction Measures

We comprehensively identify risks in work processes, formulate improvement plans for high-risk work, and promote risk reduction.

11) Thorough Safety and Health Education

We conduct thorough education, which is a major pillar of preventing industrial accidents and health problems.

Major Initiatives

1) Safety and health Initiatives

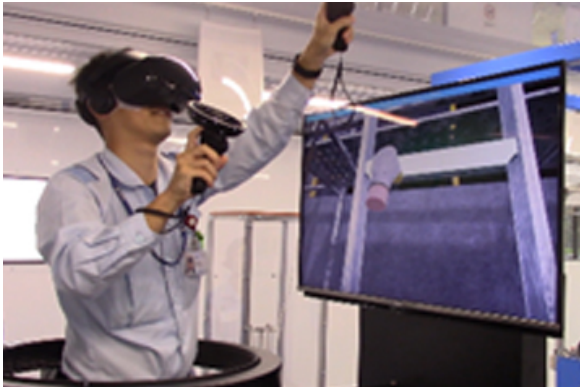
The Meiden Group has experienced many industrial accidents over its long history. We have conducted a range of initiatives to prevent industrial accidents such as conducting KYK (risk anticipation activities), risk assessment, introducing safety patrols, and safety and health management systems (OHSAS 18001 and ISO 45001) so far. We are committed to our own efforts from our reviews to prevent our actual experience from becoming obsolete.

Promoting Safety Experience Education

In 2014, we created the first hands-on safety experience truck, and conducted safety education for workers such as group employees and contractors that work on site, by taking

the car directly to worksites, in order to promote safety education. As at Meidensha, many companies are concerned about safety education at worksites, and we are also marketing our safety education to them.

In November 2019, we initiated education using the newly created hands-on safety experience truck no. 2, in order to conduct safety education for employees engaged in manufacturing. Hands-on safety experience trucks nos. 1 and 2 use VR to provide virtual experiences of industrial accidents that cannot be experienced in the real world, enabling experiential education of overturning, falling, and forklift collisions.



Opening of the Safety Promotion Center

In January 2020, we opened the Safety Promotion Center to introduce people to past industrial accidents.

Immediately following an industrial accident, the entire company comes together and vows never to repeat the same mistake; this resolve, however, fades as time passes. In particular, if managers of workplaces where an industrial accident has occurred are transferred, this increases the rate at which lessons learned from the accident fade.

We established the Safety Promotion Center as a place to encourage story-telling and thinking about industrial accidents that have occurred.

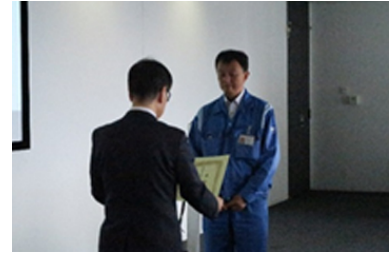
We believe it is whole Meidensha duty to discuss and remember the experience of bitter accidents without turning away from them.

The Meiden Group promotes initiatives to raise safety awareness and eliminate industrial accidents through trainings by using a safety-car to experience and by keeping safety awareness in our mind at the Safety Promotion Center. We discover and mitigate risks that are usually hard to notice by conducting third-party patrols, in addition to patrols by officers and employees. We communicate the importance of safety by having officers in charge of production, safety, and quality confirm mitigation of risks for themselves.



Awards for Achievement of No Accidents and No Disasters

The President of the Meiden Group awards business units in which there have been no industrial accidents for a specified period of time, raises awareness of safety at the workplace level and continuously provides opportunities to promote activities by celebrating safety initiatives.

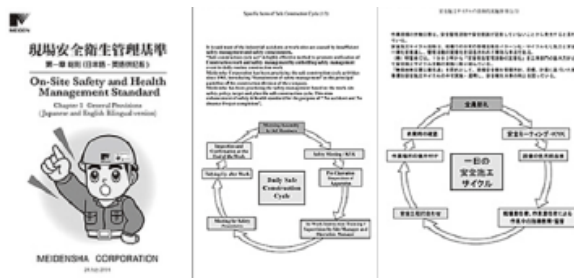


Safety and Health Education at ASEAN Subsidiaries

Since fiscal 2014, we have been conducting occupational safety and health education (including safety experiential education) and quality management education for local staff and workers at Southeast Asian subsidiaries, on an ongoing basis.

Since fiscal 2018, we have invited QEHS managers from local subsidiaries, and conducted on-site general education in the fields of industrial safety, quality management and environment. We contribute to the development of professional in “Japanese manufacturing” overseas.





Meidensha's original On-site Safety and Health Management Standards (General Provisions - combined Japanese and English edition)

Occupational Safety and Health Education for Employees through e-Learning

In fiscal 2019, we began occupational safety and health education for all Group employees through e-learning. By comprehensively organized risk factors for industrial accidents and impediments to health and repeatedly distributing information, we share knowledge and increase awareness, which plays a role in preventing accidents.

[Examples of Content]

- Overturning accidents
- Lower back pain risk
- Heat stroke
- Lifestyle diseases

2. Health Promotion Measures

Of the 5 pillars of health management - namely mental health measures, anti-smoking measures, measures to prevent lifestyle diseases, including for young people, and measures to prevent cancer - we are conducting activities that prioritize health issues that require urgent measures, which are as follows.

3. Enhancement of mental health promotion systems and promotion of workplaces that do not result in mental illness
4. Prevention of impairment of health due to smoking
5. Promotion health examinations, health advice, and prevention support for the prevention and treatment of health issues

1) Smart Challenge Meiden Five



figured out five health agendas "the Smart Challenge Meiden Five" and are working on the activities.

