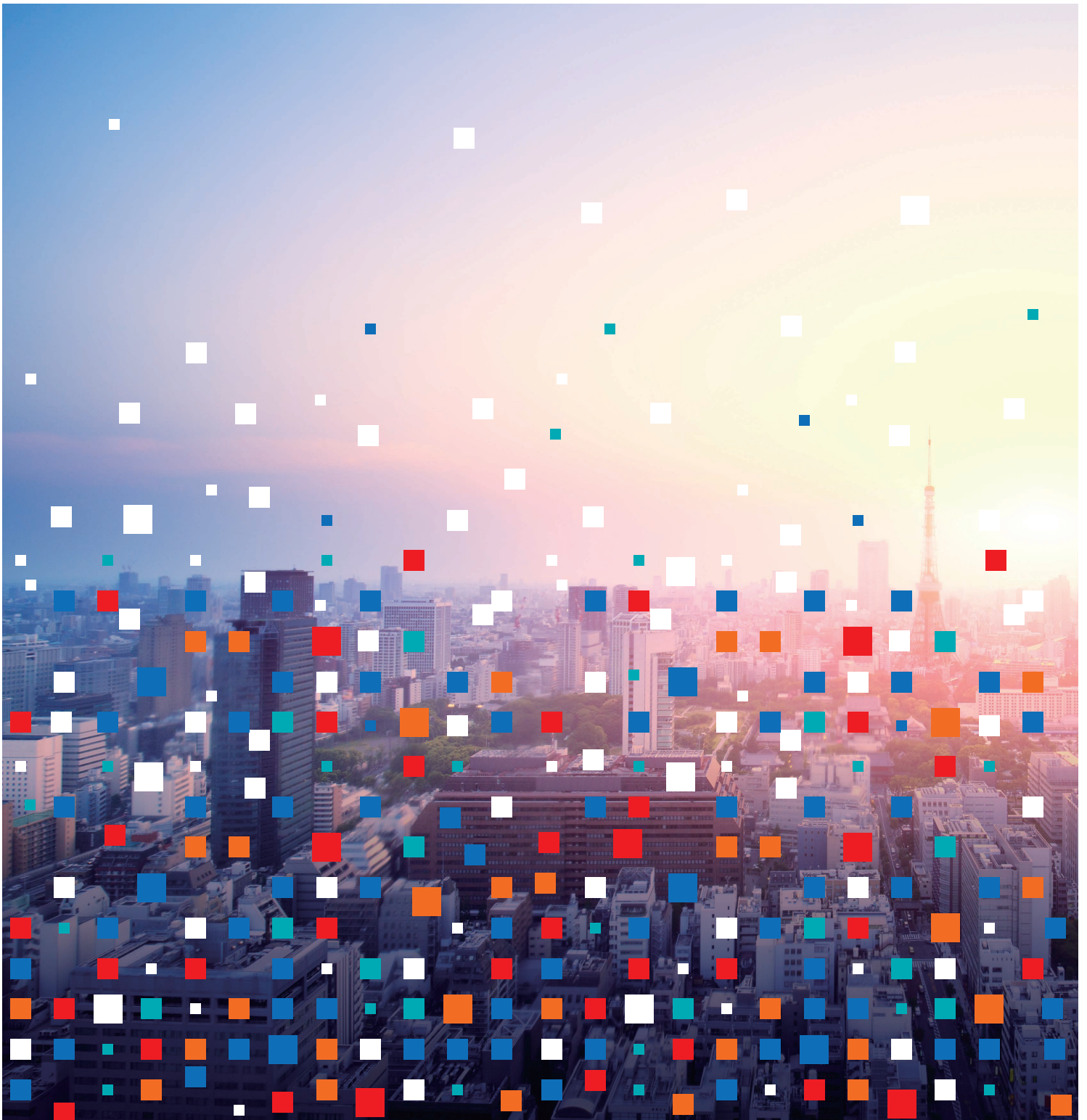


2021

Meiden Group Sustainability



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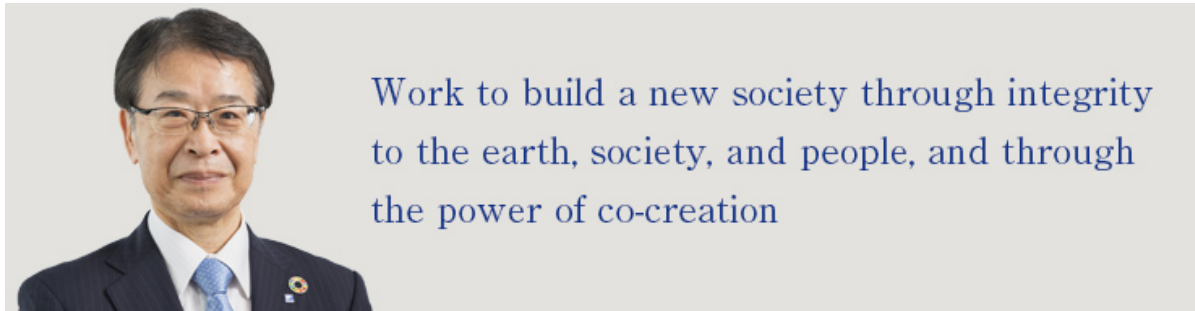
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Sustainability

The President's Commitment



We have been caught up in the great upheaval engulfing the world, which has been exacerbated by the COVID-19 pandemic. As with global environmental problems, there is an increasing number of medium to long-term issues that must be dealt with without delay. With that in mind, since last year, we have conducted various internal discussions concerning how we should develop our businesses as the Meiden Group.

Firstly, we aim to realize a world where people live in harmony with nature and can pursue their own happiness. Against that backdrop, we described our ideal society using the following three points.

- A Resilient Society Where Humans Live in Harmony with Nature
- A Society that Feels Safe, Prosperous, and Exciting
- A Society Where Different Communities and People Can Coexist

In order to realize this ideal society, the Meiden Group held multiple discussions about creating long-term value, to establish “work to build a new society through integrity to the earth, society, and people, and through the power of co-creation” as our 2030 Ideal State of Being/Vision, with an eye to the worldview of 2050.

It is essential for us to undergo a number of changes in order to achieve our Ideal State of Being/Vision. We are now facing the issue that society is undergoing structural changes and we must respond to social issues as they become apparent. It is extremely important to be proactive and work together with like-minded compatriots. Therefore, I believe we should remember the DNA of social contribution and spirit of innovation that Hosui Shigemune had when he founded Meidensha, as well as the honesty and responsibility to customers that has supported social infrastructure for more than 120 years since then, and take on the challenge of creating a new society by expanding and strengthening our position, in order to be an attractive company and organization.

In order to achieve our Ideal State of Being/Vision, we have articulated our specific form and role as a “sustainability partner” for the achievement of people’s happiness and a sustainable global environment.

This label of “sustainability partner” has two meanings. The first is a partner as a member of society to achieve a sustainable global environment, while the other is our role as a partner to support various stakeholders such as employees, shareholders, investors, and customers, to achieve sustainability.

We will contribute to the solution of our customers' issues, support the realization of a sustainable society, and fulfil our responsibility as a company that is a member of a sustainable society. This is what we define as the role of a "sustainability partner."

I am proud that each and every Meiden Group employee sincerely tackles the issues of our customers and works with the pride that they are supporting social infrastructure and benefiting society.

In order to realize an affluent and comfortable future society, I sincerely hope that the Meiden Group continues to support public infrastructure in 100 or 200 years from now and daringly accepts the challenge of creating new value, while continuing the social contribution and sincere attitude that are our corporate DNA.

Representative Director and President
Takeshi Miida

三井田 健

Sustainability

The Meiden Group's ESG Management

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.

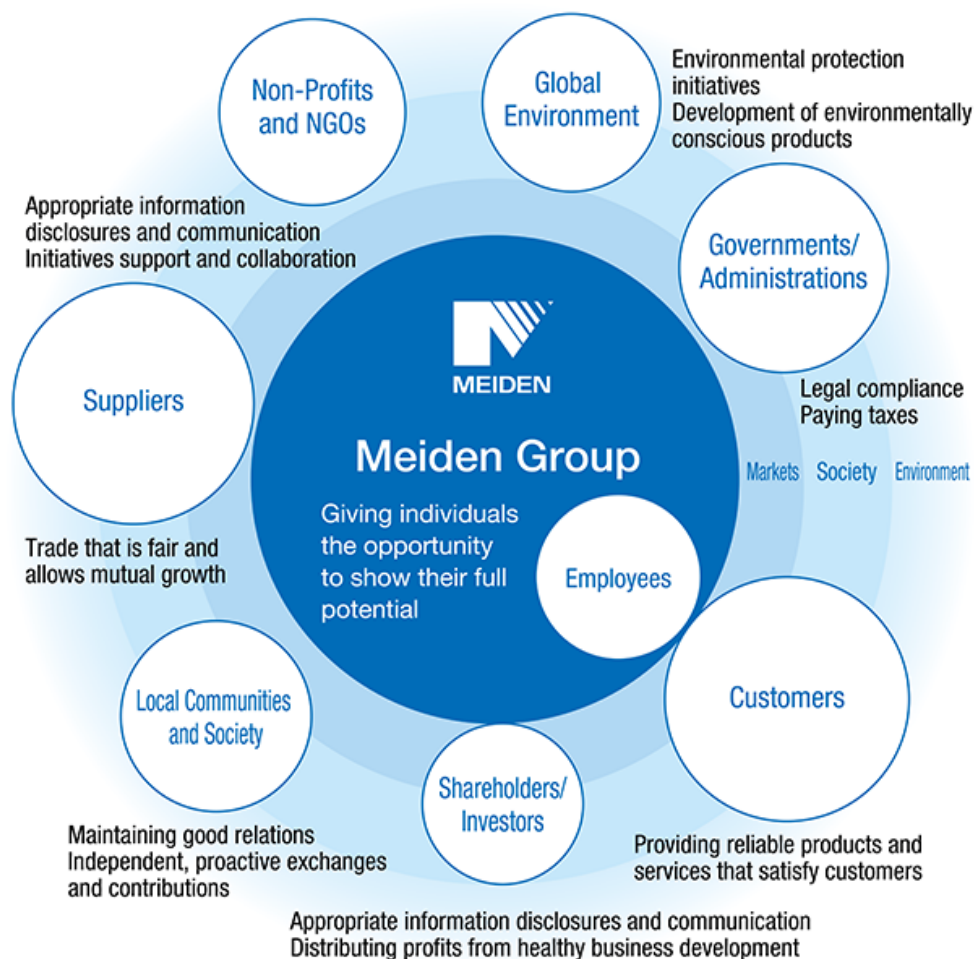
Relationships with Stakeholders

"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.

We aim to propose new solutions that contribute to the resolution of social issues by inputting the needs of society gleaned through communication with stakeholders.



Development of the ESG Vision

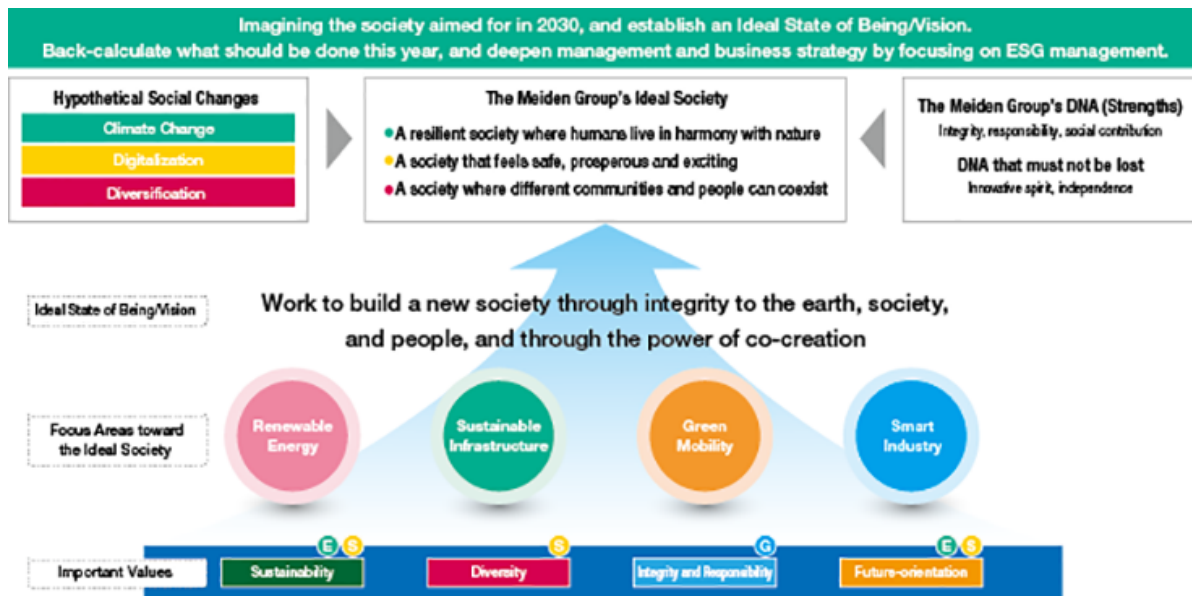
Currently, the social environment, in which the Meiden Group operates, continues to undergo drastic changes, such as the impact of accelerating climate change since the industrial revolution, digitalization through technological innovation, and diversification of values and lifestyles of people.

In the midst of such social upheaval, we have depicted the Meiden Group's ideal society of 2030 by combining Meidensha's DNA of "integrity," "responsibility," and "social contribution," which are our strengths, with the DNA that we must not lose of "innovative spirit" and "independence." This ideal society is "a resilient society where humans live in harmony with nature," "a society that feels safe, prosperous, and exciting," and "a society where different communities and people can coexist." With such a mindset, the Meiden Group has set its vision of an ideal state of being, which is to "work to build a new society through integrity to the earth, society, and people, and through the power of co-creation."

In order to contribute to the creation of a new society through business activities we will focus on the four areas of "renewable energy," "sustainable infrastructure," "green mobility," and "smart industry," based on the infrastructure-related technology and knowhow that we have developed over many years, and the trust and results of our customers. In order to achieve this society, the values that must be held by everyone who works in the Meiden Group are "sustainability," "diversity," "integrity and responsibility," and "future-orientation." We will apply

these four values to our day-to-day activities, and under Medium-term Management Plan 2024, which commenced in FY2021, the Meiden Group aims to take a great jump and achieve sustainable corporate growth, by promoting management focused on ESG and sustainability.

The Meiden Group’s ESG Management



Sustainability Partner

We defined the term “Sustainability Partner” to specifically articulate the Meiden Group’s ideal form.

A “Sustainability Partner” fulfils dual roles to realize the Meiden Group’s goals of achieving people’s happiness and a sustainable global environment.

The first is a partner as a member of society to achieve a sustainable global environment. The other indicates our role as a partner to accompany various stakeholders such as employees, shareholders, investors, and customers, to achieve sustainability.

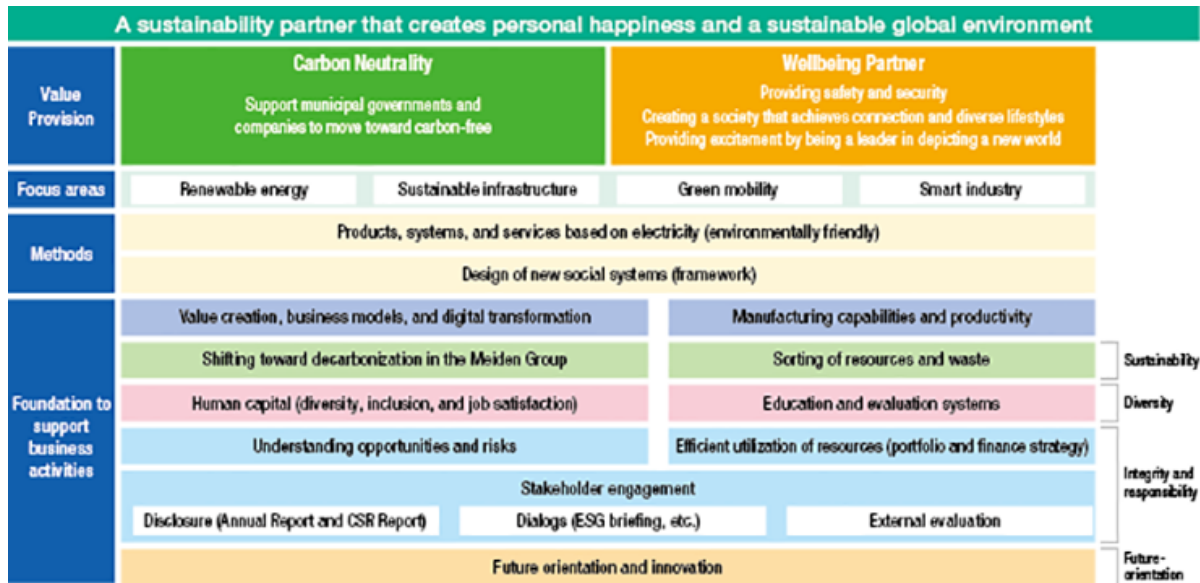
Our main contributions include contributing to carbon neutrality, which enables environmentally considerate lifestyles of people and industry and another is wellbeing, the idea that focuses on building a society based on people’s happiness.

Firstly, contributing to “carbon neutrality” requires supporting a carbon-free society based on environmentally considerate products, as well as, making the Meiden Group shift toward becoming carbon-free.

Secondly, wellbeing requires the provision of infrastructure and services for safe and secure lifestyles, the creation of a society with a feeling of connection and diversity, and the provision of excitement to society by the Meiden Group taking the lead in depicting a new world.

The role of a “Sustainability Partner” combines these two aspects, and fulfilling this role through our business activities will lead to the realization of our ideal society.

Meiden Group ESG Management Chart



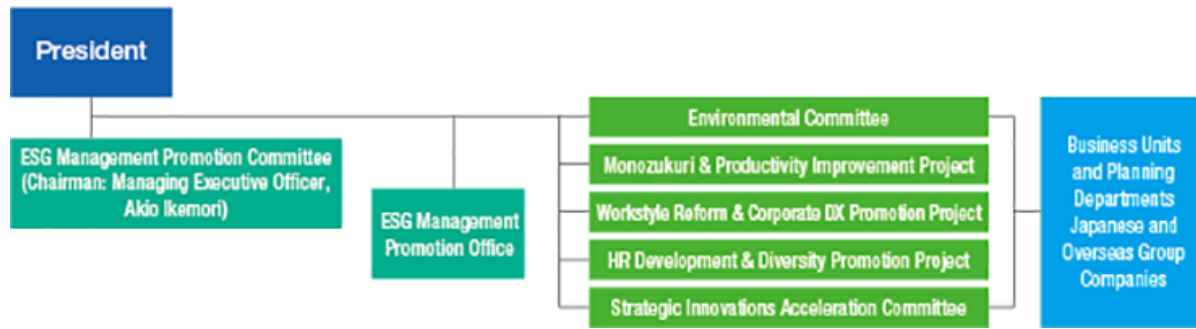
ESG Management Promotion System

Under Medium-term Management Plan 2024, which launched in April 2021, we established the ESG Management Promotion Committee, led by the President, and the ESG Management Promotion Office, which is mainly responsible for implementation, as a promotion framework that focuses on ESG management. Currently we are performing identification and analysis of issues, specific action plans, and KPIs, etc., and we plan to finalize and announce this in FY2021.

The ESG Management Promotion Committee arranges organization-wide projects and committee activities such as the Environmental Committee, the Monozukuri & Productivity Improvement Project, the Workstyle Reform & Corporate DX Promotion Project, the HR Development & Diversity Promotion Project, the Strategic Innovations Acceleration Committee, and the Governance and Engagement Team, and at monthly meetings of the ESG Management Promotion Committee, we identify current issues and discuss and consider responses and establishing medium to long-term KPIs, etc.