- ① Challenge 1: Taking action for passive smoking and promote quitting smoking program
We are promoting quitting smoking by gradually reducing smoking areas and smoking times and continuing our online program to support quitting smoking.
- ② Challenge 2: Taking action for lifestyle diseases – under 39
We are taking actions providing the pre-obese under 40s with ICT health guidance programs to prevent future lifestyle-related diseases such as the establishment of exercise habits.
- ③ Challenge 3: Measures to combat lifestyle diseases – over 40
We provide the subjects of specific health guidance with ICT health guidance programs to thoroughly encourage to participate the guidance.
- ④ Challenge 4: Cancer control
We carry out regular screenings for women's cancer, and activities to ensure all eligible people for colorectal cancer can undergo the detailed examination
- ⑤ Challenge 5: Promoting maintain mental health
We provide our workers with assistance and training for the Mental Health Management® exam according to the Mental Health Plans, so that they can take self-cares. As for business lines, we care them by conducting evaluations and analyzes focusing on the correlation between quality, productivity improvement, mental health improvement, as well as improve the workplace environment to maintain workers' mental health based on the group analysis results. We have prepared rules and systems in order for the people enable to return to work early, including adjusting the work environment.

| 2) Promoting Work Style Reform

For details on activities, refer to the Work Style Reform of Labor Practices >

| 3) Collaborative Health and Data Health

We promote activities by organizing a collaborative health committee consist of health insurance associations, labor unions, and staff from industrial health and from safety management. Each plan is deployed and followed utilizing the ISO45001 (Occupational Safety and Health Management System), and health activities are carried out efficiently. We introduce a health information management system and analyze issues and effects based on objective data.

| 4) Targeting 2021 Certified Health and Productivity Management Outstanding Organization in the Large Enterprise Category (White 500) Recognition

Since we have recognized as the 2019 Certified Health and Productivity Management Outstanding Organization in the Large Enterprise Category, we work on measures more actively to contribute to maintain and promote supporting our workers' health in light of social issues and needs, so that we deserve certified for the 2021 Health and Productivity Management Outstanding Organization in the Large Enterprise Category (White 500).

Social

Community

Policy

Policy on Local Employment and Procurement

The Meiden Group gains awareness of issues and forms positive relationships with communities through lively two-way communication in countries and regions in which we conduct business. Furthermore, the Meiden Group is aware of the importance of local hiring and local procurement to contribute to sustainable development in these countries and regions. The Meiden Group is working to contribute to the economic development of countries and regions in which we conduct business through a range of initiatives.

Social Contribution Policies

| Meiden Group Social Contribution Policies

1. We shall contribute to the sustainable development of society through our main business of manufacturer and supplier of electromechanical products.
2. We appreciate the local communities that support our business activities and we shall execute social contribution that helps the progress of community development.
3. The Group's executive officers and employees shall voluntarily support our social contribution initiatives.

We are working to conduct positive communication with people in the local community and our stakeholders that support us on a day-to-day basis, through contributions to society according to the Meiden Group Social Contribution Policies.

In 1918, Take Shigemune, the second President of the Company and wife of our founder, 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, the Meiden Group will make a wide variety of social contributions through our active involvement with local communities and with society.

Policies to Support Local Communities

Conducting Social Contribution Activities that Contribute to the Development of Local Communities

The Meiden Group conducts business activities in various countries and regions and is supported by hiring workers from surrounding areas and building positive relationships. Based on Meiden Group Social Contribution Policy 2. “we appreciate the local communities that support our business activities and we shall execute social contribution that helps the progress of community development,” we conduct internships (job experience), support for education, volunteer activities, and environmental activities, etc. In Japan, each year, we actively conduct internships (job experience) for university, vocational college, and high school students, and provide career-path support and opportunities to deepen understanding of work and society. The Meiden Group will continue to engage in a range of social contribution activities and contribute to the development of local communities.

Results Data

CSR expenditure

	FY2016	FY2017	FY2018	FY2019
CSR Expenditure (yen)	32,200,000	28,000,000	38,000,000	60,000,000

*CSR expenditure includes donations and sponsorship costs.

Initiatives

Contributions to Local Economies

Commencement of Comprehensive Water Supply Operation in Eastern Gunma Prefecture

In order to tackle a range of issues arising from aging plumbing personnel employed by local governments such as labor shortages, passing on of skills, and risk management, the Meiden Group not only designs and manufactures electrical equipment, but offers a one-stop service that includes maintenance services, and management of the operation of facilities. In April, 2017, a private sector group, for which Meidensha is the representative company, established East Gunma Water Supply Service Co., Ltd. along with the East Gunma Water Supply Industry Association through joint financing, and commenced water supply operations and comprehensive projects including extension works in three cities and five towns in the East Gunma region. Through this venture, we were able to achieve efficient business administration and transmission of skills to personnel, achieve public benefit, create new employment opportunities, and reduce maintenance costs, by leveraging the skills and knowhow of private enterprise.

Community Investment

In Support of Local Community and Government Initiatives: Donation of Facilities to Schools in Thailand

In the Kingdom of Thailand, we donated facilities for two schools in the mountainous regions of the north of Thailand, which are populated by ethnic minorities, in fiscal 2017, to celebrate Meidensha's 120th anniversary and the 50th anniversary of THAI MEIDENSHA CO., LTD. We donated a library and a water tank to Kalayaniwattana Secondary School, which was one of those schools. As these regions are surrounded by mountains, it takes a long time to travel to school and many students choose to live in dormitories. With this water tank to store the water that is necessary for life and this library to help students learn, Meidensha was able to support children's rights and business principles, improve the learning environment for children in accordance with these principles, and contribute to the provision of opportunities for children to receive reliable and high-quality education. Employees of THAI MEIDENSHA CO., LTD. visit the two schools to which facilities were donated on an ongoing basis, and maintain connections with learning activities, teachers, and the local community through activities with students.