The ESG Management Promotion Office, which is the office of the ESG Management Promotion Committee, comprises staff of divisions such as Corporate Policy Planning, HR, Legal Affairs, Financing, PR, Overseas Business Strategic Management, Procurement, and Production Engineering and Management, and measures that are considered and determined by the ESG Management Promotion Committee are rolled out on a company-wide basis. At each division, the Planning & Administration Department, and subsidiaries, the Meiden Group's unique reform and improvement activities based on the ESG Management Policy, known as the Meiden Advantage Program (MAP), are incorporated as action plans, and activities are promoted through regular follow up of promotion and results, and through the PDCA cycle, while improving awareness of ESG management promotion throughout the Meiden Group.

ESG Promotion Structure



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 ESG Vision 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.

The Meiden Group will continue to pursue manufacturing that contributes to society, achieve sustainable value creation and contribute to the solution of social issues, including those posed by the SDGs.

* 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.

[The Approach to SDGs >](#)

External Support Initiatives

- CDP*1
- Children's Rights and Business Principles*2
- Task Force on Climate-related Financial Disclosures (TCFD)*3
- Japan Climate Initiative*4
- Sustainable Development Goals (SDGs)*5

*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.

*3 An initiative established by the Financial Stability Board to encourage disclosure of information about climate-related risks and opportunities.

*4 A network of diverse non-state actors such as corporations, municipal governments, groups, and NGOs, that actively work to combat climate change.

*5 The SDGs were adopted at the UN summit in 2015. They are worldwide goals that identify issues to be tackled by international society during the 15 years from 2016 to 2030.

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.

* 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.

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

Education for Application of SDGs in Business Strategy and Activities

In FY2018, we invited outside instructors to give seminars about SDGs (Sustainable Development Goals) for management. In FY2019, 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.

In addition, at selective training that commenced in FY2019 for the purpose of developing young employees into the next generation of managers, we consider social issues such as SDGs, establish programs to create business strategies, and approach contribution to the solution of social issues and share ideas to incorporate SDGs in management and individual duties, through business strategies that are not swayed by past business.





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.







Goal	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 · We contribute to limiting the spread of infectious diseases through research and development of a real-time sewer monitoring system to realize a society that is resilient to infectious diseases using manhole antennas
	★★	<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 power receiving and substation facility 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, power transmission, conversion, and distribution and by providing energy solution services such as smart grids

		<ul style="list-style-type: none"> · 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 supply of renewable energy and stable operation through the sale of wind power and the support of wind power O&M · We contribute to the electrification of automobiles by manufacturing and selling motors and inverters for electric forklifts, PHEVs, and EVs · 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) · We contribute to the reduction of water treatment facility maintenance costs, energy-saving measures, and carbon reduction by participating in demonstration experiments for smart operation of water treatment equipment using ICT and AI
	<p>★★★</p>	<ul style="list-style-type: none"> · We practice work style reform and make work more efficient by implementing RPA*1 · 東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).

		<ul style="list-style-type: none"> · 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
	★★★	<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 · 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 contribute to reduced waste and resource usage by recycling used epoxy resin molded components at MEIDEN CHEMICAL CO., LTD. using the room temperature dissolution method
	★★★	<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 manhole antennas) · We promote the spread of renewable energy through the wind power business of M WINDS Co., Ltd. (power generation, power sales, and maintenance) · We contribute to the reduction of greenhouse gas emissions through the development and sale of SF6 gas-free vacuum circuit breakers · We contribute to the reduction of greenhouse gas emissions through the development of gas-insulated switchgear (GIS) that uses naturally-derived gas
	★★	<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

17 PARTNERSHIPS FOR THE GOALS



★★

- 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)
- In the mobility T&S business, we contribute to the development of next-generation mobility in conjunction with the German company, FEV
- We contribute to the improvement of quality and maximization of added value throughout product lifecycles, through the addition of motor analysis and remote monitoring technology to our motor business in conjunction with Polish company, Elmodis SP. Z o. o.

*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

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Environment

Promotion of Strategic ESG Management

Policy

The Meiden Group ensures 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, and promotes ESG management to achieve sustainable growth of society and increased corporate value.

Basic Environmental Philosophy

The Meiden Group aims to engage in ESG management and achieve corporate growth based on the corporate philosophies of “Illuminating a more affluent tomorrow” and “For customer peace of mind and satisfaction” by tackling the issues of adapting to and mitigating climate change, recycling resources, and preserving biodiversity, in order to realize a sustainable society.

Environmental Policies

1. We promote the development of new products and innovative technologies that contribute to the global 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 ESG management system, we strive to maintain and improve it through the PDCA (Plan-Do-Check-Act) Cycle and we aim to improve our environmental performance.
5. We strive to improve all our employees' understanding of ESG management and invigorate environmental contribution activities through environmental education.

6th Edition, April 1, 2021
President of Meidensha Corporation

Environmental Vision

The Meiden Group will “contribute to the creation of a sustainable society” through its businesses in the energy which support social infrastructure and water treatment, as well as its products, technologies, and services, which it has developed up to this point, while minimizing the environmental impact of its business activities.

The Environmental Vision identifies realizing “a carbon-free society,” “a circulating society,” and “a society in harmony with nature” as the missions of a 21st-century company, and lists them as goals. We are working to conduct ESG management with “human resources and communication” at its core.

Outline of the Environmental Vision



Activities to Realize Our Environmental Vision

A. Working Toward the Realization of a Carbon-free Society

<Reducing greenhouse gas emissions>

- Reduce greenhouse gas emissions from business activities
- Contribute to customers' efforts to become carbon-free through our products and services

B. Working Toward the Realization of a Recycling Society

<Promoting the 3Rs>

- Promote re-use of resources and water in business activities
- Contribute to construction of sustainable infrastructure through business

C. Working Toward the Realization of a Society in Harmony with Nature

<Conservation of natural resources>

- Use land in an environmentally considerate manner, minimize impact on ecosystems, and preserve biodiversity
- Prevent contamination by harmful chemicals and ensure water safety

D. HR and Communication

<Professional development and communication>

- Improve environmental literacy to promote research, development, and manufacturing
- Ensure two-way communication and collaboration with stakeholders

Strategy

The Meiden Group's Medium to Long-term Environmental Targets

FY2030 Greenhouse Gas Emissions Reduction Targets (Second Meiden Environmental Vision)

In consideration of stepping toward accelerating becoming a carbon-neutral society by 2050, the Meiden Group has upwardly revised its FY2030 greenhouse gas emission reduction targets, which is an intermediate stage of it. As the Second Meiden Environmental Vision, we aim for a 30% reduction of emissions from business activities (scope 1+2), and a 15% reduction of emissions from product use (scope 3, category 11) by FY2030 compared to FY2019 levels. These targets received SBT certification as they were recognized by the Science Based Targets (SBT) initiative*1 as being consistent with the Paris Agreement*2.

FY2030 greenhouse gas emissions reduction targets	First Meiden Environmental Vision (Released in May 2018)	Second Meiden Environmental Vision (From April 2021)
Emissions from business activities (scope 1+2)	30% reduction (compared to FY2017)	30% reduction (compared to FY2019)
Emissions from product use (scope 3, category 11)	NA	15% reduction (compared to FY2019)



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

*1 SBT Initiative: An international initiative by the United Nations Global Compact (UNGC), the Worldwide Fund for Nature (WWF), the CDP, and the World Resources Institute (WRI).

*2 Paris Agreement: An international framework “to limit average global temperature rise to below 2°C compared to pre-industrial levels and to strive to limit it to 1.5°C,” which was adopted at COP21 in 2015.

[SBT certification \(PDF:132KB\)](#)

To attain these targets, we joined the Ministry of the Environment’s “FY2020 project to support model businesses in compiling a plan to reduce CO₂ emissions toward realizing SBTs.” With that support, Meiden has compiled the FY2021 version of the Meiden Group’s plan to reduce greenhouse gas emissions toward attaining SBTs. This plan outlines initial ideas for an implementation plan and specific reduction measures to implement long-term reduction measures by the target year stated in the Second Meiden Environmental Vision. We will revise and optimize it as appropriate.

Main Measures to Cut Greenhouse Gas Emissions

FY2030 greenhouse gas emissions reduction targets	Reduction measures (extract)
Emissions from business activities (scope 1+2) 30% reduction (compared to FY2019)	<ul style="list-style-type: none"> • Replacing SF₆ gas (replacing with dry air, etc.) • Capital investment (replacing aging equipment, introducing high-efficiency equipment, replacing gas with electricity, etc.) • Renewable energy procurement (non-fossil fuel certificate, power menu, etc.) • Switching company-owned cars to electric vehicles
Emissions from product use (scope 3, category 11) 15% reduction (compared to FY2019)	<ul style="list-style-type: none"> • Eco-friendly product design (eliminating use of SF₆ gas, and downsizing products and making them more efficient) • Revising business portfolio (increasing ratio of low carbon emissions per unit of sales such as EV, maintenance services and small and medium-sized hydropower generation)
Overall	<ul style="list-style-type: none"> • Generating innovation • Introducing internal carbon pricing

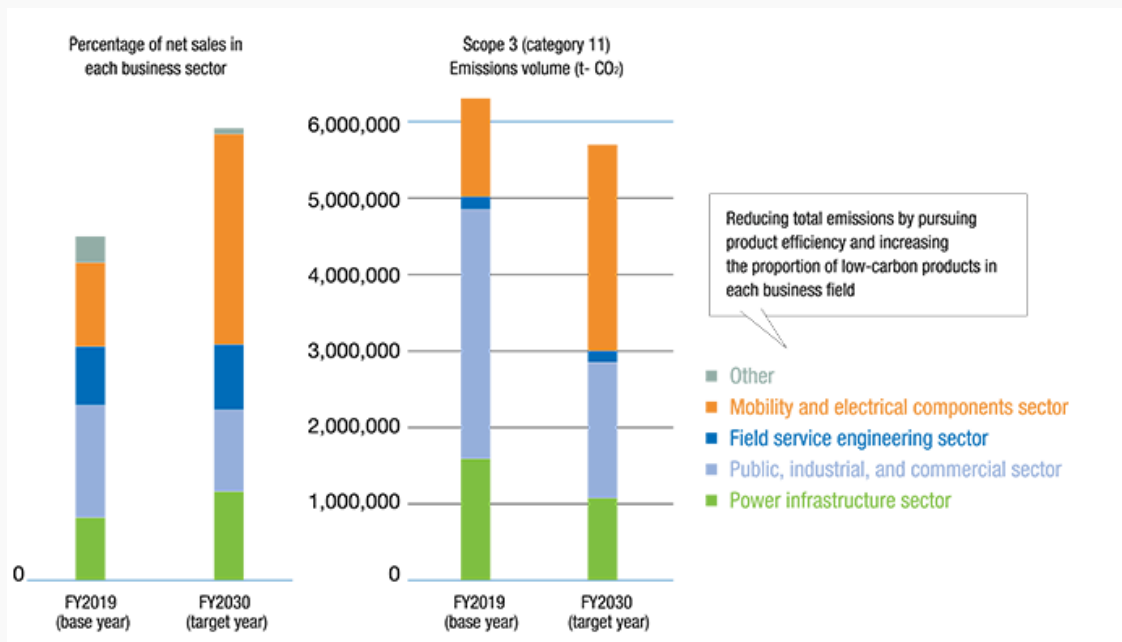
In particular, we will increase the ratio in our overall sales of our low-carbon businesses with low emissions per unit of sale, including EV-related products and maintenance services, for which demand is expected to grow, in order to reduce greenhouse gas emissions after products are used by our customers (scope 3, category 11). By making our business portfolio low carbon through these measures, we will pursue both increased sales and reduced emissions.

*3 FY2020 pilot project to support companies in compiling a plan to reduce CO₂ emissions toward realizing SBTs: A public project by the Ministry of the Environment for the purpose of promoting specific reductions to achieve companies' medium to long-term goals. In FY2020, Tokyu Fudosan Holdings Corporation, Nissin Foods Holdings Co., Ltd., FamilyMart Co., Ltd., Benesse Corporation and MEIDENSHA CORPORATION were selected for the project.

TOPICS

Simulation of Business Portfolio Revision

During the formulation of the Meiden Group's FY2030 greenhouse gas emissions reduction targets, we conducted a simulation of net sales and emissions from a business portfolio revision regarding the product use stage (scope 3, category 11).



Meiden Group Scope 3, Category 11 Reduction Simulation

<Note: The above graph is an estimate from a simulation and does not amount to a commitment to a business plan>

We found that by increasing the ratio of low carbon businesses with low emissions per unit of sales such as EV, maintenance services, and small and medium-sized hydropower generation, and we had a potential to comfortably achieve both increased sales and reduced emissions.

| TOPICS

Introducing Internal Carbon Pricing

Internal carbon pricing is a mechanism that creates an economic incentive to reduce emissions and promotes investment by setting a carbon price in the company and using it to calculate the cost of greenhouse gas emissions.

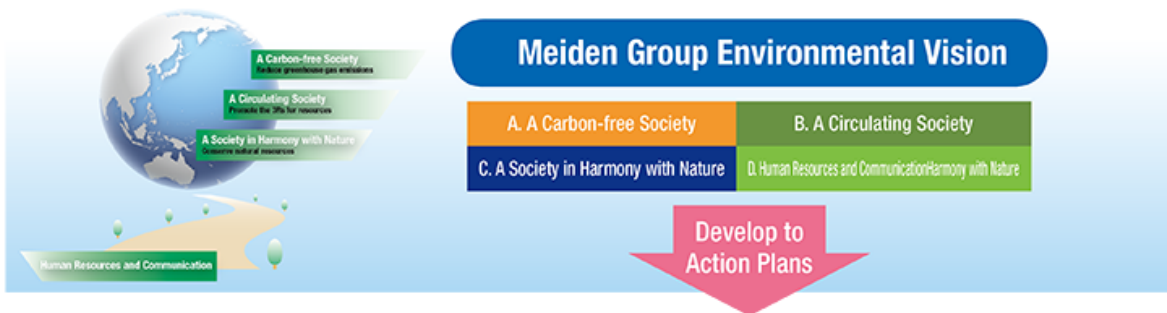
Meidensha introduced an internal carbon pricing system in April 2021. We will convert carbon emissions from capital investment plans to expenses using an internal carbon price through the system. It will be a tool to make investment decisions. For now, we will make ad-hoc reforms starting from the following conditions.

- Internal carbon price: 3,000 yen/t- CO₂ (be amended at any time in the future)
- Subject to application: Capital proposals for FY2021 onwards (for the time being, the system will be used for visualization, and will not incur any actual cost)

Promotion of Ongoing Activities

We have developed an action plan for each Medium-term Management Plan and we are continuously working to conduct reforms in order to realize the environmental vision.

Deployment to Action Plans



Medium-term Management Plan, an Action Plan for FY2021-FY2024

Strategic Targets	Actions	Corresponding Environmental Vision
1. Contribute to environment through products and services	1) Expand businesses that contribute to the environment	A. A Carbon-free Society
	2) Promote environmentally conscious design	A. A Carbon-free Society
		B. A Circulating Society
		C. A Society in Harmony with Nature
3) Manage chemicals in products	C. A Society in Harmony with Nature	
4) Promote the 3Rs of product components	B. A Circulating Society	
2. Reduce the environment impact of business operations	1) Reduce greenhouse gas emissions	A. A Carbon-free Society
	2) Manage chemicals properly	C. A Society in Harmony with Nature
	3) Promote the 3Rs (reduce, reuse, recycle)	B. A Circulating Society
	4) Maintain water resources	B. A Circulating Society
		C. A Society in Harmony with Nature
5) Conserving biodiversity	C. A Society in Harmony with Nature	
3. Promote environmental communication	1) Disclose information, conduct PR	A. A Carbon-free Society
		B. A Circulating Society
		C. A Society in Harmony with Nature
		D. Human Resources and Communication
2) Contribute to sustainable society	A. A Carbon-free Society	
	B. A Circulating Society	
	C. A Society in Harmony with Nature	
	D. Human Resources and Communication	
4. Promote environmental management	1) Strengthen management of Meiden Group companies	D. Human Resources and Communication
	2) Strengthen value chain management	D. Human Resources and Communication
5. Reform environmental awareness	1) Develop environmental management personnel	D. Human Resources and Communication
	2) Strengthen environmental training and awareness-raising activities	D. Human Resources and Communication

FY2020 Environmental Targets and Results

Targets and level of achievement for FY2020, which is the final year of Medium-term Management Plan 2020, are as follows.

In FY2020, we achieved our targets at only one site as we strictly revised recycling standards in our zero emissions targets. Going forward, new measures will be considered depending on the level of achievement of targets, which ties into future planning.

Please refer to the corresponding page for details of each item.

Achievement of FY2020 Environmental Targets

Rating: ☆☆☆ = target achieved, ☆☆ = improvement over previous year, ☆ = work in progress

Strategic Targets	Actions	FY2020 Environmental Targets (Japan)	FY2020 Results	Rating
Contribute to environment through products and services	Promote environmentally conscious design	Contribute a 900,000 t/year reduction in CO ₂ emissions by Environment-Contributing Businesses	989,000 t-CO ₂ /year	☆☆☆
		Reduction in emissions over the lifecycle of new products	Reduction in lifecycle emissions of 20 new products (of 39)	☆☆☆
Reduce the environmental impact of business operations	Reduce greenhouse gas emissions	Total emissions (Scope 1+2): -4 % (compared to FY2017)	-22% (compared to FY2017)	☆☆☆
	Manage chemicals properly	VOC emissions: 80 tons or less	75.1 tons	☆☆☆
	Promote the 3Rs	Total wastes: -3% (compared to FY2017) *3	-7.2% (compared to FY2017)	☆☆☆
		Zero waste emissions*1 at 9 sites*2	Achieved at 1 site	☆
	Conserve water resources	Implementation of water conservation activities and risk countermeasures: 4 main manufacturing sites*3	Construction for water supply and drainage rationalization, and leakage investigation and repair	☆☆☆

Strategic Targets	Actions	FY2020 Environmental Targets (Japan)	FY2020 Results	Rating
	Conserve biodiversity	Conservation of ecosystems: 4 main manufacturing sites*3	Red pine conservation activities, tree-planting activities, education activities	☆☆☆
Promote environmental management	Strengthen value chain management	Green procurement rate (own standards): 90% or greater	89%	☆☆

*1 Meiden Group's definition of zero waste emissions: To achieve a recycling rate of 99.0% or more of the total volume of waste generated. (including industrial waste, general waste, and valuable resources, excluding construction sludge, etc.).

*2 Scope of zero waste 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 Four main manufacturing sites: Numazu Works, Ota Works, Nagoya Works, and KOFU MEIDENSHA ELECTRIC MFG. CO., LTD.

Targets

FY2021 Environmental Targets

At the Meiden Group, we formulated Medium-term Management Plan 2024 to cover the four years from fiscal 2021 and we are working to implement ESG management.

In particular, we have developed greenhouse gas emissions reduction targets for the next four years by back-casting based on the fiscal 2030 greenhouse gas emissions reduction targets in the Second Meiden Environmental Vision.

The environmental targets for FY2021, the first year the project, are as follows. For the target of zero waste emissions, we are changing the standard to a final disposal rate of less than 1.0%.

FY2021 Environmental Targets

Strategic Targets	Actions	FY2021 Environmental Targets (Japan)
Contribute to environment through products and services	Promote environmentally conscious design	Contribute a 950,000 t–CO ₂ /year reduction in CO ₂ emissions by Environment-Contributing Businesses
		Build a foundation for scope 3, category 11 reductions (investigate and calculate for main businesses)
Reduce the environmental impact of business operations	Reduce greenhouse gas emissions	Japan: Total emissions (scope 1+2): –3% (compared to FY2019)
		Overseas: Total emissions (scope 1+2): -1% (compared to FY2019)
	Manage chemicals properly	VOC emissions: 80 tons or less
	Promote the 3Rs	Total waste: –4% (compared to FY2017)*3
		Zero waste emissions*1 at 9 sites*2
	Conserve water resources	Implementation of water conservation activities and risk countermeasures *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’s definition of zero waste emissions: To achieve a non-recycling rate of less than 1.0% of the total volume of waste generated (including industrial waste, general waste, and valuable resources, excluding construction sludge, etc.).

*2 Scope of zero waste 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 Four main manufacturing sites: Numazu Works, Ota Works, Nagoya Works, and KOFU MEIDENSHA ELECTRIC MFG. CO., LTD.

Environment

Environmental Management

Policy

The Meiden Group is promoting environmental management that brings together business strategy and environmental activities.

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

Organization

Environmental Management Promotion Organization

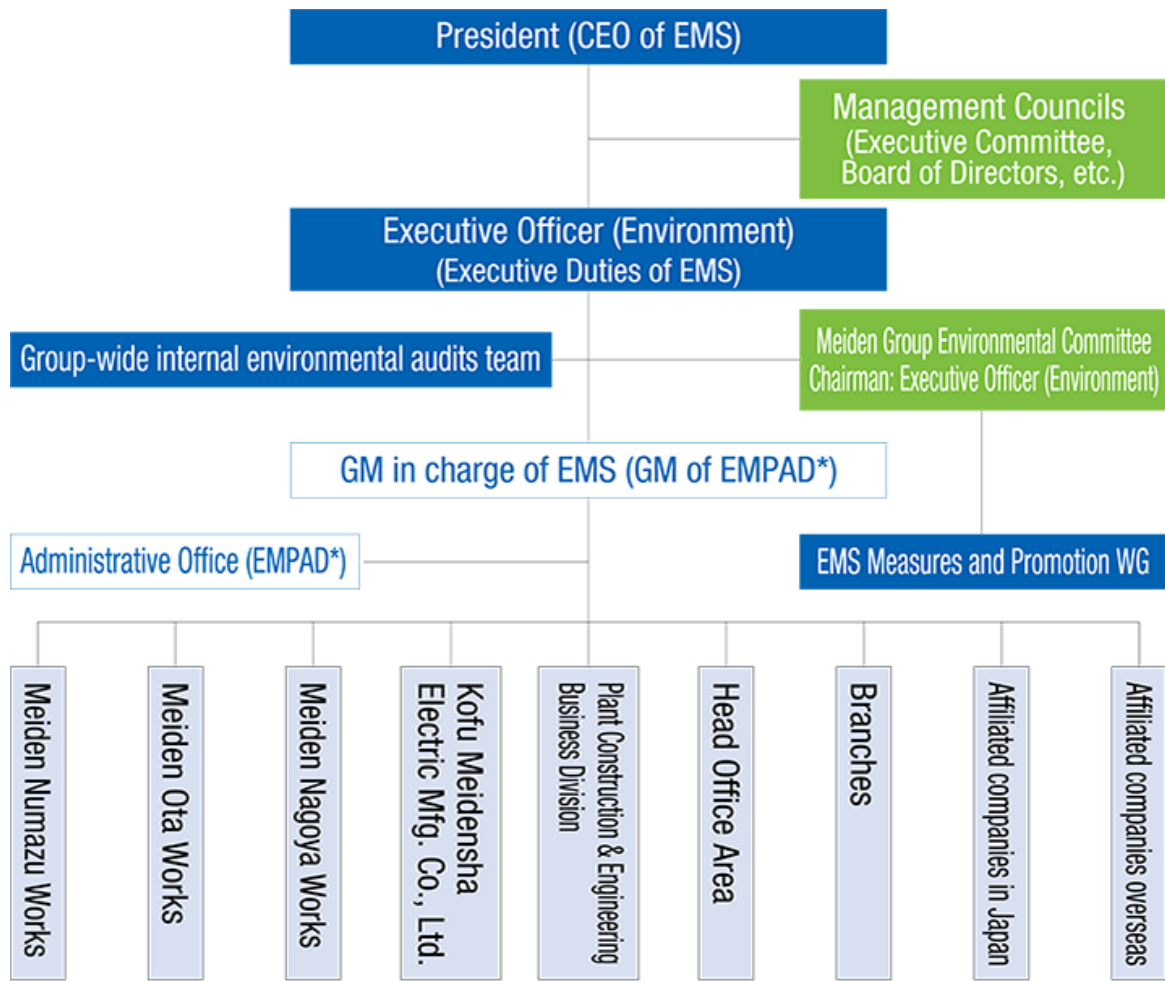
Under the leadership of the President, who is our chief executive officer, the executive officer (environment) oversees the environment management of the Meiden Group overall, while the general manager (GM) in charge of EMS works to maintain and improve the environmental management system (EMS).

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"> • 2050 carbon neutrality declaration • Deregulation of electric power industry, revision of power supply structure • Flow of processes to implement carbon pricing • Energy conservation regulations & standards (business operations, products) • Amendment of Hazardous Chemicals Regulations 	<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 might 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 introduction of renewable energy • Promote the 3Rs, and eliminate harmful chemicals • Maintain water resources, and 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
Technology	<ul style="list-style-type: none"> • Enhanced efficiency of electric power conversion • Promote digital transformation • 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) 			<p>management</p> <ul style="list-style-type: none"> • Strengthen value chain management • 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, 2021)

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 earning certification.

Certification Status in Japan

Company Name	Date of Certification Acquisition
MEIDENSHA CORPORATION*	February 24, 1998
MEIDEN SHOJI CO., LTD.	
KOFU MEIDENSHA ELECTRIC MFG. CO., LTD.*	
MEIDEN SYSTEM MANUFACTURING CORPORATION*	
MEIDEN KIDEN KOGYO CO., LTD.*	
MEIDEN KOHSAN CO., LTD.	
MEIDEN SYSTEM SOLUTIONS CORPORATION	
MEIDEN PLANT SYSTEMS CORPORATION*	
M WINDS CO., LTD.	
MEIDEN UNIVERSAL SERVICE LTD.	
MEIDEN AQUA BUSINESS COMPANY	
MEIDEN TECHNO SYSTEMS CO., LTD.*	
MEIDEN MASTER PARTNERS CORPORATION	
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

* Companies with manufacturing plants

Certification Status Overseas

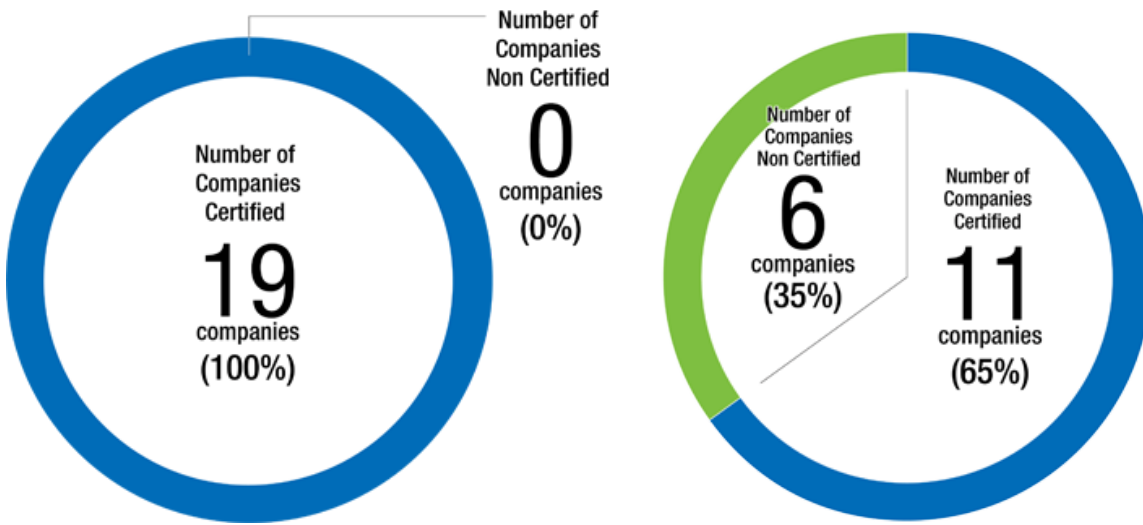
Company Name	Area	Date of Certification Acquisition
MEIDEN ZHENGZHOU ELECTRIC CO., LTD.*	Zhengzhou, China	October 9, 2013
MEIDEN HANGZHOU DRIVE SYSTEMS CO., LTD.*	Hangzhou, China	April 7, 2008
SHANGHAI MEIDENSHA CHANGCHENG SWITCHGEAR CO., LTD.*	Shanghai, China	SHANGHAI MEIDENSHA CHANGCHENG SWITCHGEAR 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 LTD. ※	India	January 26, 2015

* Company with manufacturing plants

Percentage of Companies Certified in Japan/Overseas

Number of certified companies in Japan

Number of certified companies overseas



Initiatives

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. We conducted specialized waste-recycling audits at overseas sites, actively utilizing remote auditing as a measure to combat the COVID-19 pandemic.

In FY2020, our audits prioritized formulating plans for energy-saving initiatives, performing checks of compliance activities, improving human resources, legal requirements (expanded electronic manifests for industrial waste), etc. We determined 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 FY2020, there were two incidents involving exceeding voluntary standards for wastewater, but there were no serious violations of environmental laws or regulations (including water intake, wastewater, other waste, and harmful chemicals). We also received three complaints regarding noise and odor. We promptly investigated the causes of these problems and took necessary measures each time.

Results Data

Incidents relating to voluntary standards Cases

	Date	Location	Content	Response measures, etc
1	June 2020	Numazu Works	As a result of regular testing of factory wastewater conducted in the cafeteria building wastewater treatment tank, the value of suspended solid volume exceeded the voluntary standards (within wastewater standards)	We improved untreated water and improved treatment capabilities of the wastewater treatment tank by replacing seed sludge
2	February 2021	Numazu Works	Leak of waste paint due to breakage of a waste paint drum	We recovered leaked waste paint from drainage channels and the floor immediately (no leakage into public waterways)

Environmental Accounting (FY2020)

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.	515
R&D costs	R&D costs for environmentally conscious products, etc.	830

* Scope of calculation: Meidensha (non-consolidated); period covered: April 2020–March 2021

Environment

Product and Service 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 contribute the environment through its products and services by utilizing renewable energy sources such as solar, wind and hydroelectric power, by improving the efficiency of its products to save energy, and by optimizing customers’ equipment through maintenance and servicing.

In FY2020, we have set a target of 900,000 tons/year of environmental contribution (the expected reduction in CO₂ emissions from the products sold). We had a shipment of new hydroelectric generation equipment, which reduced emissions by 989,000 tons/year, thus achieving our annual target.



Choshi Shiosai Wind Farm



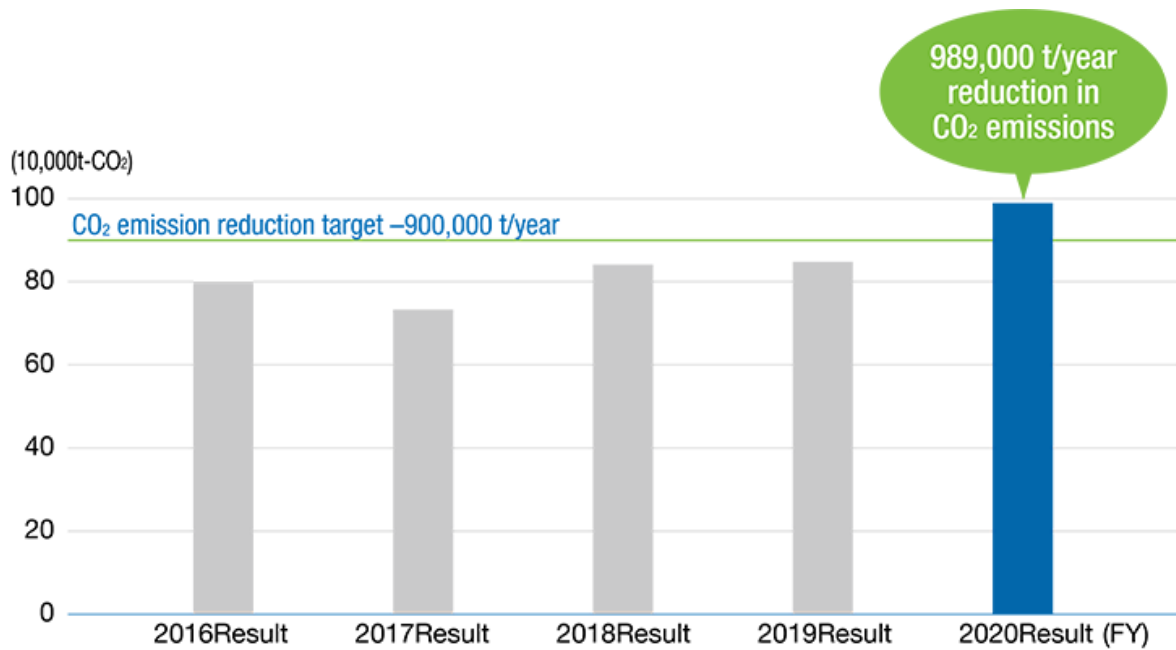
Photovoltaic PCS



Motor/inverter/gear



Low-voltage inverter



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

Applicable products/businesses	Environmental contribution (10,000t CO ₂)	Environmental contribution calculation method
Power conditioners for photovoltaic generation	3.8	Emissions reduction if grid power is substituted with renewable energy
Wind power sales business*	5.2	
Hydroelectric generators	30.1	
Electrical equipment for electric vehicles	13.6	Emissions reduction if an equivalent grade of gasoline vehicle is substituted
Power conditioners for storage batteries	0.8	Emissions reduction from substitution of pumped hydroelectric generation (high efficiency)
Electrical equipment for electric forklifts	1.9	Emission reduction when substituting with our existing products (reduction of lost energy)
Engines and turbine generators	3.8	
Transformers	7.0	
Inverters	32.2	
Uninterruptible power supplies	0.5	
Total	98.9	

* 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



Choshi Shiosai Wind Farm



Hachiryu Wind Farm

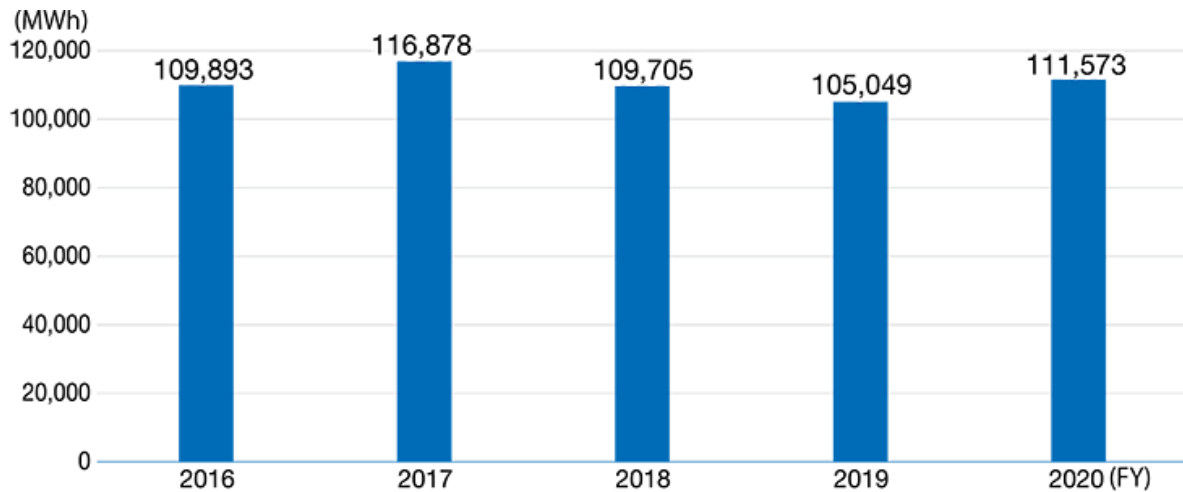


Wajima Community Wind Farm

| Aiming for increased utilization of wind power

We generated 111,573 MWh of electricity in FY2020, following on from FY2019 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.

| Transition of Total Power Generation Performance



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 commercialize Meiden e-Axle, which is an integrated motor/inverter/gear (decelerator) product.

This is a standard product that will contribute to shorter development times for customers and may reduce cost compared to custom products. It has a 60% higher output density compared with existing Meidensha products (excluding decelerator) with a maximum output of 150 kW and a maximum drive shaft torque of 3,120 Nm.

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 available.

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 of the hydroelectric power generation facilities are aging due to many years of operation. It is effective to renovate in the most suitable way for each power facility. Renovation is expected to improve efficiency/save energy, improve reliability/maintainability, and be environmentally friendly. We investigate the current status of the power facility and propose the most appropriate renovations using the latest technology for each facility.

Vacuum Circuit Breakers (VCB)

In addition to increased demand to replace aging power equipment, demand for environmentally friendly circuit breakers is increasing in Japan and overseas due to tighter regulation of SF₆ gas*, which has a strong greenhouse gas. Against this backdrop, Meidensha developed and delivering 72kV class tank type vacuum circuit breakers (“VCB”) in 2004, that does not use SF₆ gas, which has a greenhouse effect 22,800 times greater than CO₂, and has delivered more than 2,000 units to electric power companies in Japan and overseas. In FY2020, we completed development of the world’s first 145kV tank type VCB at that time, and started its sales. In April 2020, we established and commenced operations of Meiden America Switchgear, Inc., in South Carolina, U.S.A. This is the first U.S. manufacturing company to handle environmentally friendly products in the T&D business of the Meiden Group.

Through the establishment of the new company, we aim to strengthen the manufacturing and sales of VCBs in North America, and to expand our overseas T&D business.

* SF₆ gas: A chemically stable, non-toxic, odorless, colorless, non-flammable gas with three times the ability to withstand voltage of air at the same pressure. However, it has 22,800 times the effect on global warming of CO₂ and was listed as a controlled gas in the Kyoto Protocol to prevent global warming.



145kV tank type VCB

Field Engineering Business (Maintenance and Servicing)

Field engineering is a business that contributes to the solution of customer issues by providing support through the entire life-cycle of a product, from delivery through trial runs upon installation, subsequent proposal and implementation of operation and maintenance plans, maintenance and management of installation locations, remaining life assessment of aging equipment, measures to prolong life, replacement proposals, and disposal.

In addition to regular inspection of equipment, we make proposals to achieve stable operation and life-cycle cost reduction through compliance that may be overlooked such as handling of small quantities of PCBs by the deadline, mercury arc lamps, conserving energy, and conducting environmental analysis and deterioration analysis through thermal imaging, etc., through walk-through activities where we walk through sites with our customers and investigate and assess their equipment.



Thermal imaging analysis at walk through



Replacement of equipment

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


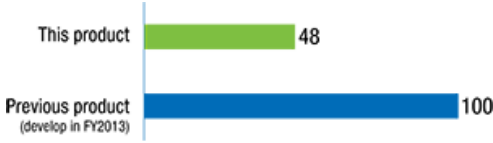
Product environmental assessment standards

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 FY2020)

A Meiden Green Products Registered in FY2020

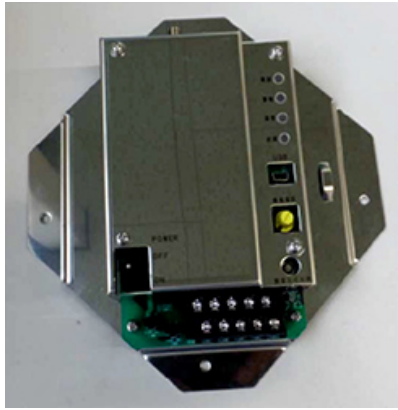
[Product] New Driving Robot TYPE-i							
<p>A system for automatic operation of complete vehicles on the chassis dynamometer. Accelerator, clutch, transmission, brake, and ignition key are operated with an electric actuator in the same manner as they would be by a human.</p> <p>The driving robot is made from a single piece construction of carbon fiber reinforced plastic (CFRP) rather than conventional metal, which improves operability at every level.</p>							
<p>This product has the following advantages over its predecessor.</p> <ul style="list-style-type: none"> ● 55% lighter and 58% smaller due single-piece CFRP construction ● 22% less electricity consumption due to improvements in robotic drive systems 							
<p>Lifecycle CO₂ Emissions</p> <p style="text-align: center;">48%</p> <p>* Percentage based on previous model of equivalent Meidensha product</p>	<p>Lifecycle CO₂ Emissions</p>  <table border="1"> <thead> <tr> <th>Product</th> <th>Lifecycle CO₂ Emissions</th> </tr> </thead> <tbody> <tr> <td>This product</td> <td>48</td> </tr> <tr> <td>Previous product (develop in FY2013)</td> <td>100</td> </tr> </tbody> </table>	Product	Lifecycle CO ₂ Emissions	This product	48	Previous product (develop in FY2013)	100
Product	Lifecycle CO ₂ Emissions						
This product	48						
Previous product (develop in FY2013)	100						

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

[Product] Ultra-low Power Consumption Transmitter TELEMOT LE (Cat.M1)

Affixed to the underside of manhole covers, this device measures sewer pipe information (water level, pH, etc.) and transmits it wirelessly to the cloud using an antenna on the upper side of the manhole cover. Latest data gathered in the cloud can be managed in real time via the internet using customers' devices (PCs, tablets, smartphones).