Social Contribution Activities (FY2019 initiatives)

Meidensha Manufacturing Classes: Teaching children about the Joy of Manufacturing

Since fiscal 2007, which was our 110th anniversary, we have held Meidensha Manufacturing Classes at elementary schools located nearby each of our sites, including Hosui Elementary School. Through these Manufacturing Classes, we will enable children to experience the joy of manufacturing by having them assemble and operate toys that incorporate motors by themselves. More than 10,000 children have participated the activity so far. Since fiscal 2018, we have held Manufacturing Classes at Iwakuni Elementary School, which was attended by our founder, Shigemune Hosui.



Supporting the Cultural Exchange Project Conducted by Japanese and Thai Elementary Schools

We support cultural exchange between children at Hosui Elementary School in Shinagawa-ku, which was established at the behest of the founder, Hosui Shigemune and recently celebrated its 100th anniversary, and Mae Cam's Baan Thung Yao Primary School in Northern Thailand, to which we donated school buildings in 2017 as one of Meidensha's 120th Anniversary Projects. We held visiting lectures to learn about other cultures and we helped children, who carry the hopes of the future, feel the importance of coming into contact with other cultures by donating tools using the bell mark, and exchanging video letters and pictures between the schools.

Workplace Visits and Visiting Science Lectures for Junior High Schools Nearby Our Sites

At each of our sites, we actively encourage workplace visits by local junior high school students and conduct explanations of corporate initiatives, observations of facilities, and question and answer sessions with employees, etc., as part of children's career education. Furthermore, since fiscal 2017 we have held visiting lectures entitled "how does electricity reach us?" for second-year junior high school students in the areas around our sites, through which children can learn about the importance of electricity through experience.

Endowed Courses at Thai and Indian Universities

The Meiden Group conducts endowed courses at overseas universities in Thailand and India, which began as one of our 120th Anniversary Projects. We have rolled out a unique curriculum at the Ladkrabang Campus of Thailand's King Mongkut's Institute of Technology and India's NBKR Institute of Science & Technology in order to develop future engineers. One student from the first 2017 Thai endowed course was employed by THAI MEIDENSHA CO., LTD., and 10 students were employed by other local Japanese companies. Five students from the 2018 India endowed course were employed by PRIME MEIDEN LIMITED.

Environmental Beautification Activities at Sites around Japan

The Meiden Group engages in environmental beautification activities such as cleaning up litter and weeding at sites around Japan on a day-to-day basis, in order to coexist with local communities. Local residents value the contributions we have made over many years, and these beautification activities also contribute to a sense of social contribution and foster a sense of community amongst employees.

Sponsored the NHKSO Concert at Hosui Elementary School

In 2019, we supported a concert by NHK Symphony Orchestra at Hosui Elementary School to mark the 100th anniversary of the school's founding and the completion in February of the new school gymnasium. The entire student body, totaling around 500 students, as well as their parents and teachers enjoyed a performance by five members of the brass section of NHKSO.



Nature Appreciation Event: Look for Cicadas in Osaki Forest

We have been holding nature appreciation events at Hosui elementary school since 2018. Jointly hosted by Meidensha and the Nature Conservation Society of Japan, and with the support of the Nature Conservation Society of Tokyo (NACOT), the event was held to observe cicadas, which are symbolic insect of summer, in the forest of ThinkPark Tower Osaki and the precincts of Irugi Shrine.

Donated Facilities Extension to an Archery Club in an Elementary School in Kuala Lumpur

MEIDEN MALAYSIA SDN. BHD., a local subsidiary of Meidensha, donated RM105,000 (approximately three million yen) to extend an archery club facility of an elementary schools in Kuala Lumpur. Since its foundation in 2015 at the elementary school, the archery club has not been able to secure a budget for club operation and facilities. MEIDEN MALAYSIA SDN. BHD. donation was used to extend the roofed competition area and purchase archery equipment, and the facility extension was completed on June 15, 2019. Pupils between the ages of seven and twelve are now enjoying archery.



Supporting Volunteers to Typhoon and Tornadoes Suffered Area

There were a great deal of damage from a series of disasters in Chiba Prefecture, including Typhoon No.15 (Faxai) in October and tornadoes in September both in 2019. From September to November 2019, accumulated total of 67 volunteers from Plant Construction & Engineering Business Group of Meidensha applied to support suffered areas reconstruction, such as the removal, transportation, and cleaning of rubble and sediment, in Katori City, Ichihara City, Nagara Town, Tateyama City, Marumori Town in Miyagi Prefecture, and Akanuma district in Nagano Prefecture. The social welfare councils from Katori City and Ichihara City offered letters of appreciation to us for those activities.



Sustainability

Evaluations from External Bodies

Status of incorporation of the ESG Index* (as of July 2020)

*ESG is an abbreviation of “environment,” “social,” and “governance.” Consideration is given to environmental and social factors, which are important elements to determine whether to make an investment, in addition to financial factors.