This device employs an LPWA* LTE-M (Cat.M1) cellular communication system.



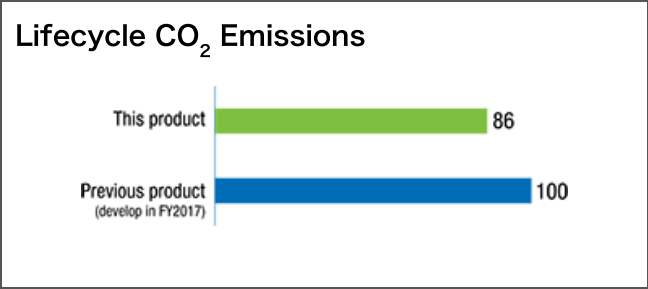
This product has the following advantages over its predecessor.

- 53% reduction in power consumption through LPWA transmission
- Increased serviceability through dual power supply

Lifecycle CO₂ Emissions

86%

* Percentage based on previous model of equivalent Meidensha product



※ LPWA : Low Power Wide Area

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 collect and communicate information concerning chemical substances contained in products through a cloud-based Web system.

We work to share information with suppliers of components, materials, etc., through explanatory sessions, individual consultations, etc., using chemSHERPA*3 operated by JAMP*2. We register the chemSHERPA*3, 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.

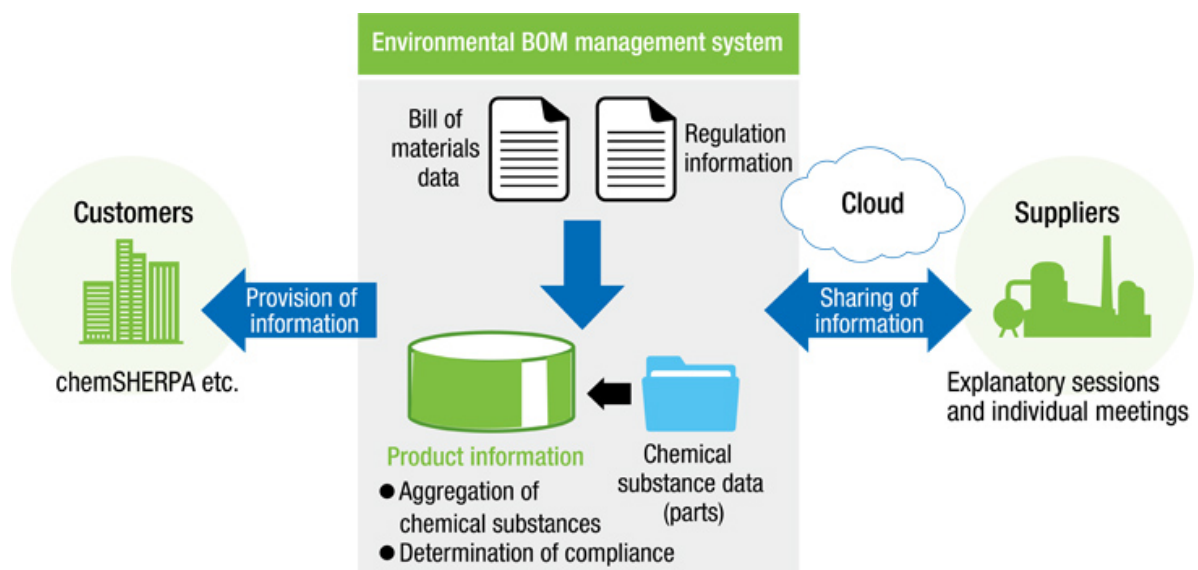
*1 BOM: Bill of Materials

*2 JAMP: Joint Article Management Promotion Consortium. JAMP aims to appropriately manage information about chemical substances, etc., in products, and create and spread specific mechanisms for smooth disclosure and communication within the supply chain.

Meidensha is a member of JAMP. (Membership page URL: <https://chemsherpa.net/jamp/memberlist>)

*3 ChemSHERPA: An information transfer scheme that facilitates the disclosure/communication of chemical substances information in products, which is maintained and managed by JAMP

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 >

Amount of Greenhouse Gas Emissions

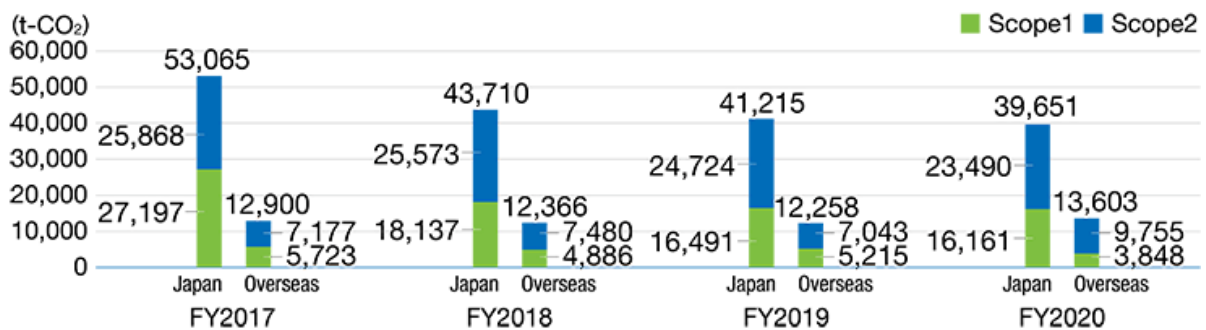
Scope 1 and Scope 2 emissions

In FY2020, we commenced the aggregation of environmental performance data from PRIME MEIDEN LTD. to strengthen activities to reduce environmental impact. As a result, the aggregate figure for overseas Scope 2 emissions rose.

(t-CO₂)

		FY2017		FY2018		FY2019		FY2020	
		Japan	Overseas	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	16,161	3,848
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	24,479	9,755
	Market basis	25,868	-	25,573	-	24,724	-	23,490	-

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

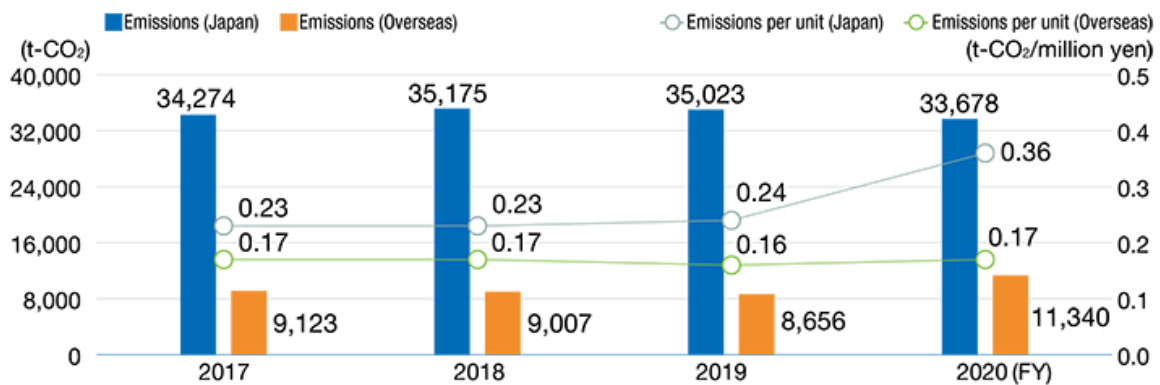
* Renewable energy produces zero emissions

Results Data

Amount of CO₂ Emissions from Energy Sources

From FY2020, we commenced the aggregation of the environmental performance data of PRIME MEIDEN LTD., which led to increased CO₂ emissions per unit of overseas sales. We will further enhance initiatives for environmental impact reduction activities through review of CO₂ emissions calculation methods.

Amount of CO₂ emissions from energy sources/CO₂ emissions per sales unit



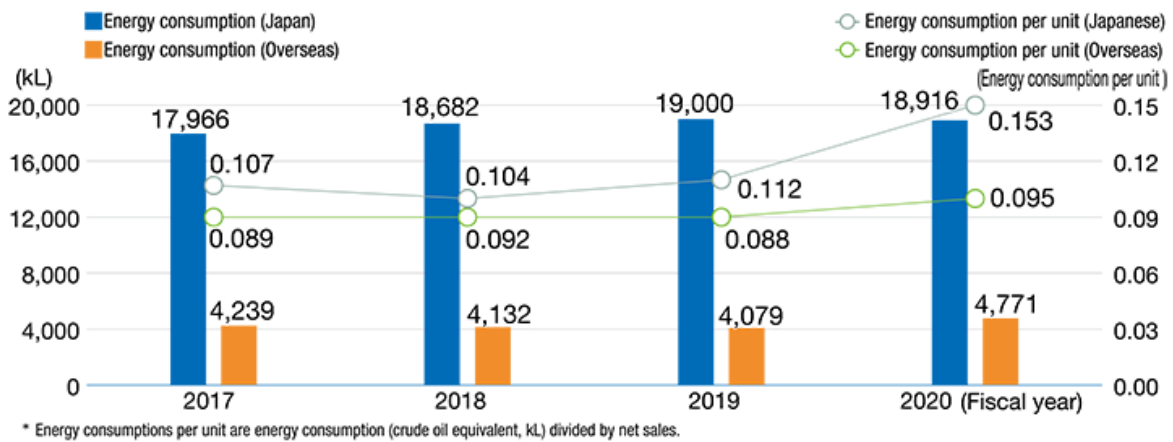
* Japanese emissions: The amounts of fuel oil and fuel gas are calculated referring to the "List of Calculation Methods and Emission Factors in the Calculation, Reporting and Publication System" for the relevant fiscal year published by the Ministry of the Environment. The amount of electric power is 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 consumption/energy consumption per unit of sales



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

Initiatives

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 recent years, we have procured electricity from renewable sources in an effort to reduce CO₂ emissions from business activities.

In FY2019, we procured electricity with non-fossil fuel certificates for the Meiden R&D Center and Osaki Kaikan Hall. In FY2020, EAML Engineering Co., Ltd. joined a pricing menu that utilizes environmental value of renewable energy sources.

From FY2021 onwards, we will procure electricity from CO₂-free hydroelectric sources for the Ota Works, which is one of our main production sites.

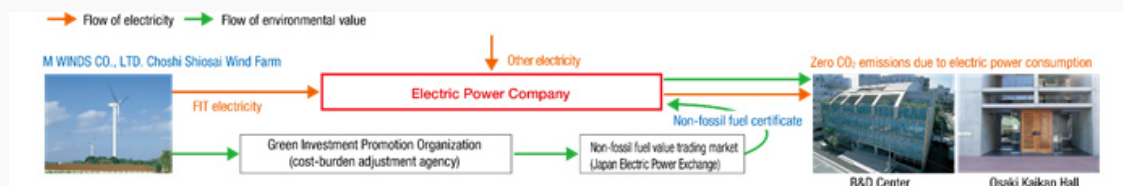
| TOPICS

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

Since November 2019, we have 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 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 expands 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 its environmental impact and provide products and services that contribute to a sustainable society.



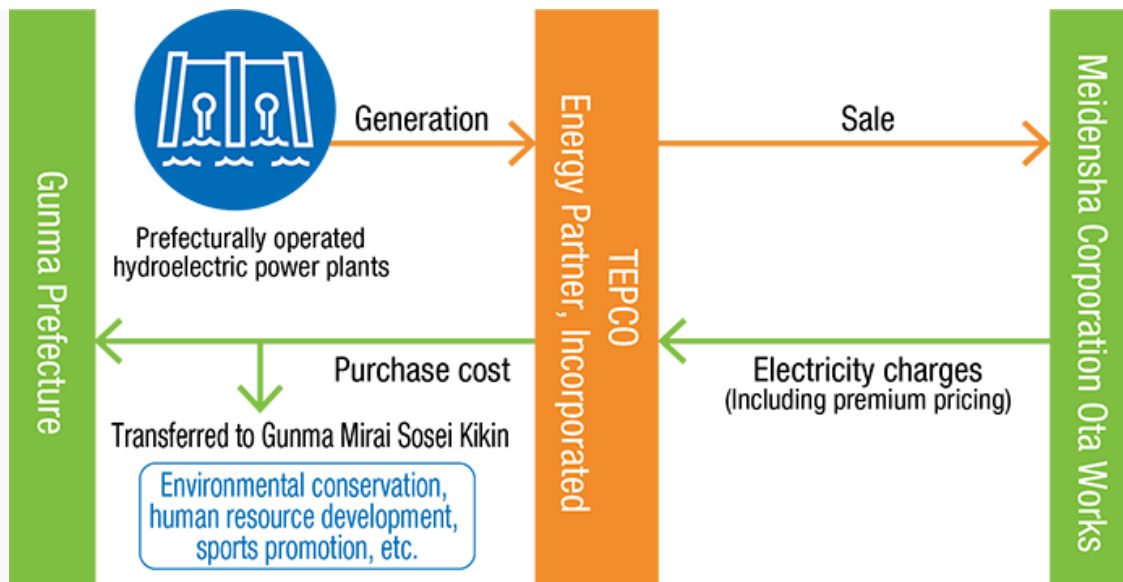
*1 Feed-in tariff (FIT) scheme: A system to require electricity companies to purchase electricity generated from renewable energy sources (solar, wind, hydro, geothermal, biomass) for a certain period of time. The system was launched in July 2012 in order to promote the use of renewable energy.

*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

Procurement of CO₂-Free Electricity that is Produced and Consumed in Gunma Prefecture for Ota Works

From April 2021, Meidensha procures electricity from CO₂-free hydroelectric sources in Gunma Prefecture for Ota Works (Ota, Gunma), which is one of our main production sites. Up to this point, we have trialed procurement of CO₂-free electricity for some facilities such as the Meiden R&D Center (Shinagawa, Tokyo), but this is the first time we have introduced it for whole production sites. This initiative uses the Gunma Hydroelectric Power Source Plan*1 from the power menu provided by Gunma Prefecture and TEPCO Energy Partner, Incorporated. This power menu is a plan for local generation and consumption of electricity provided from hydroelectric power plants directly run by Gunma Prefecture (excluding pumped hydro and FIT) to enable zero CO₂ emissions from electricity consumption. A portion of electricity charges are used for environmental protection projects, etc., in Gunma, which contributes to the local community.



Ota Works was established in 1977 as a dedicated rotating machinery factory. It currently focuses on medium and large rotating machinery and power generation equipment and dynamometers, which are used for research and development, etc., of vehicles, etc., and develops and manufactures environmentally considerate equipment. We have delivered many generators produced at Ota Works to hydroelectric power plants in Gunma, and Ota Works accounts for approximately 10% of the Meiden Group’s total power consumption.*2 Going forward, Ota Works will manufacture hydroelectric power generation equipment and component products using electricity from renewable energy produced by hydroelectric generation.

The Meiden Group is considering procurement of electricity from renewable sources at each site. We will continuously work to reduce greenhouse gas emissions from business activities, etc., including prioritizing the introduction of equipment with a low environmental impact, etc., and contribute to the realization of a sustainable society through the development and delivery of products and services that contribute to global environmental conservation.

*1 Application for trademark registration of “Gunma Hydroelectric Power Source Plan” filed in Gunma Prefecture.

*2 FY2019 power consumption: 7,123 MWh.

Initiatives and Results Data

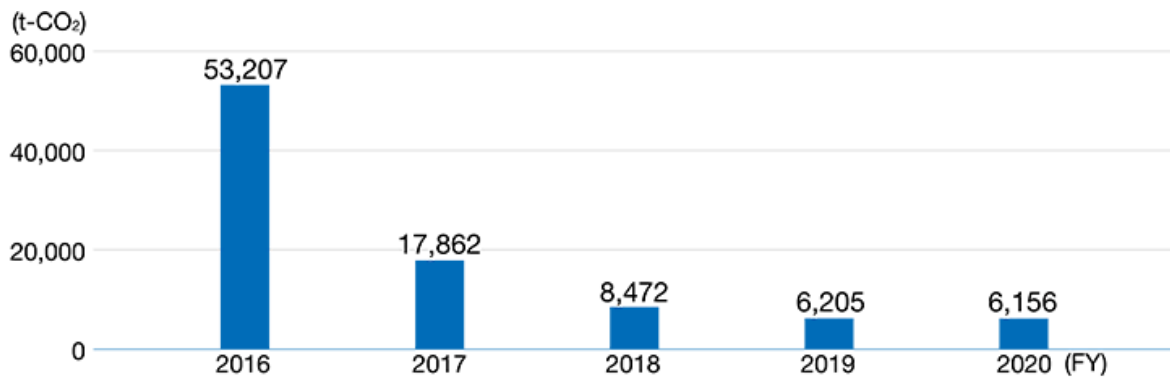
Reducing Emissions of Greenhouse Gasses Other than CO₂

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.

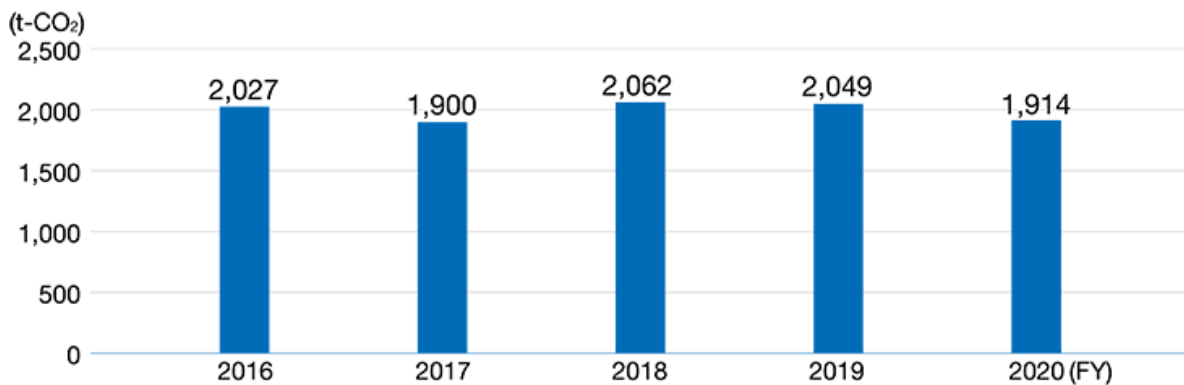
Emissions of Greenhouse Gases Other than CO₂ (Japan)



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)

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

In developing the Second Meiden Environmental Vision, which set new medium to long-term environmental targets and launched in FY2021, we completely reviewed Scope 3 calculation methods. We transitioned from calculating the non-consolidated value of Meidensha to calculating the consolidated value of the Meiden Group. For Category 11, we increased precision by conducting more detailed calculation of emissions per unit of production for each product group. Thus, values announced up to FY2020 lack continuity; however, going forward we intend to trace these values using this calculation method and revise them as necessary.

Category	Calculation Method	
	Amount of Activity	Basic Unit
1. Purchased goods and services	Purchase price (materials, consumables, services, etc.)	3EID
2. Capital goods	Amount invested in fixed assets	Ministry of the Environment Basic Unit - DB
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
4. Transportation and delivery (upstream)	Transportation cost (freight, storage, packing, etc.)	3EID
5. Waste generated by operations	Emissions of each type of waste	Ministry of the Environment Basic Unit - DB
6. Business travel	Transportation expenses provided (travel allowance, etc.)	Ministry of the Environment Basic Unit - DB
7. Employee commuting	Transportation expenses provided (travel allowance, etc.)	Ministry of the Environment Basic Unit - DB
8. Leased assets (upstream)	Rent (Leased items, etc.)	3EID

9. Transportation and delivery (downstream)	Amount of activity of sales agents, etc.	3EID
10. Processing of sold products	Not applicable as the Company's products include many formed items	—
11. Use of sold products	Calculated based on the specifications of Meidensha products and operating conditions	3EID
12. End-of-life treatment of sold products	Expected cost of disposal of sold goods	3EID
13. Leased assets (downstream)	Energy usage at leased real estate	Ministry of the Environment Basic Unit - DB
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	—

(t-CO₂)

Category	FY2019	FY2020
1. Purchased goods and services	1,154,039	1,180,468
2. Capital goods	40,021	51,042
3. Fuel and energy related activities not included in Scopes 1 or 2	1,883	1,893
4. Transportation and delivery (upstream)	1,204	1,346
5. Waste generated by operations	1,587	2,004
6. Business travel	3,193	1,007
7. Employee commuting	1,152	940
8. Leased assets (upstream)	2,264	2,124
9. Transportation and delivery (downstream)	1,136	1,056
10. Processing of sold products	—	—
11. Use of sold products	6,370,000	6,050,000
12. End-of-life treatment of sold products	5,992	5,418
13. Leased assets (downstream)	18,509	16,837
14. Franchises	—	—
15. Investments	—	—
Other	—	—
Total	7,600,980	7,314,136

Environment

Disclosure based on TCFD recommendations

| Support for the “Task Force on Climate-related Financial Disclosure (TCFD)” Proposal

Meidensha has endorsed the TCFD* recommendations, and conducted disclosure in accordance with the information disclosure framework recommended by TCFD (governance, strategy, risk management, and metrics and targets, relating to risks and opportunities associated with climate change). Going forward we will consider further widening the scope of disclosure, and we will further enhance governance and business strategies relating to climate change, according to the results of scenario analysis.



* TCFD: Task Force on Climate-related Financial Disclosure established by the Financial Stability Board (FSB) .

Governance/Risk Management

Governance/Risk Management

Under the direction of the President, who is the head of the top management, the Executive Officer in charge of environmental issues (Director & Senior Managing Executive Officer, Norio Takekawa) oversees the environmental management of the entire Meiden Group, while the GM of Environmental Management Program Administration Division 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 in charge of environmental issues , 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. In FY2021, we established the ESG Management Promotion Committee to debate management issues relating to all aspects of environment (E), society (S), and governance (G). We plan for it to monitor risks and opportunities, including climate change, in conjunction with the existing Environmental Committee and Risk Management Committee.

Scenario Analysis

When understanding the effects of climate change on the Meiden Group and working out responses, first, we listed risks and opportunities from perspectives such as policy and legal restrictions and technology, and summarized management risks and opportunities. The risks and opportunities facing the Meiden Group are as follows.

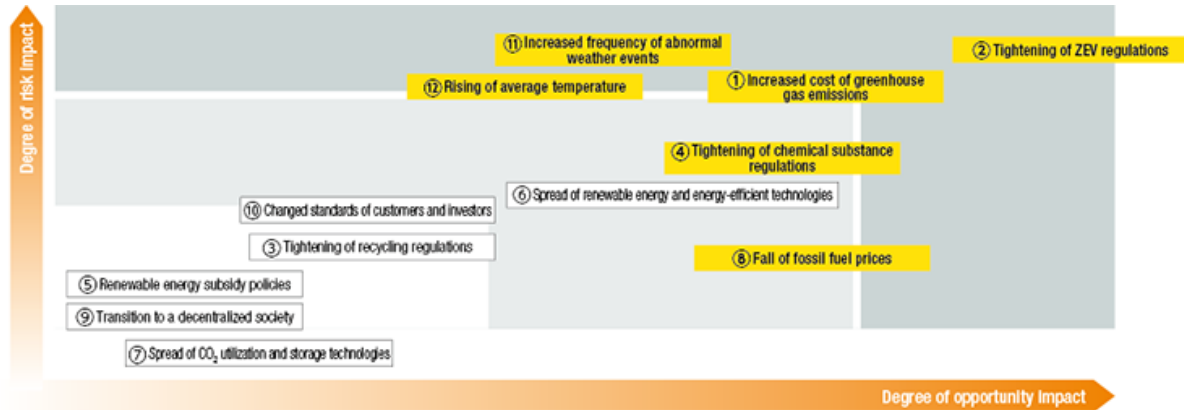
			Opportunities	Risks
Transition risks	Policy and legal restrictions	①Increased cost of greenhouse gas emissions	<ul style="list-style-type: none"> Expansion of the renewable energy, energy conservation, and electrification businesses Expansion of railway-related businesses 	<ul style="list-style-type: none"> Increased manufacturing and development costs due to carbon taxes
		②Tightening of ZEV regulations	<ul style="list-style-type: none"> Expansion of EV-related businesses due to ZEV market expansion 	<ul style="list-style-type: none"> Losing orders due to not meeting customers' demands Intensified competition Increased costs due to review of production equipment and suppliers
		③Tightening of recycling regulations	—	<ul style="list-style-type: none"> Increased development and production cost for recyclable products
		④Tightening of chemical substance regulations	<ul style="list-style-type: none"> Expansion of the SF₆ gas less business 	<ul style="list-style-type: none"> Increased development and production cost Decline in businesses that use SF₆ gas

			Opportunities	Risks
		⑤Renewable energy subsidy policies	<ul style="list-style-type: none"> • Expansion of the renewable energy business 	<ul style="list-style-type: none"> • Intensified competition
	Technology	⑥Spread of renewable energy and energy-efficient technologies	<ul style="list-style-type: none"> • Expansion of the renewable energy, energy conservation, and electrification businesses • Acceleration of energy management technology 	<ul style="list-style-type: none"> • Decreased competitiveness due to late application of technology • Increased development and production cost
		⑦Spread of CO ₂ utilization and storage technologies	<ul style="list-style-type: none"> • Wide-scale reduction in greenhouse gas emissions 	<ul style="list-style-type: none"> • Slowdown of the renewable energy, energy conservation, and electrification business
	Market	⑧Fall of fossil fuel prices	<ul style="list-style-type: none"> • Expansion of the renewable energy, energy conservation, and electrification businesses • Fuel cost reduction 	—
		⑨Transition to a decentralized society	<ul style="list-style-type: none"> • Expansion of decentralized power source and VPP businesses 	<ul style="list-style-type: none"> • Loss of business expansion opportunities due to late VPP participation
	Evaluation	⑩Changed standards of customers and investors	<ul style="list-style-type: none"> • Increased corporate value through expansion of the environmental contribution business • Securing various capital procurement opportunities 	<ul style="list-style-type: none"> • Shrinking of environmentally negative businesses • Increased costs due to responding to traceability requirements

			Opportunities	Risks
Physical risks	Urgent	①Increased frequency of abnormal weather events	<ul style="list-style-type: none"> Increased demand for BCP products and services 	<ul style="list-style-type: none"> Suspension of production lines and sites, reduced sales, and delayed delivery Supply chain review and increased procurement costs
	Chronic	⑫Rising of average temperature	<ul style="list-style-type: none"> Expansion of the automation and remote control businesses 	<ul style="list-style-type: none"> Worse labor environment Increased energy consumption Reduced sales due to voluntarily refraining from working in summer season

Importance of Risks and Opportunities

Next, we analyzed the matters that could have a serious impact on the Meiden Group for each value chain, and prepared the following matrix. Risks and opportunities that would greatly impact management are analyzed in detail and response measures are considered in the following paragraphs.

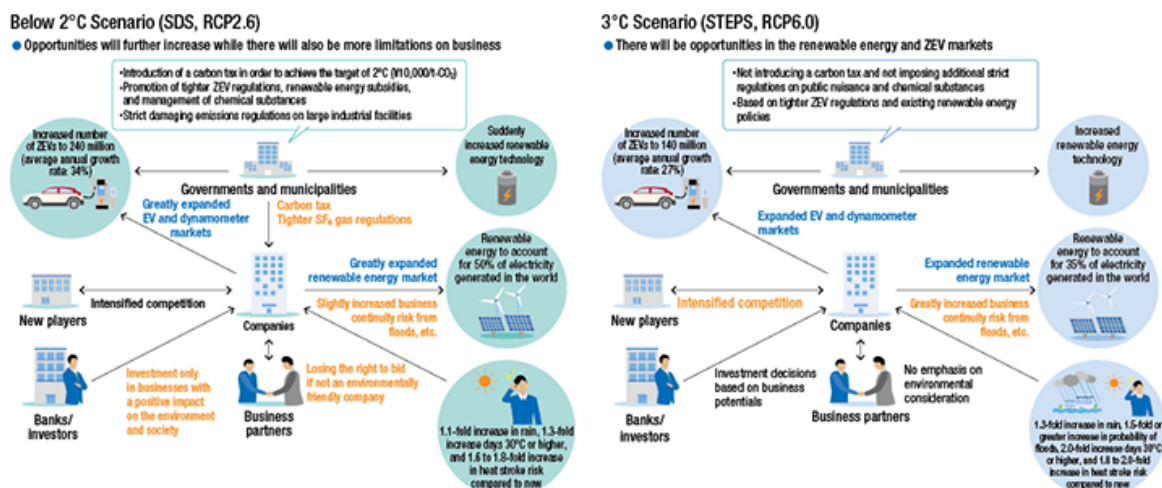


Notes:

1. The top-right section indicates items that would have a great impact for the Meiden Group
2. Items that would have a particularly great impact and require detailed analysis are highlighted in dark yellow

Scenario Selection and Outlooks

The Meiden Group analyzed the IEA and IPCC's scenarios of below 2°C and 3°C. Due to increased environmental awareness, countries have come up with various policies, so we determined that the 4°C scenario was not possible and we used the current scenario of 3°C.



Major Climate-related Risks, Opportunities, and Responses

We identified items that would particularly impact the Meiden Group's achievements and calculated the impact on FY2030 (net sales: 340.0 billion yen) operating income in each scenario. Based on the results of this analysis, we are reflecting the results in our business strategy to further expand our environmental contribution businesses such as EV and renewable energy businesses.

		Item	Evaluated financial impact	Impact at 2°C	Impact at 3°C	Meidensha's response
Transitional	Policy and legal restrictions	①Increased cost of greenhouse gas emissions	Expansion of the renewable energy business through accelerated introduction of renewable energy	++	++	Development and promotion of expansion strategies for hydroelectric, wind power, and photovoltaic-related businesses
			Introduction of a carbon tax	---	-	Formulation of scope 1 and 2 reduction targets and greenhouse gas reduction
		②Tightening of ZEV regulations	Expansion of EV business	+++++	+++++	Development and promotion of expansion strategies for EV motors and inverters-related businesses
			Expansion of mobility T&S (test & solution) business	++	+	Development and promotion of expansion strategies for expansion of EV-related mobility T&S (test & solution) businesses
		④Tightening of chemical substance regulations	Expansion of SF ₆ gasless products because of prohibition of SF ₆ gas use	++	+	Development and promotion of expansion strategies for SF ₆ less products in the Power transmission and distribution business

		Item	Evaluated financial impact	Impact at 2°C	Impact at 3°C	Meidensha's response
		⑧Fall of fossil fuel prices	Reduction of fuel costs	++	+	Electrification and increased efficiency of equipment and reducing the use of gasses that are the source of greenhouse gas emissions
Physical	Urgent	⑪Increased frequency of abnormal weather events	Production stoppages, equipment damage, and collapse of supply chains due to floods	----	----	Formulation of BCPs, decentralization of EV factory production sites, and diversification of suppliers, etc.
	Chronic	⑫Rising of average temperature	Deterioration in production efficiency due to worsening of the labor environment	-	--	Promotion of labor-saving measures and automation for factories, maintenance, and worksites, and enhancement of health management
			Increased cost of energy consumption, etc.	--	--	Promotion of labor-saving and space-saving measures at factories

*"Impact" refers to the impact on operating income

Future Path

We have identified the growth opportunities and risks facing the Meiden Group by analyzing TCFD; however, in most instances, calculation of the impact is merely a rough estimate, and further precision is needed. Furthermore, we have only analyzed some items with a large impact, and we will continue to promote analysis, including for items that were not analyzed on this occasion.

Metrics and Targets

Establishment of Medium to Long-term Environmental Targets “Second Meiden Environmental Vision”

In consideration of stepping toward accelerating becoming a carbon-neutral society by 2050, the Meiden Group has upwardly revised its FY2030 greenhouse gas emission reduction targets, which is an intermediate stage of it. As the Second Meiden Environmental Vision, we aim for a 30% reduction of emissions from business activities (scope 1+2), and a 15% reduction of emissions from product use (scope 3, category 11) by FY2030 compared to FY2019 levels. These targets received SBT certification as they were recognized by the Science Based Targets (SBT) initiative*1 as being consistent with the Paris Agreement*2. To attain these targets, we joined the Ministry of the Environment’s “FY2020 project to support model businesses in compiling a plan to reduce CO2 emissions toward realizing SBTs.” With that support, Meiden has compiled the FY2021 version of the Meiden Group’s plan to reduce greenhouse gas emissions toward attaining SBTs. This plan outlines initial ideas for an implementation plan and specific reduction measures to implement long-term reduction measures by the target year stated in the Second Meiden Environmental Vision. We will revise and optimize it as appropriate.



*1 SBT Initiative: An international initiative by the United Nations Global Compact (UNGC), the Worldwide Fund for Nature (WWF), the CDP, and the World Resources Institute (WRI).

*2 Paris Agreement: An international framework “to limit average global temperature rise to below 2°C compared to pre-industrial levels and to strive to limit it to 1.5°C,” which was adopted at COP21 in 2015.

FY2030 Greenhouse Gas Emissions Reduction Targets (Second Meiden Environmental Vision)

FY2030 greenhouse gas emissions reduction targets	First Meiden Environmental Vision (Released in May 2018)	Second Meiden Environmental Vision (From April 2021)
Emissions from business activities (scope 1+2))	30% reduction (compared to FY2017)]	30% reduction (compared to FY2019)
Emissions from product use (scope 3, category 11)	NA	15% reduction (compared to FY2019)

Main Measures to Cut Greenhouse Gas Emissions

FY2030 greenhouse gas emissions reduction targets	Reduction measures (extract)
Emissions from business activities (scope 1+2) 30% reduction (compared to FY2019)	<ul style="list-style-type: none"> • Replacing SF₆ gas (replacement with dry air, etc.) • Capital investment (replacing aging equipment, introducing high-efficiency equipment, replacing gas with electricity, etc.) • Renewable energy procurement (non-fossil fuel certificate, power menu, etc.) • Switching company-owned cars to electric vehicles
Emissions from product use (scope 3, category 11) 15% reduction (compared to FY2019)	<ul style="list-style-type: none"> • Eco-friendly product design (eliminating use of SF₆ gas, and downsizing products and making them more efficient) • Revising business portfolio (increasing ratio of businesses with low carbon emissions per unit of sales such as EV, maintenance services and small and medium-sized hydropower generation)
Overall	<ul style="list-style-type: none"> • Generating innovation • Introducing internal carbon pricing

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 >](#)

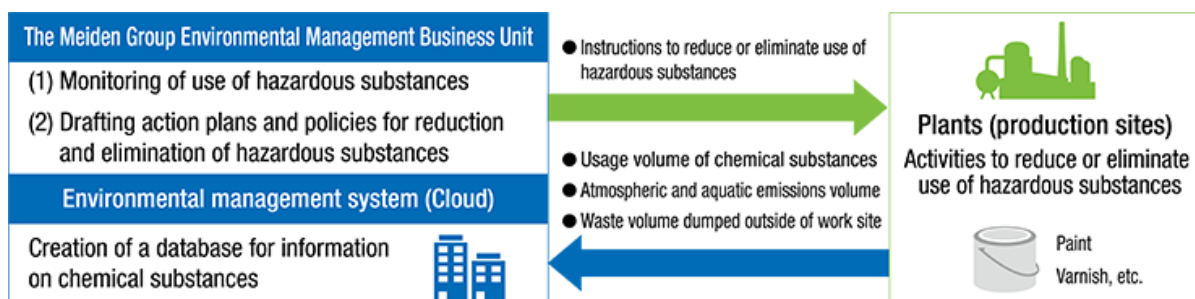
Initiatives and Results Data

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 spillage of chemical substances, we routinely conduct patrols of sites where chemical substances are used to alert workers, and take corrective measures where the management status of chemical substances is found to be inappropriate.

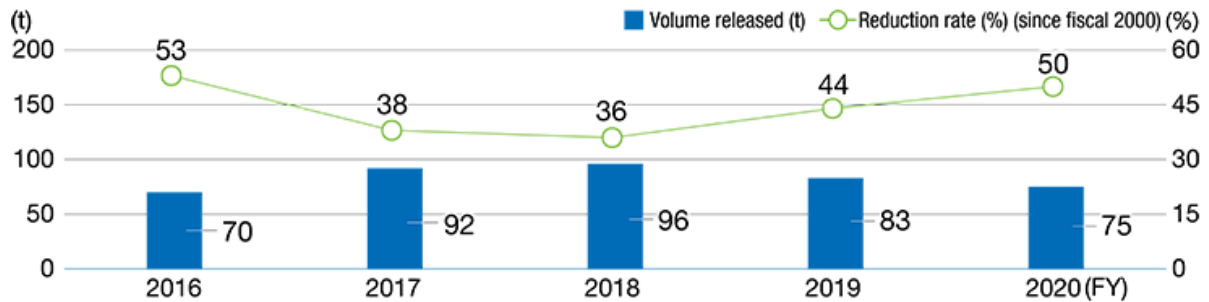
| Tightening Management of Chemical Substances



Reduction of Volume of Volatile Organic Compounds (VOC) Released

In FY2020, we released 75 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)



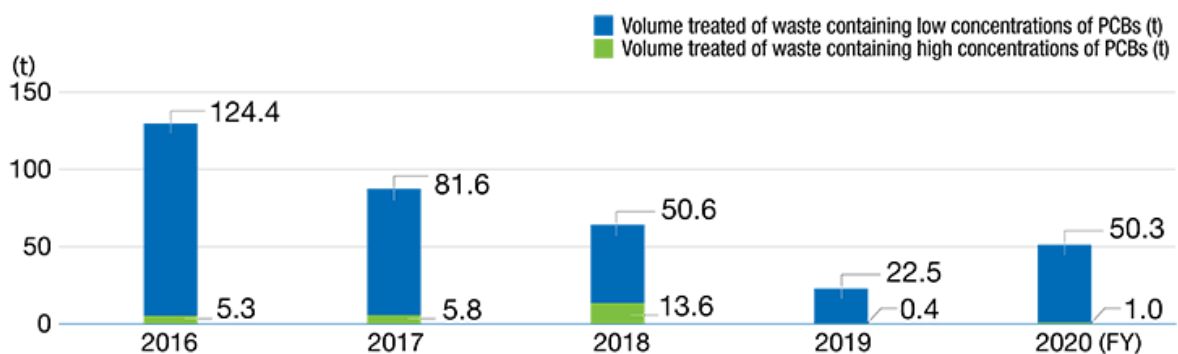
Promotion of Disposal and Processing of Devices that Include PCBs

In accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes (PCB Special Measures Act), we are gradually disposing of devices that contain PCBs (polychlorinated biphenyls) such as transformers and condensers that were manufactured in the past and stored for nearly to 40 years.

In FY2020, we disposed of 1.0 ton of waste containing high concentrations of PCBs and treated 50.3 tons of waste containing low concentrations of PCBs.

Meidensha has been promoting disposal of PCB waste since FY2007, and by FY2019, we had disposed of approximately 103 tons of waste containing high concentrations of PCBs and treated 341 tons of waste containing low concentration of PCBs.