S&P/JPX Carbon Efficient Index

The S&P/JPX Carbon Efficient Index is an environmental index that was developed by S&P Dow Jones Indices LLC. It gives weight to companies with high carbon efficiency and that fully disclose carbon emissions. The S&P/JPX Carbon Efficient Index also serves as an ESG index for Japanese companies that are GPIF investment targets. Meidensha was added to the index in 2018.



SNAM Sustainability Index

Meidensha has been selected for the SNAM Sustainability Index, which was instituted by SOMPO Japan Nipponkoa Asset Management (SNAM) in August 2012.

SNAM Sustainable Investment is a responsible investment product for pension funds and institutional investors that invests broadly in companies with a high ESG (environment/social/governance) rating.

Each year, revision of companies listed in the index is conducted based on the results of investigations conducted by SOMPO Risk Management Inc. (environmental investigation) and IntegreX Inc. (social and governance investigation). Meidensha’s ESG initiatives have been highly rated by these investigations, leading us to be continuously selected by IntegreX since fiscal 2016.

2020



Sampo Sustainability Index

Other Major Evaluations from Outside the Company

CDP (Climate Change and Water Security)

CDP is an international NGO that operates a global information disclosure system to manage the environmental impact of investors, companies, cities, countries, and regions. It investigates, evaluates, and discloses information about environmental initiatives on behalf of institutional investors. In 2019, Meidensha was rated as B in climate change and C in water security by CDP.

2020 CSR Company Ranking (Toyo Keizai Inc.)

Released by Toyo Keizai Inc., the CSR Company Ranking generally evaluates and ranks CSR (corporate social responsibility) and Finance by evaluating utilization of human resources, environment, corporate governance, social responsibility, profitability, safety, and scale, based on responses to an annual survey given to companies. Meidensha was ranked 52nd out of 126 companies in the electrical machinery industry in the 14th CSR Company Ranking (2020).

The 3rd Nikkei Smart Work Management Survey

The Smart Work Management Survey, conducted by Nikkei Inc. from 2017, selects leading companies who are challenging the productivity revolution through work style reform. The survey was conducted on listed companies nationwide and leading unlisted companies, and consists of three elements: the realization of diverse and flexible working systems, a system for new businesses, and the ability to develop markets. They define efforts to maximize organizational performance as "smart work management" and evaluate them in five stages, taking into account management foundations such as corporate governance. In the 3rd survey, Meidensha was recognized as one of the three-stars company.



The 1st Nikkei SDGs Management Survey

The SDGs Management Survey comprises questions relating to the four categories of "SDGs strategy and economic value," "social value," "environmental value," and "governance."

Meidensha was rated as a company with 3.5 stars.

Eruboshi

In 2017, Meidensha received the highest level of Eruboshi mark (grade 3).

Eruboshi is a system under which certification is granted by the Minister of Health, Labour and Welfare to companies that have formulated and submitted action plans under the Act for the Promotion of Women's Participation in Working Life (Act for the Promotion of Women's Participation), that meet certain standards, and that have been exceptional in their implementation of initiatives. There are three levels of certification, and Meidensha has received grade 3, which is the highest level as it is recognized as having met the required standards in all five evaluation categories. Receiving Eruboshi certification also increases our rating for comprehensive evaluation bidding systems, etc., of public enterprise.



Action plan under the Act for the Promotion of Women's Participation and
Promotion of Diversity Management



2019 Environmental Human Resource Development Corporate Awards

The Environmental Human Resource Development Corporate Awards are given to companies with management that is considerate of the environment. The awards recognize initiatives to develop employees able to act independently, with the results of said initiatives aimed at increasing the number of companies that contribute to overall improvement of the environment, society, and the economy. Meidensha was awarded an Incentive Prize, and was praised for the activities of the entire Meiden Group and its efforts to increase the reach of its environmental management system, including suppliers.

The 16th LCA Japan Forum Awards: Incentive Award

The LCA Japan Forum Awards comprise a system to commend exceptional initiatives relating to LCA (life-cycle assessment) for the purpose of supporting companies, institutions, and researchers engaged in reducing the environmental impact of products throughout their lifecycles. Meidensha received an incentive award in the environmental management division for its initiatives to reduce value chain greenhouse gas emissions through electric vehicles and renewable energy-related businesses, etc.

The 1st ESG Finance Awards Japan: Minister of the Environment Award (Bond Category)

The ESG Finance Awards Japan were established by the Ministry of the Environment to reward cutting-edge initiatives in ESG finance and social and environmental business, with the goal of spreading ESG finance, against a backdrop of increasing investment and finance that is considerate of ESG factors, including global climate change risks. Meidensha received the Minister of the Environment Award in the Bond Category, and was praised for issuing green bonds to conduct financing for capital investment with an eye to increasing demand for EVs. The firm was further recognized as the first Japanese operating company to obtain CBI certification*, identifying capital investment in the intermediate product of motors/inverters that are used in electric vehicles as a reason for the borrowing of funds.

*CBI certification: Certification issued by the UK international NGO, CBI (Climate Bonds Initiative), to encourage large-scale investment for a low-carbon economy.



At the award ceremony on February 26, 2020
(Left: President Miida)

[Issue of Green Bonds >](#)

The 5th Sustainable Finance Awards: Green Bond Award

The Sustainable Finance Award is an award system sponsored by the Research Institute for Environment Finance, which promotes and educates environmental finance to solve environmental problems using financial methods. The award system is aimed at honoring financial institutions, companies, institutions, etc. who have contributed to the development of environmental finance and sustainable finance in Japan.