Volume Treated of Harmful Waste (Waste Containing PCBs)

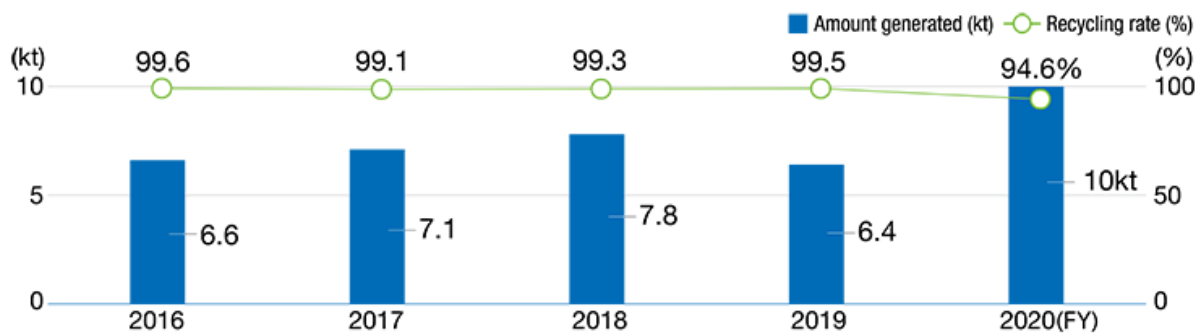


Promoting the 3Rs for Waste (Reduce, Reuse, and Recycle)

Meidensha is working to recycle waste generated at production sites and offices.

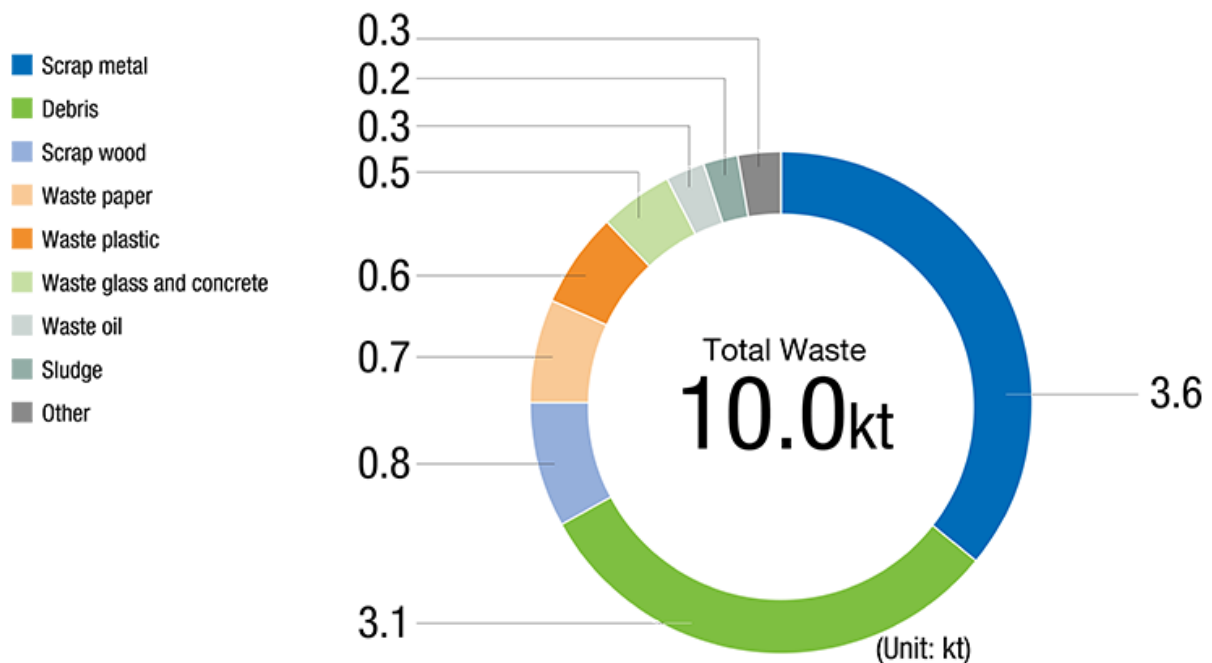
In FY2020, we revised our calculation method for recycled quantity, and we worked to improve the precision of calculation by appropriately calculating the amount of waste generated by recycling. The amount of waste increased due to a large amount of waste (debris) being generated by an increase in on-site construction; however, we will work to reduce the amount of waste generated by continuing to promote the 3Rs.

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 FY2020 (Japan)



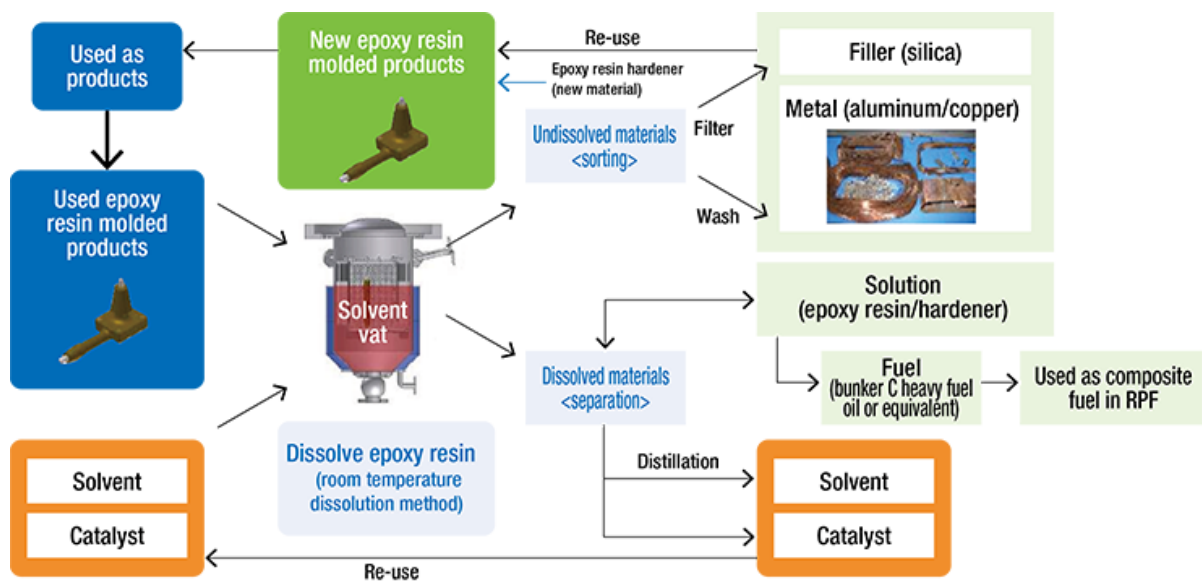
Collaboration with Other Companies to Reduce Waste and Resource Use (Recycling Epoxy Resin Molded Components)

Meiden Chemical Co., Ltd., which is a group company involved with manufacture and sale of electrical insulators has realized the recycling of used epoxy resin molded components as raw

materials by using a method of depolymerization under ordinary pressure, which separates the metal from the resin. Epoxy resin molded components are generally disposed of in landfill as they are considered difficult to recycle; however, Meiden Chemical Co., Ltd. has licensed the patented room temperature dissolution method from Showa Denko Materials Co., Ltd. (formerly Hitachi Chemical Co., Ltd.), which enables it to recycle 95% of existing components, as well as control cost than sending them to landfill. During recycling, we conduct lifecycle assessment (LCA) according to data obtained at the testing plant, which quantitatively assesses environmental impact if recycled and if not recycled.

In addition to insulating molded components, Meiden Chemical Co., Ltd. is working to roll out insulating material products as major flagships with features such as long-life resin for impregnation and environmentally friendly low-odor varnish.

Meiden Chemical Co., Ltd. is currently engaging in research such as extraction of rare metals by dissolving insulating varnish from superconducting coils and recycling of fiber-reinforced plastic to produce resources again.



Flow chart of dissolution recycling of epoxy resin molded components



Dissolution plant exterior

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

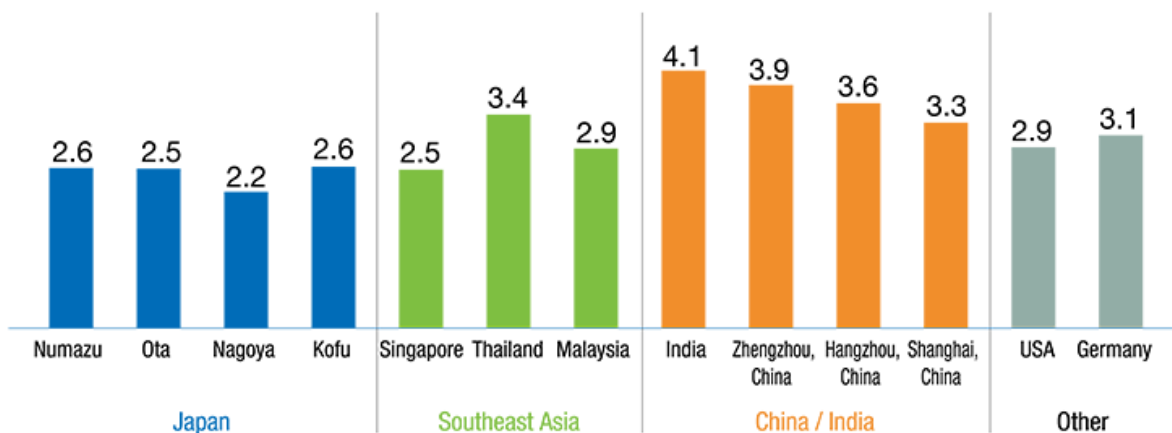
Water Risk Assessments

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 eight 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

There are water temperature management functions to limit algal blooms in on-site fire cisterns through water discharge and supply. To limit discharge volume, we are working to reduce water consumption through automatic control using water temperature sensors.

We are concerned about the possibility of water leaks as groundwater and surface water buried pipes age. We are systematically updating the pipes and placing them above ground for easier maintenance and inspections.

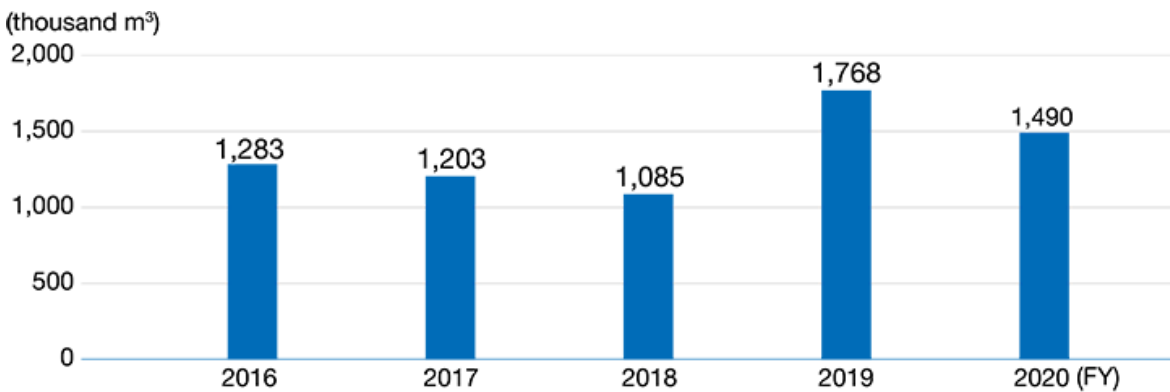


Water discharge control valve



Automatic control panel

Trends in Water Usage Volume (Japan)

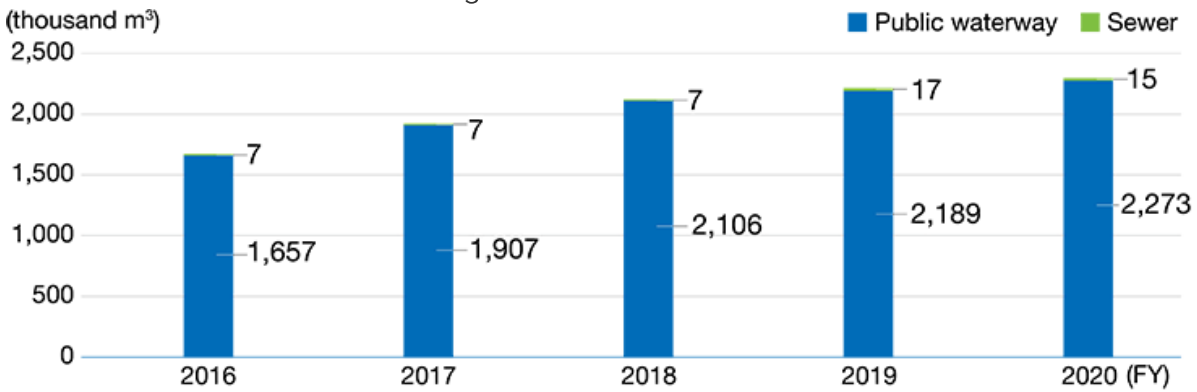


* Water usage volume includes tap water, water for industrial use, and ground water.

* 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 at each site and subsidiary voluntary standards that are stricter than legal restrictions.



Trends in BOD Emissions (Japan)

	FY2017	FY2018	FY2019	FY2020
BOD	6,297kg	7,389kg	4,843kg	6,424kg

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

Meidensha's ceramic flatsheet membranes are used by Nagaoka University of Technology in the "Development of Technology for Securing Water for Daily Use" demonstration experiment.

Since September 2020, Meidensha's ceramic flatsheet membranes for water treatment have been adopted by Nagaoka University of Technology (Nagaoka, Niigata Prefecture, President: Kamado Shigeharu, hereinafter "NUT") in a demonstration experiment for the "Development of Technology for Securing Water for Daily Use".

The purpose of this demonstration experiment at the "Idea Development Dojo"*1, a common course for graduate students to learn the practical application of idea development, is to establish and put into practical use the technology of self-contained rainwater utilization systems to secure water for daily use by enabling non-electric purification utilizing the difference in elevation of rainwater.

Self-contained Rainwater Utilization Systems

It is a device that collects rainwater on the roof surface and enables non-electric water purification due to the difference in elevation, thus securing water for daily use even in situations where electric power supply is limited, such as in times of disaster. Rainwater that falls on the roof is stored in a storage tank before passing through a bio-filter in which microorganisms are grown on sponge carriers to remove organic materials and nitrogen compounds in the rainwater. It is then filtered through a ceramic flatsheet membrane that utilizes the difference in gravity to purify the water to a level that can be used for domestic purposes. This technology is being optimized by NUT through demonstration experiments at the Idea Development Dojo for practical use.



Ceramic flatsheet Membranes

Meidensha's water treatment ceramic flatsheet membranes, which are used for demonstration experiments, are ceramic filters used to purify contaminated water. They last longer and are more abrasion resistant than organic membranes, etc. We commenced sales of this product in 2012, and it has been adopted for treatment of industrial wastewater in more than 100 locations in Japan and overseas.



Ceramic flatsheet membrane element

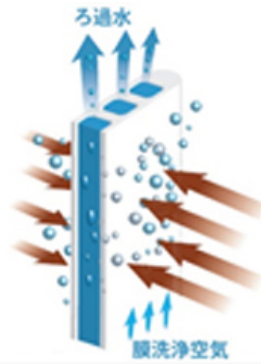


Diagram of membrane filtration

September 10, 2020 Press Release

Ceramic flatsheet membranes are used by Nagaoka University of Technology to test the development of technology to ensure domestic water supply, etc.

| TOPICS

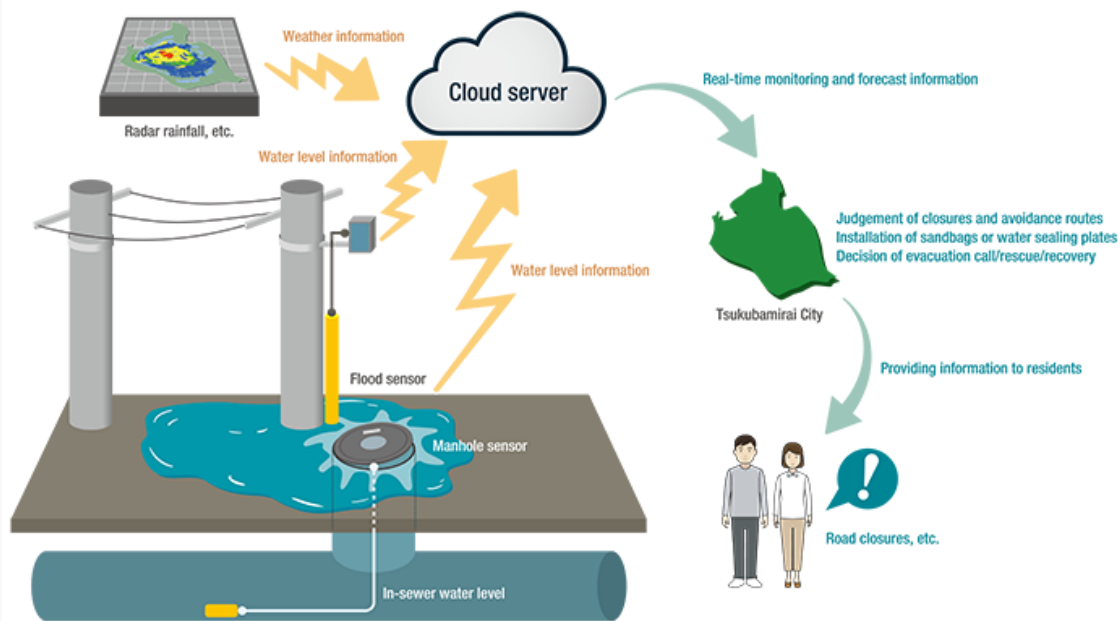
Demonstration Experiment of Flooding and Inundation Countermeasure Support Service in Tsukubamirai City


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 (Available only in Japanese) 

Reference, web page: Meidensha IoT Disaster Prevention Monitoring Service (Available only in Japanese) 

Reference, March 10, 2020 press release: Demonstration Experiment of a Flood and Inundation Response Support Service in Tsukubamirai City 

Reference, April 21, 2020 press release: Commenced Demonstration Experiment of a Flood and Inundation Response Support Service in Tsukubamirai City (Available only in Japanese) 

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 impact, create new symbiotic relationships, 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, hence reflects its ethos on biodiversity conservation in the Meiden Group's "Basic Environmental Philosophy," "Environmental Policies," and "Environmental Vision."

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

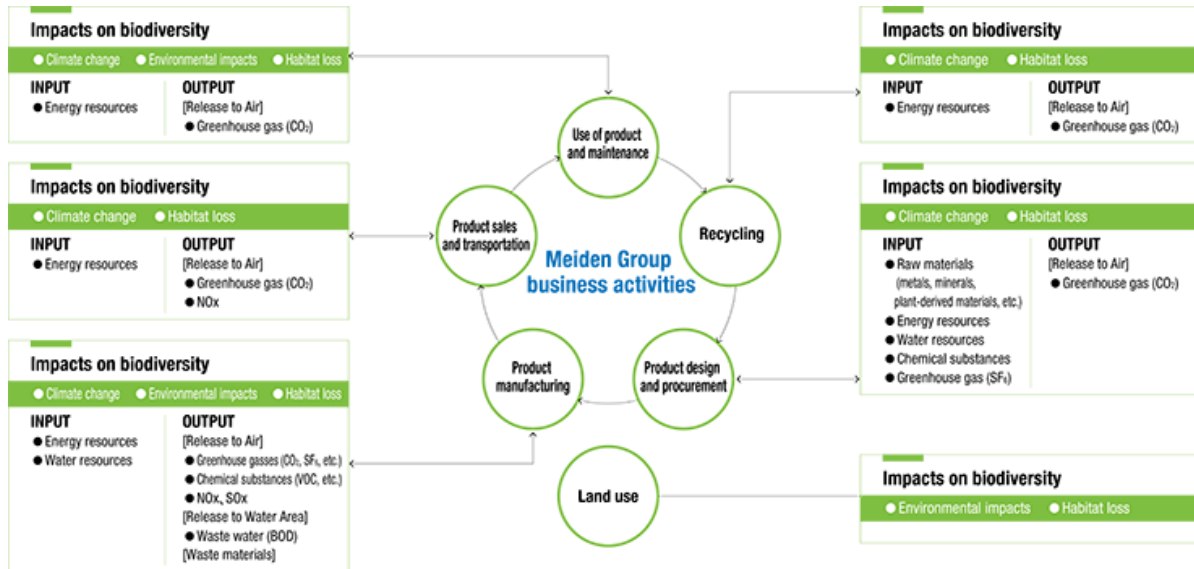
| Basic Policy

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), 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

Osaki – Fixed-point Observation

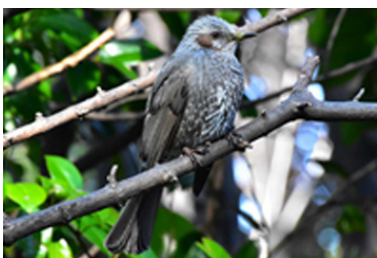
We hold events to appreciate sites in the green area (ThinkPark Forest) surrounding our head office (ThinkPark Tower) and share this information throughout the Company.