At the award ceremony on January 22, 2020

FY2020 MEXT Commendation for Science and Technology: Prize for Science and Technology (Development Category)

The MEXT, Minister of Education, Culture, Sports, Science and Technology, Commendation in the science and technology category recognizes those who have achieved outstanding results in research and development or promotion of understanding in relation to science and technology. Meidensha received the Prize for Science and Technology (Development Category) at the 2020 MEXT Commendation for Science and Technology for development of catenary inspection equipment that operates by image analysis.

BCAO Awards 2019: Superior Practice Award in the Business Continuity Division

The BCAO Awards are administered by the Business Continuity Advancement Organization (BCAO) to recognize individuals or groups that have contributed to the spread and implementation of business continuity, in order to promote the proliferation of business continuity in Japan. Meidensha received the Superior Practice Award in the Business Continuity Division and was praised for its development of business continuity plans (BCP) for all business units in 2018, as well as its system of business continuity management (BCM).

Sustainability

Editorial Policy

Editorial Policy

The Meiden Group informs its stakeholders of its attitude and initiatives relating to social responsibility through the two media of the Meidensha Report (print edition and web edition) and the Meiden Group CSR (web edition).

With regard to the content of the reports, we work to collect and analyze information that meets our stakeholders' expectations and is of interest to our stakeholders, and distribute it through regular notices, IR activities, and interviews with each department.

Furthermore, the Meiden Group is conducting internal communication activities as part of the process of drafting reports in order to understand changes in the external environment and share future issues and trends. In addition, we work to strategically promote future CSR initiatives by exchanging opinions based on the reports that have been created, and having each department reflect on its own activities, taking into account outside perspectives.

Report Media

1. Meidensha Report print edition and web edition

A comprehensive collection of financial information concerning the Meiden Group and nonfinancial information such as initiatives that contribute to improving corporate value and management strategies.

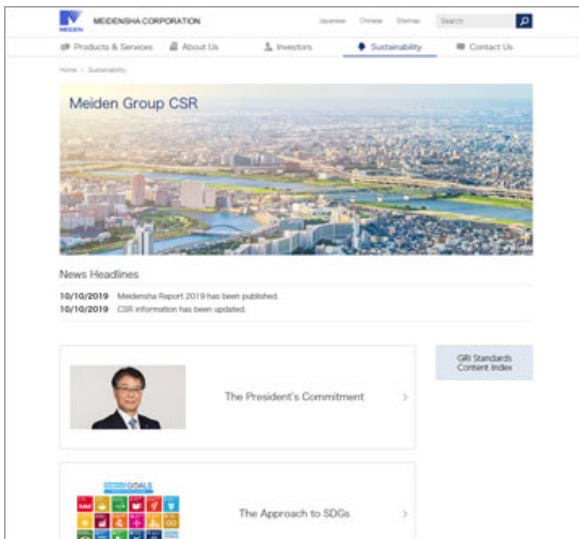


1. Booklet, PDF

[Meidensha Report >](#)

2. Meiden Group CSR web edition (this website)

A summarized introduction focusing on specific initiatives to tackle CSR issues that the Meiden Group considers important.



2. Web edition

Reporting Period

This report mainly covers initiatives taken in fiscal 2019 (April 1, 2019 - March 31, 2020). It also includes some information from prior to fiscal 2018 and until July 2020.

Subject Organizations

The report mainly covers initiatives of Meidensha Corporation and its affiliated companies. Human resources data applies to affiliated companies in Japan, while environmental reporting data applies to Meidensha and its 40 major affiliated companies (21 in Japan and 19 overseas).

Publication

- Publication of this report: September 2020
- Next scheduled publication: August 2021

Guidelines Used as References

- International Integrated Reporting Council (IIRC) “The International Integrated Reporting Framework”
- Ministry of Economy, Trade and Industry “Guidance for Collaborative Value Creation”
- GRI “Sustainability Reporting Standards”
*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 2018 Version)”

Inquiries about This Report

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Disclaimer

In addition to past and current facts about the 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.

GRI Standards Content Index

General Disclosures 2016

Disclosure Title		References
GRI102 : General Disclosures		
Organizational profile		
102-1	Name of the organization	▸ Company Profile
102-2	Activities, brands, products, and services	▸ Products & Services
102-3	Location of headquarters	▸ Company Profile
102-4	Location of operations	▸ Company Profile
102-5	Ownership and legal form	▸ Company Profile
102-6	Markets served	▸ Products & Services
102-7	Scale of the organization	▸ Company Profile
102-8	Information on employees and other workers	▸ Labor Practices > HR Data
102-9	Supply chain	▸ Supply Chain Management
102-10	Significant changes to the organization and its supply chain	Not applicable
102-11	Precautionary Principle or approach	▸ Risk Management
102-12	External initiatives	▸ CSR from the Meiden Group Perspective > External Support Initiatives
102-13	Membership of associations	▸ CSR from the Meiden Group Perspective > Group Membership Credentials
Strategy		
102-14	Statement from senior decision-maker	▸ The President's Commitment
102-15	Key impacts, risks, and opportunities	▸ The President's Commitment

		▸ Medium-term Management Plan
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	▸ Corporate Philosophy
102-17	Mechanisms for advice and concerns about ethics	▸ Compliance
Governance		
102-18	Governance structure	▸ Corporate Governance
102-19	Delegating authority	▸ Corporate Governance
102-20	Executive-level responsibility for economic, environmental, and social topics	<ul style="list-style-type: none"> ▸ CSR from the Meiden Group Perspective ▸ Environmental Management ▸ Product Responsibility ▸ Occupational Safety and Health ▸ Risk Management
102-21	Consulting stakeholders on economic, environmental, and social topics	—
102-22	Composition of the highest governance body and its committees	▸ Corporate Governance
102-23	Chair of the highest governance body	▸ Board of Directors & Executive Officers
102-24	Nominating and selecting the highest governance body	—
102-25	Conflicts of interest	—
102-26	Role of highest governance body in setting purpose, values, and strategy	<ul style="list-style-type: none"> ▸ Environmental Management ▸ Climate Change ▸ Corporate Governance
102-	Collective knowledge of highest	▸ The Approach to SDGs