Internal PR Pamphlet: Osaki – Site Appreciation News

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 bulbul



Warbling white eye



Asian swallowtail butterfly



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

Participation in Ohana Ippai Osaki Activities

At head office and a group company (Meiden Engineering Corporation), we prepared soil in flower beds near Osaki Station, which are managed by Osaki Machi Unei Kyougikai, along with co-sponsors. Going forward, we will continue to actively participate in activities that leave abundant nature for future generations.



Numazu Works

The Numazu Works is blessed with the bounty of nature such as a green zone (area = approximately 65,000 m²) and groundwater. We are conducting activities to use these natural resources in a sustainable manner and contribute to the community.

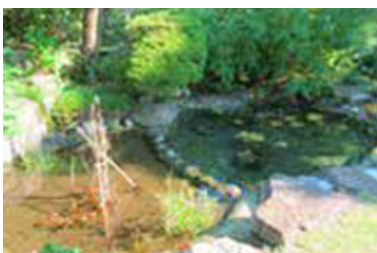
Tree Planting on the Rotary in Front of Numazu Station

In the tree-planting ceremony to grow Numazu forest, 13 employees planted 130 Satsuki azaleas, donated by Meidensha to City of Numazu, on the rotary in front of Numazu Station.



Maintaining Biotopes

Through the survey of organisms, we discovered *Atrocalopteryx atrata* dragonflies, which are classified as class II endangered species, at the Numazu Works. We are maintaining a good biotope in the hope that the dragonflies will lay their eggs.



| Numazu Machipika (Street Cleaning) Support Group

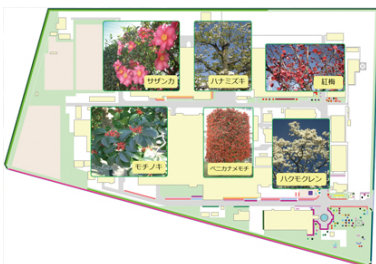
Meidensha participated in the Numazu Machipika (Street Cleaning) Support Group Program conducted by Numazu City, and conducts street-cleaning activities in the areas around its sites. The Numazu Works is located next to a river, and there is a risk of litter on the streets will flow out from the river 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 Grove Conservation Activities

The red pine grove 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 managing owner system” and we work to conserve the red pine grove 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.



The Biodiversity Working Group, the Four Electrical and Electronic Industry Associations

Meidensha has participated in the Biodiversity Working Group, a group consist of four electrical and electronic industry associations*, since its inception in FY2011. As a member of the industry, we are promoting our biodiversity initiatives through the activities of the working group and enhancing our own efforts.

[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 (JBMI)

Environment

Promotion of Environmental Communication

Policy

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

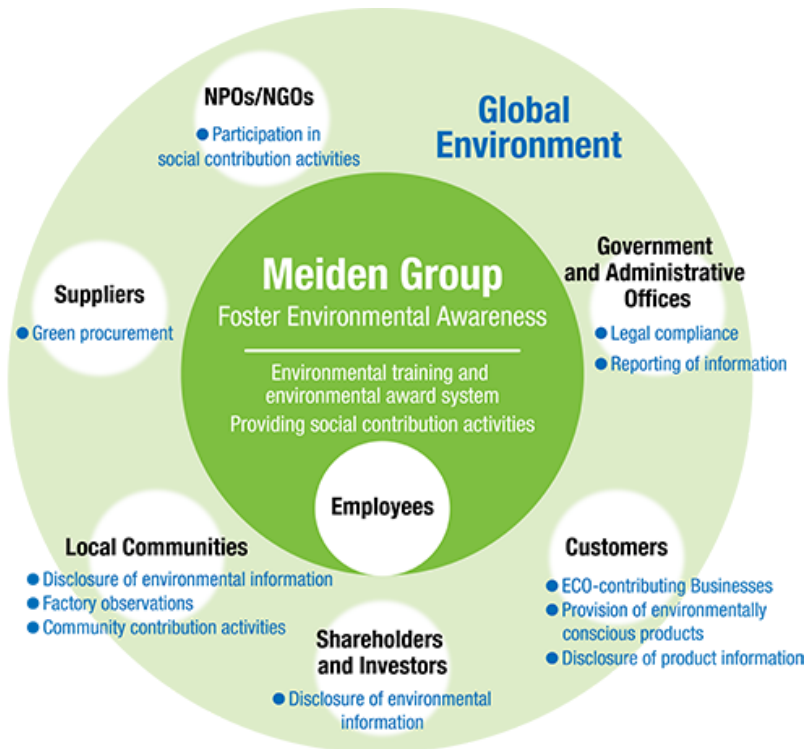
Initiatives

Promotion of Environmental Communication

The Meiden Group is working to create relationships of trust in order to remain to be a company that is needed 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



FY2020 Initiatives

Guess li! Project on Future Disaster Preparedness Wins FY2020 GKP PR Awards Grand Prize

Meidensha was awarded the 2020 GKP Public Relations Awards (held by Gesuido Koho Platform or “GKP”) Grand Prize.

This award is a commendation system started by GKP in 2013, whose purpose is to widely discover and commend excellent public relations activities that improve the value of sewerage infrastructure, and to disseminate them widely in the sewerage industry.

The award-winning project is “Guess li! Project” (project on future disaster preparedness from the perspective of the sewerage system) jointly conducted by Meidensha, TOA GROUT KOGYO CO.,LTD., and The Asahi Shimbun Company in FY2019.

This project aims to help young people learn about the importance of sewerage, and has been implemented in the form of a delivery class where university students with educational training experience learn about the role and value of sewerage, and then teach it to high school students. With this initiative, high school students not only learn about the role and importance of sewerage systems, but they also gain a sense of involvement by identifying issues facing sewerage systems and proposing solutions to companies. This initiative received the award for creating a framework that produces a “chain of communication” from university students to high school students and being able to spread through social media, etc.

Meidensha’s corporate mission is “illuminating a more affluent tomorrow,” and we will continue activities to convey the importance of social infrastructure to the next generation.



Group photograph of attendees



Giving a presentation

■ Recipients’ Comments (Meidensha and TOA GROUT KOGYO CO.,LTD.)

We are deeply grateful to have been received the esteemed prize at the GKP Public Relations Awards.

This cooperative PR project by our companies transcended generations and industries. We are delighted that our endeavors, which involved sharing knowledge among different age groups, were deemed worthy of this prize. In this fiscal year, we remain engaged in online activities that share information and happiness among people of many ages.

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 regular 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 Group Employees

Each year, we conduct environmental education for all employees of the Meiden Group through e-learning. In FY2020, we conducted environmental education with the theme of "The ocean plastic waste pollution problem and the Meiden Group's initiatives." Of the Meiden Group's employees, 83.6% attended online, and materials were circulated to those who missed it. This was an opportunity for all employees of the Meiden Group to think about the problem of ocean plastic waste pollution, and the attendees shared the following opinions and impressions.

<Examples>

- It is necessary for the Company to engage in the 3Rs for materials.
- It may be a new business opportunity to turn ocean waste collection technology for the SDGs.
- The main cause of marine pollution may not be plastic bags, but waste dumping and other problems.

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 FY2020, our pass rate was over 95% and we have 1,013 Eco Test certification holders including loan employees as of March 2021.

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

Specialist Education

We conduct specialist education as necessary at each site, conduct internal auditor education, etc., for employees that promote environmental activities or are involved with work that impacts the environment. In FY2020, we conducted education concerning SF6 gas at factories. We also conducted education for the Sales Business Unit concerning management of chemical substances in products (RoHS directive, REACH regulations, etc.).

Education Concerning Environmental Laws

We conduct education of environmental laws and regulations as part of our compliance training. In FY2020 we held lectures concerning Waste Management and Public Cleansing Act (Waste Disposal Act), the Air Pollution Control Act, the Water Pollution Prevention Act, etc. We provide our employees with opportunities to recognize the importance of compliance by explaining cases of legal violations.

Environmental Management Seminars for Management-Level Employees

Each year, we invite outside experts to hold environmental management seminars for management.

Date	Theme	Instructor (affiliation, role, etc., are those at the time)
12/21/2017	Increasing expectations for environmental management: ESG investment, SDGs, and TCFD recommendations to disclose climate-related financial information, etc.	Toshihiko Goto CEO of Sustainability Forum Japan Chairperson and executive director of Global Compact Network Japan
12/21/2018	Toward the utilization of SDGs	Yoriyuki Numakura Manager of KPMG AZSA Sustainability Co., Ltd.
06/21/2019	Trends in ESG investment and information disclosure: TCFD recommendations	Mari Yoshitaka Chief Consultant, Clean Energy Finance Division, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
12/11/2020	The Meiden Group's CO ₂ reduction plan to achieve SBTs	Yoshihisa Niwa Managing director and partner of the Boston Consulting Group Shoji Hajime Managing director and senior partner of the Boston Consulting Group Makoto Morihara Principal of the Boston Consulting Group



FY2020 environmental management seminar

Environment

Overview of Environmental Impacts by Our Business Activities

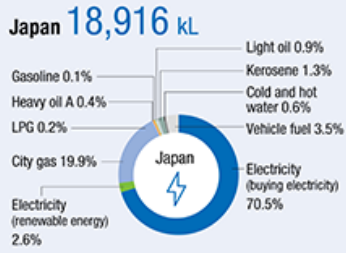
The Meiden Group finds out the overview of environmental impacts by our business activities and uses this information to plan specific activities.

Overview of Environmental Impacts by Our Business Activities (FY2020)

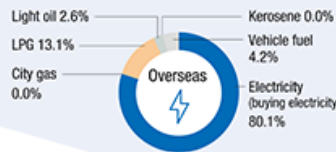
Our rate of use of major resources (INPUT) and our environmental impacts from our business activities (OUTPUT) are shown below.

INPUT

Total Energy Input



Overseas 4,771 kL



Total Chemical Substances Handled

Japan 870.67 ton

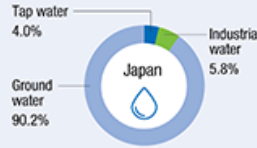


Overseas 143.56 ton

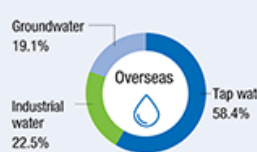


Total Water Input

Japan 1,490 thousand m³

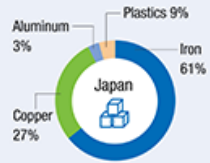


Overseas 89 thousand m³



Raw Materials Input

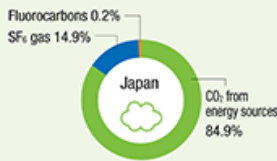
Japan 8,480 ton



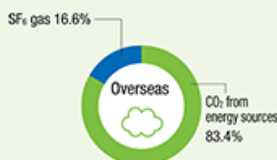
OUTPUT

Greenhouse Gas Emissions (Scope1+2)

Japan 39,651 t-CO₂

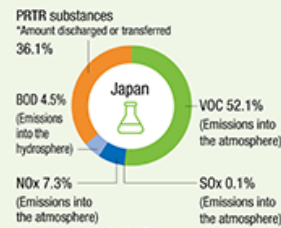


Overseas 13,603 t-CO₂



Chemical Substances Discharged or Transferred

Japan 144.03 ton

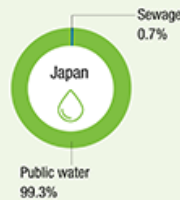


Overseas 119 ton



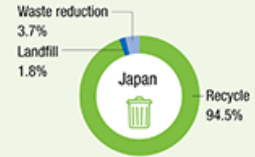
Total Volume of Water Effluents Discharged

Japan 2,288 thousand m³



Total Volume of Waste and Valuables

Japan 10,001 ton



Overseas 2,169 ton



Environment

Environmental Impact Data (FY2020) 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, motor speed control equipment, electronic devices, and surge arresters, installation of control devices, development of unit software, and on-site installation, and after-sales service for products.

In FY2020, we reduced environmental impact through increased productivity, in spite of the COVID-19 pandemic. We particularly focused on tightening management of SF6 gas, which is a highly potent greenhouse gas. With regard to the use of SF6 gas, we immediately consider alternatives and strive to prevent global warming.

Numazu Works, Environmental Manager, Masanori Fukumoto

Environmental Impact Data (FY2020)

INPUT		
Energy		
Total Energy Input	10,286	kL
Electricity (buying electricity)	7,647	kL
Electricity (renewable energy)	0	kL
City gas	2,518	kL
LPG	14	kL
Heavy oil A	17	kL
Gasoline	19	kL
Light oil	0	kL
Kerosene	5	kL
Cold and hot water	0	kL
Vehicle fuel	39	kL
Chemicals Substances		
SF ₆	10,665	kg
VOC	43	t
PRTR substances handled	62	t
Water		
Total Water Input	1,357	thousand m ³
Tap water	25	thousand m ³
Industrial water	0	thousand m ³
Groundwater	1,332	thousand m ³

OUTPUT		
Greenhouse Gas		
Greenhouse Gas Emissions (Scope1+2)	24,305	t-CO ₂
CO ₂ from energy sources	18,370	t-CO ₂
SF ₆ gas	259	kg
Fluorocarbons	23	t-CO ₂
Chemical Substances		
VOC (Emissions into the atmosphere)	41	t
SO _x (Emissions into the atmosphere)	22	kg
NO _x (Emissions into the atmosphere)	8,000	kg
BOD (Emissions into the hydrosphere)	2,676	kgBOD
PRTR substances discharged or transferred	23	t
Water		
Total Volume of Water Effluents Discharged	2,216	thousand m ³
Sewage	4	thousand m ³
Public water	2,212	thousand m ³
Waste		
Total Volume of Waste and Valuables	3,057	t
Recycle	2,920	t
Landfill	35	t
Waste reduction	102	t

| Message From the Environmental Manager

The Ota Works conducts development and manufacture of large electric generators, power generation equipment, dynamometer systems, and control equipment, etc. In addition to previous environmental activities, this fiscal year, we considered procurement of CO2-free electricity that is produced and consumed within Gunma Prefecture, and we commenced said procurement in April 2021. In this way, electricity consumption by Ota Works produces net zero CO2 emissions. Going forward, we will promote activities to reduce our environmental impact in order to achieve SDGs.

Ota Works, Environmental Manager, Manabu Fujikawa

Environmental Impact Data (FY2020)

INPUT		
Energy		
Total Energy Input	2,325	kL
Electricity (buying electricity)	1,724	kL
Electricity (renewable energy)	0	kL
City gas	377	kL
LPG	10	kL
Heavy oil A	58	kL
Gasoline	2	kL
Light oil	93	kL
Kerosene	38	kL
Cold and hot water	0	kL
Vehicle fuel	23	kL
Chemicals Substances		
SF ₆	0	kg
VOC	25	t
PRTR substances handled	20	t
Water		
Total Water Input	100	thousand m ³
Tap water	13	thousand m ³
Industrial water	87	thousand m ³
Groundwater	0	thousand m ³

OUTPUT		
Greenhouse Gas		
Greenhouse Gas Emissions (Scope1+2)	4,286	t-CO ₂
CO ₂ from energy sources	4,286	t-CO ₂
SF ₆ gas	0	kg
Fluorocarbons	0	t-CO ₂
Chemical Substances		
VOC (Emissions into the atmosphere)	16	t
SO _x (Emissions into the atmosphere)	79	kg
NO _x (Emissions into the atmosphere)	489	kg
BOD (Emissions into the hydrosphere)	215	kgBOD
PRTR substances discharged or transferred	15	t
Water		
Total Volume of Water Effluents Discharged	53	thousand m ³
Sewage	0	thousand m ³
Public water	53	thousand m ³
Waste		
Total Volume of Waste and Valuables	737	t
Recycle	641	t
Landfill	5	t
Waste reduction	91	t

| Message From the Environmental Manager

The Nagoya Works develops and manufactures logistics transportation products, and ceramic membranes used for water treatment.

In FY2020, we commenced operation of a manufacturing plant for integrated motor/inverters Inverter-Integrated Motor Units for EVs. As the rate of decarbonization is increasing and technology for electrification, computerization, and artificial intelligence of electric vehicles is evolving rapidly, Nagoya Works is focusing on electrification and will contribute to society through future automation of automobiles.

Nagoya Works, Environmental Manager, Tomohisa Asakura

Environmental Impact Data (FY2020)

INPUT		
Energy		
Total Energy Input	1,370	kL
Electricity (buying electricity)	794	kL
Electricity(renewable energy)	0	kL
City gas	568	kL
LPG	0.2	kL
Heavy oil A	0	kL
Gasoline	0	kL
Light oil	0	kL
Kerosene	2	kL
Cold and hot water	0	kL
Vehicle fuel	5	kL
Chemicals Substances		
SF ₆	0	kg
VOC	0.4	t
PRTR substances handled	1	t
Water		
Total Water Input	12	thousand m ³
Tap water	4	thousand m ³
Industrial water	0	thousand m ³
Groundwater	9	thousand m ³

OUTPUT		
Greenhouse Gas		
Greenhouse Gas Emissions (Scope1+2)	2,432	t-CO ₂
CO ₂ from energy sources	2,412	t-CO ₂
SF ₆ gas	0	kg
Fluorocarbons	20	t-CO ₂
Chemical Substances		
VOC (Emissions into the atmosphere)	0.1	t
SOx (Emissions into the atmosphere)	0	kg
NOx (Emissions into the atmosphere)	1,863	kg
BOD (Emissions into the hydrosphere)	84	kgBOD
PRTR substances discharged or transferred	0	t
Water		
Total Volume of Water Effluents Discharged	8	thousand m ³
Sewage	0	thousand m ³
Public water	8	thousand m ³
Waste		
Total Volume of Waste and Valuables	201	t
Recycle	179	t
Landfill	5	t
Waste reduction	17	t

Message From the Environmental Manager

Since its foundation in 1943, KOFU MEIDENSHA ELECTRIC MFG. CO., LTD. has been manufacturing small and medium-capacity industrial motors and forklift motors, and has been manufacturing EV motors since 2009.

In FY2020, we commenced operation of a new factory for EV motors as an environmentally considerate factory with solar panels and insulating glass.