27	governance body	▸ Corporate Governance
102-28	Evaluating the highest governance body's performance	▸ Environmental Management ▸ Climate Change ▸ Corporate Governance
102-29	Identifying and managing economic, environmental, and social impacts	▸ The Approach to SDGs ▸ Environmental Management ▸ Climate Change ▸ Risk Management
102-30	Effectiveness of risk management processes	▸ Risk Management
102-31	Review of economic, environmental, and social topics	—
102-32	Highest governance body's role in sustainability reporting	—
102-33	Communicating critical concerns	▸ Compliance
102-34	Nature and total number of critical concerns	—
102-35	Remuneration policies	▸ Corporate Governance
102-36	Process for determining remuneration	▸ Corporate Governance
102-37	Stakeholders' involvement in remuneration	—
102-38	Annual total compensation ratio	—
102-39	Percentage increase in annual total compensation ratio	—
Stakeholder engagement		
102-40	List of stakeholder groups	▸ CSR from the Meiden Group Perspective > Relationships

		with Stakeholders ▸ Environmental Communication
102-41	Collective bargaining agreements	▸ Labor Practices
102-42	Identifying and selecting stakeholders	▸ CSR from the Meiden Group Perspective > Relationships with Stakeholders
102-43	Approach to stakeholder engagement	▸ CSR from the Meiden Group Perspective > Relationships with Stakeholders ▸ Corporate Governance > Dialogues with Shareholders and Investors
102-44	Key topics and concerns raised	▸ CSR from the Meiden Group Perspective > Relationships with Stakeholders
Reporting practice		
102-45	Entities included in the consolidated financial statements	—
102-46	Defining report content and topic Boundaries	▸ Editorial Policy
102-47	List of material topics	▸ CSR from the Meiden Group Perspective > President's CSR Policy Statement
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	Not applicable
102-50	Reporting period	▸ Editorial Policy
102-51	Date of most recent report	▸ Editorial Policy
102-52	Reporting cycle	▸ Editorial Policy
102-	Contact point for questions regarding the	▸ Editorial Policy

53	report	
102-54	Claims of reporting in accordance with the GRI Standards	<ul style="list-style-type: none"> ▸ Editorial Policy <p>* Although based on the reporting principle, this reporting is not prepared following the core option of the GRI Sustainability Reporting Standards.</p>
102-55	GRI content index	<ul style="list-style-type: none"> ▸ GRI Standards Content Index
102-56	External assurance	<ul style="list-style-type: none"> ▸ Third-Party Verification

Topic-specific Disclosures 2016

Disclosure Title		References
Material Topics		
200 series (Economic topics)		
Economic Performance		
103-1	Explanation of the material topic and its Boundary	–
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ Environmental Management
103-3	Evaluation of the management approach	–
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> ▸ Company Profile
201-2	Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none"> ▸ Environmental Management
201-3	Defined benefit plan obligations and other retirement plans	–
201-4	Financial assistance received from government	Not applicable
Market Presence		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> ▸ Community

103-2	The management approach and its components	▸ Community
103-3	Evaluation of the management approach	–
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	–
202-2	Proportion of senior management hired from the local community	–
Indirect Economic Impacts		
103-1	Explanation of the material topic and its Boundary	▸ Community
103-2	The management approach and its components	▸ Community
103-3	Evaluation of the management approach	–
203-1	Infrastructure investments and services supported	▸ Community
203-2	Significant indirect economic impacts	▸ Community
Procurement Practices		
103-1	Explanation of the material topic and its Boundary	▸ Supply Chain Management
103-2	The management approach and its components	▸ Supply Chain Management ▸ Compliance
103-3	Evaluation of the management approach	▸ Promotion of Strategic Environmental Management
204-1	Proportion of spending on local suppliers	–
Anti-corruption		
103-1	Explanation of the material topic and its Boundary	–
103-2	The management approach and its components	▸ Corporate Code of Conduct ▸ Compliance
103-3	Evaluation of the management approach	–
205-1	Operations assessed for risks related to	–

	corruption	
205-2	Communication and training about anti-corruption policies and procedures	▸ Compliance
205-3	Confirmed incidents of corruption and actions taken	Not applicable
Anti-competitive Behavior		
103-1	Explanation of the material topic and its Boundary	–
103-2	The management approach and its components	▸ Corporate Code of Conduct ▸ Compliance
103-3	Evaluation of the management approach	–
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not applicable
300 series (Environmental topics)		
Materials		
103-1	Explanation of the material topic and its Boundary	–
103-2	The management approach and its components	–
103-3	Evaluation of the management approach	–
301-1	Materials used by weight or volume	–
301-2	Recycled input materials used	–
301-3	Reclaimed products and their packaging materials	–
Energy		
103-1	Explanation of the material topic and its Boundary	▸ Promotion of Strategic Environmental Management ▸ Climate Change
103-2	The management approach and its components	▸ Promotion of Strategic Environmental Management

		<ul style="list-style-type: none"> ▸ Environmental Management ▸ Climate Change
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> ▸ Promotion of Strategic Environmental Management
302-1	Energy consumption within the organization	<ul style="list-style-type: none"> ▸ Climate Change ▸ Overview of Environmental Impacts by Our Business Activities ▸ Environmental Impact Data (Fiscal 2018) from the Four Main Manufacturing Sites (Domestic Manufacturing Sites)
302-2	Energy consumption outside of the organization	—
302-3	Energy intensity	<ul style="list-style-type: none"> ▸ Climate Change
302-4	Reduction of energy consumption	<ul style="list-style-type: none"> ▸ Climate Change
302-5	Reductions in energy requirements of products and services	<ul style="list-style-type: none"> ▸ Product Initiatives (Examples of Meiden Green Product registered in fiscal 2019)
Water		
103-1	Explanation of the material topic and its Boundary	—
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ Promotion of Strategic Environmental Management ▸ Environmental Management
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> ▸ Promotion of Strategic Environmental Management ▸ Water Resources
303-1	Water withdrawal by source	<ul style="list-style-type: none"> ▸ Water Resources ▸ Overview of Environmental Impacts by Our Business Activities

		<ul style="list-style-type: none"> ▸ Environmental Impact Data (Fiscal 2018) from the Four Main Manufacturing Sites (Domestic Manufacturing Sites)
303-2	Water sources significantly affected by withdrawal of water	–
303-3	Water recycled and reused	–
Biodiversity		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> ▸ Promotion of Strategic Environmental Management ▸ Biodiversity
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ Promotion of Strategic Environmental Management ▸ Environmental Management ▸ Biodiversity
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> ▸ Promotion of Strategic Environmental Management
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<ul style="list-style-type: none"> ▸ Biodiversity
304-2	Significant impacts of activities, products, and services on biodiversity	<ul style="list-style-type: none"> ▸ Biodiversity
304-3	Habitats protected or restored	<ul style="list-style-type: none"> ▸ Biodiversity
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<ul style="list-style-type: none"> ▸ Biodiversity
Emissions		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> ▸ Promotion of Strategic Environmental Management ▸ Climate Change
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ Promotion of Strategic Environmental Management

		<ul style="list-style-type: none"> ▸ Environmental Management ▸ Climate Change
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> ▸ Promotion of Strategic Environmental Management
305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> ▸ Climate Change ▸ Overview of Environmental Impacts by Our Business Activities ▸ Environmental Impact Data (Fiscal 2019) from the Four Main Manufacturing Sites (Domestic Manufacturing Sites)
305-2	Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> ▸ Climate Change ▸ Overview of Environmental Impacts by Our Business Activities ▸ Environmental Impact Data (Fiscal 2019) from the Four Main Manufacturing Sites (Domestic Manufacturing Sites)
305-3	Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> ▸ Climate Change
305-4	GHG emissions intensity	<ul style="list-style-type: none"> ▸ Climate Change
305-5	Reduction of GHG emissions	<ul style="list-style-type: none"> ▸ Climate Change
305-6	Emissions of ozone-depleting substances (ODS)	<ul style="list-style-type: none"> ▸ Climate Change
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	<ul style="list-style-type: none"> ▸ Prevention of Pollution and Effective Utilization of Resources ▸ Overview of Environmental Impacts by Our Business Activities ▸ Environmental Impact Data (Fiscal 2019) from the Four

		Main Manufacturing Sites (Domestic Manufacturing Sites)
Effluents and Waste		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> ▸ Promotion of Strategic Environmental Management ▸ Biodiversity
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ Promotion of Strategic Environmental Management ▸ Environmental Management ▸ Prevention of Pollution and Effective Utilization of Resources
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> ▸ Promotion of Strategic Environmental Management
306-1	Water discharge by quality and destination	<ul style="list-style-type: none"> ▸ Water Resources ▸ Overview of Environmental Impacts by Our Business Activities ▸ Environmental Impact Data (Fiscal 2019) from the Four Main Manufacturing Sites (Domestic Manufacturing Sites)
306-2	Waste by type and disposal method	<ul style="list-style-type: none"> ▸ Prevention of Pollution and Effective Utilization of Resources ▸ Overview of Environmental Impacts by Our Business Activities ▸ Environmental Impact Data (Fiscal 2019) from the Four Main Manufacturing Sites (Domestic Manufacturing Sites)
306-3	Significant spills	Not applicable
306-4	Transport of hazardous waste	<ul style="list-style-type: none"> ▸ Prevention of Pollution and

		Effective Utilization of Resources
306-5	Water bodies affected by water discharges and/or runoff	▸ Water Resources
Environmental Compliance		
103-1	Explanation of the material topic and its Boundary	▸ Promotion of Strategic Environmental Management
103-2	The management approach and its components	▸ Promotion of Strategic Environmental Management ▸ Environmental Management
103-3	Evaluation of the management approach	▸ Environmental Management
307-1	Non-compliance with environmental laws and regulations	Not applicable
Supplier Environmental Assessment		
103-1	Explanation of the material topic and its Boundary	▸ Supply Chain Management
103-2	The management approach and its components	▸ Supply Chain Management
103-3	Evaluation of the management approach	–
308-1	New suppliers that were screened using environmental criteria	▸ Supply Chain Management
308-2	Negative environmental impacts in the supply chain and actions taken	▸ Climate Change ▸ Supply Chain Management
400 series (Social topics)		
Employment		
103-1	Explanation of the material topic and its Boundary	▸ Labor Practices
103-2	The management approach and its components	▸ Labor Practices
103-3	Evaluation of the management approach	▸ Labor Practices
401-1	New employee hires and employee turnover	▸ Labor Practices

401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	▸ Labor Practices
401-3	Parental leave	▸ Labor Practices
Labor/Management Relations		
103-1	Explanation of the material topic and its Boundary	–
103-2	The management approach and its components	▸ Labor Practices
103-3	Evaluation of the management approach	–
402-1	Minimum notice periods regarding operational changes	–
Occupational Health and Safety		
103-1	Explanation of the material topic and its Boundary	▸ Labor Practices ▸ Occupational Safety and Health and Health Management
103-2	The management approach and its components	▸ Occupational Safety and Health and Health Management
103-3	Evaluation of the management approach	▸ Occupational Safety and Health and Health Management
403-1	Workers representation in formal joint management-worker health and safety committees	▸ Occupational Safety and Health and Health Management
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	▸ Occupational Safety and Health and Health Management
403-3	Workers with high incidence or high risk of diseases related to their occupation	▸ Occupational Safety and Health and Health Management
403-4	Health and safety topics covered in formal agreements with trade unions	▸ Occupational Safety and Health and Health Management
Training and Education		
103-1	Explanation of the material topic and its Boundary	▸ Labor Practices
		▸

103-2	The management approach and its components	HR Development
103-3	Evaluation of the management approach	–
404-1	Average hours of training per year per employee	▸ Labor Practices > HR Data
404-2	Programs for upgrading employee skills and transition assistance programs	▸ Labor Practices ▸ HR Development
404-3	Percentage of employees receiving regular performance and career development reviews	▸ Labor Practices > HR Data
Diversity and Equal Opportunity		
103-1	Explanation of the material topic and its Boundary	▸ Labor Practices
103-2	The management approach and its components	▸ Labor Practices
103-3	Evaluation of the management approach	▸ Labor Practices
405-1	Diversity of governance bodies and employees	▸ Labor Practices
405-2	Ratio of basic salary and remuneration of women to men	▸ Labor Practices > HR Data
Non-discrimination		
103-1	Explanation of the material topic and its Boundary	–
103-2	The management approach and its components	▸ Human Rights
103-3	Evaluation of the management approach	–
406-1	Incidents of discrimination and corrective actions taken	–
Freedom of Association and Collective Bargaining		
103-1	Explanation of the material topic and its Boundary	–
103-2	The management approach and its components	▸ Human Rights

103-3	Evaluation of the management approach	–
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	–
Child Labor		
103-1	Explanation of the material topic and its Boundary	–
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ Supply Chain Management ▸ Human Rights
103-3	Evaluation of the management approach	–
408-1	Operations and suppliers at significant risk for incidents of child labor	–
Forced or Compulsory Labor		
103-1	Explanation of the material topic and its Boundary	–
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ Supply Chain Management ▸ Human Rights
103-3	Evaluation of the management approach	–
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	–
Security Practices		
103-1	Explanation of the material topic and its Boundary	–
103-2	The management approach and its components	–
103-3	Evaluation of the management approach	–
410-1	Security personnel trained in human rights policies or procedures	–
Rights of Indigenous Peoples		
103-1	Explanation of the material topic and its Boundary	–

103-2	The management approach and its components	–
103-3	Evaluation of the management approach	–
411-1	Incidents of violations involving rights of indigenous peoples	Not applicable
Human Rights Assessment		
103-1	Explanation of the material topic and its Boundary	–
103-2	The management approach and its components	▸ Human Rights
103-3	Evaluation of the management approach	–
412-1	Operations that have been subject to human rights reviews or impact assessments	–
412-2	Employee training on human rights policies or procedures	▸ Human Rights
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	–
Local Communities		
103-1	Explanation of the material topic and its Boundary	▸ Community
103-2	The management approach and its components	▸ Community
103-3	Evaluation of the management approach	–
413-1	Operations with local community engagement, impact assessments, and development programs	▸ Biodiversity ▸ Community
413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable
Supplier Social Assessment		
103-1	Explanation of the material topic and its Boundary	▸ Supply Chain Management

103-2	The management approach and its components	▸ Supply Chain Management
103-3	Evaluation of the management approach	–
414-1	New suppliers that were screened using social criteria	▸ Supply Chain Management
414-2	Negative social impacts in the supply chain and actions taken	▸ Supply Chain Management
Public Policy		
103-1	Explanation of the material topic and its Boundary	–
103-2	The management approach and its components	–
103-3	Evaluation of the management approach	–
415-1	Political contributions	–
Customer Health and Safety		
103-1	Explanation of the material topic and its Boundary	▸ Product Responsibility
103-2	The management approach and its components	▸ Product Responsibility
103-3	Evaluation of the management approach	▸ Product Responsibility
416-1	Assessment of the health and safety impacts of product and service categories	–
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not applicable
Marketing and Labeling		
103-1	Explanation of the material topic and its Boundary	–
103-2	The management approach and its components	–
103-3	Evaluation of the management approach	–
417-1	Requirements for product and service information and labeling	–

417-2	Incidents of non-compliance concerning product and service information and labeling	–
417-3	Incidents of non-compliance concerning marketing communications	Not applicable
Customer Privacy		
103-1	Explanation of the material topic and its Boundary	–
103-2	The management approach and its components	–
103-3	Evaluation of the management approach	–
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not applicable
Socioeconomic Compliance		
103-1	Explanation of the material topic and its Boundary	–
103-2	The management approach and its components	–
103-3	Evaluation of the management approach	–
419-1	Non-compliance with laws and regulations in the social and economic area	Not applicable