Kofu Meidensha, Environmental Manager, Makoto Nakazawa

Environmental Impact Data (FY2020)

INPUT		
Energy		
Total Energy Input	1,790	kL
Electricity (buying electricity)	1,490	kL
Electricity(renewable energy)	0	kL
City gas	294	kL
LPG	0	kL
Heavy oil A	0	kL
Gasoline	0	kL
Light oil	0	kL
Kerosene	0	kL
Cold and hot water	0	kL
Vehicle fuel	6	kL
Chemicals Substances		
SF ₆	0	kg
VOC	35	t
PRTR substances handled	32	t
Water		
Total Water Input	7	thousand m ³
Tap water	3	thousand m ³
Industrial water	0	thousand m ³
Groundwater	4	thousand m ³

OUTPUT		
Greenhouse Gas		
Greenhouse Gas Emissions (Scope1+2)	3,189	t-CO ₂
CO ₂ from energy sources	3,172	t-CO ₂
SF ₆ gas	0	kg
Fluorocarbons	17	t-CO ₂
Chemical Substances		
VOC (Emissions into the atmosphere)	17	t
SOx (Emissions into the atmosphere)	0	kg
NOx (Emissions into the atmosphere)	0	kg
BOD (Emissions into the hydrosphere)	0	kgBOD
PRTR substances discharged or transferred	12	t
Water		
Total Volume of Water Effluents Discharged	7	thousand m ³
Sewage	7	thousand m ³
Public water	0	thousand m ³
Waste		
Total Volume of Waste and Valuables	539	t
Recycle	530	t
Landfill	9	t
Waste reduction	0	t

Environment

Third-Party Verification

In order to ensure that we release accurate and reliable environmental performance data for FY2020, 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	16,161	CO ₂ (including emissions from use of automotive fuel), HFC, HCFC, and SF ₆ emissions from energy used for the business activities of Meidensha and 23 domestic Group companies during the period from April 1, 2020 to March 31, 2021.
Scope 2	24,479 (location basis)	
	23,490 (market basis)	
Scope 3	(Category 1) 796,523	Category 1 emissions (scope of calculation is based on Meidensha's determination) from the business activities of Meidensha during the period from April 1, 2020 to March 31, 2021.
	(Category 11) 5,183,413	Evaluation of the reliability and adequacy of Category 11 emissions (scope of calculation is based on Meidensha's determination) from the business activities of Meidensha during the period from April 1, 2020 to March 31, 2021 through review.

| 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



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, and revised it at the Board of Directors’ meeting held in June 2020, in accordance with 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 fairness, efficiency, and transparency of management by promoting initiatives to enhance corporate governance in accordance with the Corporate Governance Code.

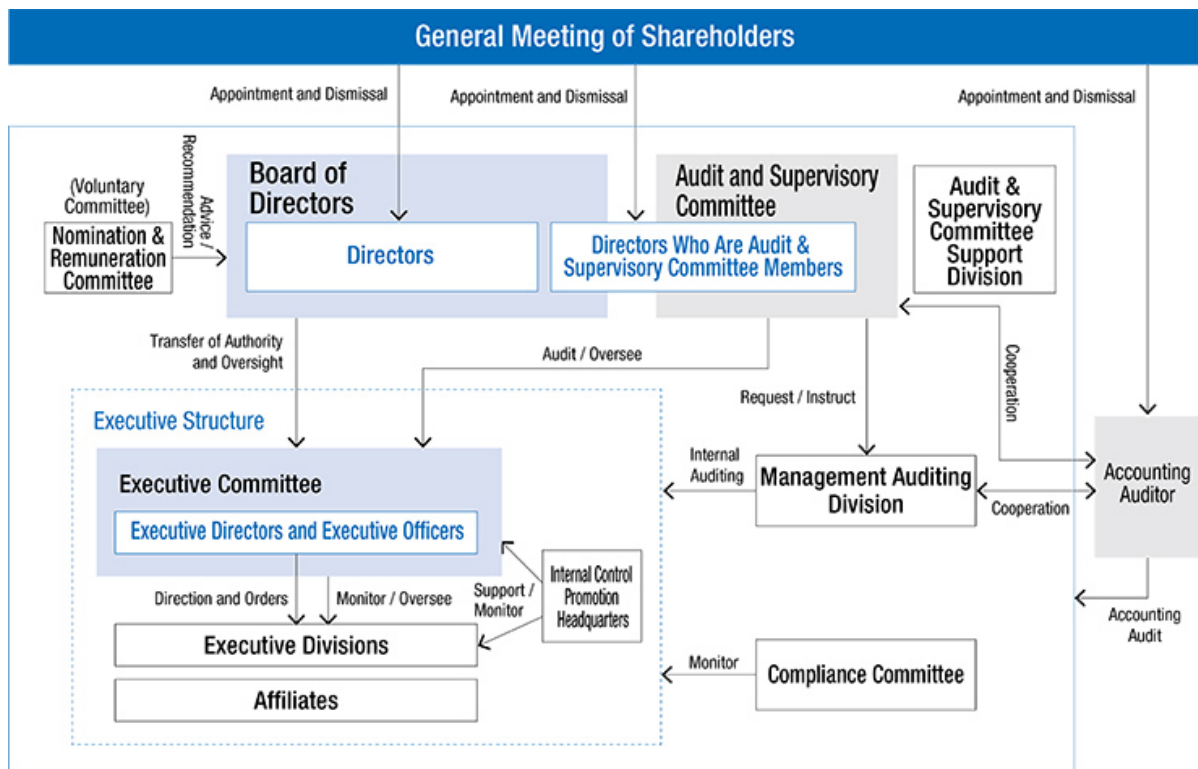
Organization and Initiatives

Corporate Governance Structure and Initiatives

The Company transitioned to a company with an Audit & Supervisory Committee in June 2020 for the following purposes, in order to further strengthen corporate governance. The main purposes of transitioning to a company with an Audit & Supervisory Committee are 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 compensation at meetings of shareholders 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 portion of the Board of Directors’ authority to make decision on business execution has been transferred to the executive directors (Executive Officers’ Meeting).
- (c) In order to enhance supervisory functions to ensure appropriate corporate governance and fundamental management policy decisions while enhancing flexible and agile business execution along with the executive officer system introduced in June 2003, in combination with transition of authority mentioned in the previous section.

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 2020, the Board of Directors held 13 meetings, and the attendance rate of each director, apart from one, was 100% (the attendance rate for one director was 92.3%).

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 for the appointment of directors of the Company is to ensure the diversity of the Board of Directors as a whole and to balance the expertise required of the Company's Board of Directors with the awareness, experience, and abilities of individual Directors.

The basic policy for the appointment of directors who are Audit & Supervisory Committee members is to ensure overall diversity of directors who are Audit & Supervisory Committee members and a balanced composition, according to knowledge and experience, etc., relating to accounting, finance, and law, etc. 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 Compensation 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 Compensation Committee.

* Meidensha established a voluntary Compensation Committee in December 2017. In December 2018, the Committee took on the functions of a voluntary nomination committee to become the Nomination and Compensation Committee. The Nomination and Compensation 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 Executive Officers' Meeting and the President, and nimbly perform executive functions under the supervision of the Board of

Directors, each director and the Executive Officers' Meeting, in accordance with the Meiden Group's management policies determined by the Board of Directors.

The Executive Officers' Meeting, 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 Officers' Meeting 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 transfer of a portion of authority for business execution from the Board of Directors to the executive directors and 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 2020, all members of the Board of Directors, including outside directors, 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 2021.

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, evaluation of revision to the standards for matters to be resolved by the Board of Directors after transition to a company with an Audit & Supervisory Committee, other opinions

ii Outline of Analysis and Evaluation Results

The results of the evaluation of each director 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 the effectiveness of the Board of Directors is currently secure.

In addition, in the course of evaluation, we promoted the transition of the Board of Directors to a monitoring type and reaffirmed the policy to further enhance the supervisory function of the Board of Directors through the delegation of major executive functions and establishment of internal decision-making and supervision rules.

Going forward, we will continue to promote initiatives to further increase the effectiveness of the Board of Directors, such as deepening understanding of the Company's business environment and strategy, through measures including the advance explanation and consultation regarding agenda items of the Board of Directors discussed below, training for newly appointed outside directors, and providing ongoing opportunities for discussion, in order to determine issues identified through analysis and evaluation.

Composition of the Board of Directors, Nomination & Compensation Committee, and Audit & Supervisory Committee and FY2020 Attendance
(Period: April 1, 2020 to March 31, 2021)

Name	Position (as of March 31, 2021)	Board of Directors	Nomination & Compensation Committee	Audit and Supervisory Committee
Yuji Hamasaki	Representative Director, Chairman Member of Nomination and Compensation Committee	(13 / 13) ○	(4 / 4)	—
Takeshi Miida	Representative Director, President Member of Nomination and Compensation 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 Compensation Committee	(12 / 13)	(4 / 4) ○	—
Junji Yasui	Outside Director Member of Nomination and Compensation Committee	(13 / 13)	(4 / 4)	—
Tadayoshi Machimura	Director (Standing Audit & Supervisory Committee)	(10 / 10)	—	(11 / 11) ○

	Member)			
Taketora Ito	Director (Standing Audit & Supervisory Committee Member)	(13 / 13)	—	(11 / 11)
Yoshiaki Shin	Outside Director (Audit & Supervisory Committee Member)	(13 / 13)	—	(11 / 11)
Mitsuru Nawata	Outside Director (Audit & Supervisory Committee Member)	(13 / 13)	—	(11 / 11)
Keiko Hayash	Outside Director (Audit & Supervisory Committee Member)	(10 / 10)	—	(11 / 11)

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 (Attendance / Holding)

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 2020, we conducted training for our officers by outside instructors, relating to compliance in relation to overseas bribery and harassment, 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 directors, 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.

i Advance Explanation of Agenda Items 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 Matters for Discussion by the Board of Directors

In addition to agenda items and reporting matters of the Board of Directors, we take up matters concerning our basic management plans, such as the Medium-term Management Plan

and major themes required of a company with an audit & supervisory committee, and discuss tracing, etc., as matters for consultation.

We will leverage the knowledge of outside directors to facilitate active exchange of opinions concerning the Company's management issues and strategies, as well as corporate governance, and use this as an opportunity to build consensus at the planning stage, prior to resolutions by the Board of Directors.

iii 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.

iv Training for New Directors

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

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

(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 Annual 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 and Advisory Division for 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 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 compensation 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 auditing activities, 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 2018, 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 April 2020, we improved the framework for promoting internal control by establishing the Group for Promotion of Internal Control. The Enterprise Risk Management Division establishes risk management systems integrating the entire group, and promotes enhancement of internal control functions through joint monitoring of internal control systems by the Audit & Supervisory Committee and the Internal Auditing Division. In fiscal 2020, we conducted new standardized audits using audit standardization tools as new initiatives to improve the comprehensiveness of audits. Going forward, we aim to expand standardized audits to domestic and overseas subsidiaries and ensure that they are sustained.

In fiscal 2021, we are transitioning from rotating audits to a risk approach. We are developing a risk-based annual auditing plan, which will comprehensively cover all companies and prioritize high-risk areas.

(6) Strengthening Group Governance

The Meiden Group is working to continuously strengthen group governance by developing basic policies based on the “Basic Policy to Improve Governance Structure to Secure Fair Business Practices” at each Meiden Group company, establishing a regulatory framework, and implementing the PDCA cycle.

1. Establishing a Framework

- (1) Meidensha’s Board of Directors has established the Corporate Policy Planning Group, the Overseas Business Strategic Management Group, and the Enterprise Risk Management Division of the Group for Promotion of Internal Control as group-wide management organizations, and created a system for Group companies to report to Meidensha.
- (2) There is a system to dispatch general officers or non-standing officers from Meidensha to Group companies to oversee the operations of said Group companies.
- (3) Meidensha dispatches non-standing auditors to major domestic Group companies to strengthen audits.
- (4) Meidensha’s Internal Auditing Division conducts audits to ensure appropriate business practices at each Group company.

2. Main Initiatives in Fiscal 2020

- (1) The Compliance Committee met once in each half of the fiscal year, and in the second half, we looked back on previous compliance promotion activities, including group-wide compliance training, reaffirmed the significance and effectiveness of each activity, and confirmed that we will continue and develop each activity.
- (2) We established the Enterprise Risk Management Division of the Group for Promotion of Internal Control as a department to promote group governance and drafted the Basic Risk Management Regulations.

We established a new Internal Control Committee at each Group company, and shared information concerning the main risks faced by the Meiden Group in order to ensure the fullness of the risk management system.

- (3) At the Overseas Strategy Meeting held once each year, we worked to establish a reporting system for subsidiaries as an opportunity to share the main risks faced by overseas subsidiaries, and consider and thoroughly implement measures.
- (4) The Internal Auditing Division conducted internal audits of three domestic subsidiaries and 16 overseas subsidiaries, commenced new standardized audits using audit standardization tools, and worked to increase the comprehensiveness of audits, particularly for some overseas subsidiaries.

Officers' Compensation

Directors compensation policy

i Level and System of Compensation

The level of compensation of Meidensha's directors is determined based on external objective compensation market data, economic conditions, industry trends, and Meidensha's business circumstances, etc. The content of the officers' compensation system is determined by the internal officers' compensation regulations having received consultation and confirmation by the aforementioned Nomination and Compensation Committee, giving consideration to this level.

ii Composition of Compensation

(a) Directors (excluding Audit & Supervisory Committee members and outside directors)

Compensation of directors (excluding Audit & Supervisory Committee members and outside directors) is based on annual salary system with performance-linked compensation, and comprises basic compensation and incentive compensation according to each role. Of these types of compensation, incentive compensation comprises compensation that is linked to business performance as a short-term incentive and stock compensation as a medium to long-term incentive.

| Target Proportion of Each Type of Compensation ((if 100% of targets were achieved))



(b) Directors and Outside Directors Who Are Audit & Supervisory Committee Members

Directors and outside directors who are Audit & Supervisory Committee members only receive basic compensation on annual salary system basis.

iii Incentive Compensation System

Performance-linked compensation, 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 the Medium-term Management Plan, as a performance evaluation indicator, and 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 compensation, 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 Compensation Determination Procedures

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

FY2020 Results

Classification	Total Amount of Compensation, etc. (millions of yen)	Total Amount of Each Type of Compensation, etc. (millions of yen)		Number of People
		Basic compensation	Incentive compensation	
Directors (excluding Audit & Supervisory Committee members and Outside Directors)	310	223	87	7
Outside directors (excluding Audit & Supervisory Committee members)	16	16	-	2
Directors who are Audit and	40	40	-	2

Supervisory Committee members (excluding Outside Directors)				
Outside directors who are Audit & Supervisory Committee members	18	18	-	3
Auditors (excluding outside auditors)	10	10	-	2
Outside auditors	3	3	-	2
Total	397	310	87	18

1. The amount paid to directors includes performance-linked compensation for fiscal 2020.
2. The total of the above people who receive compensation is an aggregate number. Three auditors (of whom two were outside auditors) retired at the end of their terms, thereafter assuming roles as directors who are Audit & Supervisory Committee members, so the actual number of people who received compensation was 15.

Dialogues with Shareholders and Investors

Basic Approach and IR System

When any shareholders wish to have 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 possible.

A system is in place where a Director 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. These activities are regularly reported to and discussed by the Board of Directors.

Results Briefings

We hold results briefings twice a year in May and October. In fiscal 2020, we distributed a video of the President's results briefing to analysts and institutional investors on the day of the presentation and conducted teleconferences for question-and-answer sessions the next day, instead of holding in-person briefings, in order to prevent the spread of Novel Coronavirus disease (COVID-19).

| IR Briefing for Overseas Investors

As there was no fiscal 2020 international road show due to the pandemic, we actively contacted major international investors and conducted individual interviews by telephone. Meidensha commenced its first foreign securities company coverage amid increased attention from overseas investors.

| Individual Business Briefings (Small Meetings)

Since fiscal 2018, we have held small meetings once a year. We set a different business theme each year, and create an opportunity to better understand the Company's business by conducting briefings and Q&A by responsible officers.

At the small meeting held in December 2020, we conducted a briefing by a general officer of the T&D business (Director and Senior Managing Executive Officer Nobuaki Tamaki) with the theme of "business strategy for vacuum products and expansion into North America." The meeting was attended by 10 analysts.

| Main IR Activities in Fiscal 2020

Individual Sessions	Number
Domestic Investors	124
Overseas Investors	32
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 >](#)



| Opinions of Analysts and Institutional Investors

We publish a quarterly IR report, which includes the opinions and requests given at results briefings and individual interviews, and this is reported to executive officers and directors. The main opinions provided by analysts and institutional investors in fiscal 2020 are as follows.

- Management that is more aware of capital efficiency
- Management and disclosure of each business group's management targets
- A stance for enhancing shareholder returns
- A business area for future investment
- Measures for improved profitability of overseas businesses and a timeline for achievement
- A timeline and sense of scale of business benefits from carbon neutrality
- Active information disclosure relating to ESG management
- Policies relating to cross-shareholdings and antitakeover measures

Going forward, we will ensure even fuller disclosure of information through results briefings, individual IR, conferences, the website, and this report, etc., and continue to engage in dialog with shareholders and investors.

Board of Directors & Executive Officers as of July, 2021

<p>Directors</p>	 <p>Yuji Hamasaki Director and Chairman Nomination & Compensation Committee Member</p> <p>Reason for Selection and Expected Role</p> <p>Yuji Hamasaki has served as director and Chairman overseeing all aspects of the Group’s management since 2018. He has worked to enhance the supervisory function of the Board of Directors as director and Chairman, and has promoted the transition to a system design for a company with an Audit & Supervisory Committee, as well as separation of supervisory and executive functions.</p> <p>He has been selected as he is expected to further enhance the corporate governance of the entire Meiden Group by leveraging the aforementioned experience and achievements, steering the direction of the Meiden Group’s management, and further revitalizing discussions 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 and President
Nomination & Compensation Committee Member

Reason for Selection and Expected Role

Since 2018, Takeshi Miida has worked hard as representative director and President. He has been involved in all aspects of management of the Meiden Group as well as drafting and implementing the previous medium-term management plan.

He has been selected as he is expected to leverage the aforementioned experience and results, promote Medium-term Management Plan 2024, and enhance the oversight function of the Board of Directors through his involvement in management as an overseer of Medium-term Management Plan 2024.

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



Shosuke Mori

Representative Director and Executive Vice President

Reason for Selection and Expected Role

Shosuke Mori worked hard to conduct strategic enhancement of the social infrastructure systems business and the maintenance and servicing business under the previous medium-term management plan. This fiscal year, he is responsible for the Public, Industrial & Commercial Sector Business Group and the Field Service Engineering Business Group, and he will deepen the strategies of each group. He has been selected as he is expected to leverage the aforementioned experience and results which will help us to further promote Medium-term Management Plan 2024 and enhance the oversight function 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
 April 2021 to present – In charge of the Public, Industrial & Commercial Sector Business Group and the Field Service Engineering Business Group



Norio Takekawa

Director and Senior Managing Executive Officer

Reason for Selection and Expected Role

Norio Takekawa worked hard to improve the production and quality control system under the previous medium-term management plan. This fiscal year, he will be responsible for a project to comprehensively enhance the production system of all Group companies.

He has been selected as he is expected to leverage the aforementioned experience and results which will help us to further promote Medium-term Management Plan 2024 and enhance the oversight function 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 in charge of the Production Engineering and Management Group
 June 2018 to present – Director
 April 2020 to present – Senior managing executive officer in charge of the Plant Construction & Engineering Business Group
 April 2021 to present – Senior managing executive officer



Nobuaki Tamaki

Director and Senior Managing Executive Officer

Reason for Selection and Expected Role

Nobuaki Tamaki worked hard to expand the scale of overseas businesses under the previous medium-term management plan. This fiscal year, he will be responsible for a project to enhance the Power Infrastructures Business Group and innovation.

We request his selection as he is expected to leverage the aforementioned experience and results which will help us to further promote Medium-term Management Plan 2024 and enhance the oversight function 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 in charge of the T&D Business Unit

April 2017 – Managing executive officer in charge of the T&D Business Unit

April 2018 – Senior managing executive officer in charge of the T&D Business Unit

June 2018 to present – Director

April 2020 to present – Senior managing executive officer in charge of the Overseas Business Strategic Management Group

April 2021 to present – Senior managing executive officer in charge of the Power Infrastructures Business Group and the Overseas Business Strategic Management Group



Masayuki Iwao

Director and Senior Managing Executive Officer

Reason for Selection and Expected Role

Masayuki Iwao is originally from the Accounting and Finance Business Unit, and he has worked hard to enhance the internal control and risk management systems under the previous medium-term management plan. This fiscal year, he will be responsible for all corporate governance, and a project to reform professional development and work-styles under Medium-term Management

Plan 2024.

He has been selected as he is expected to leverage the aforementioned experience and results which will help us to further promote Medium-term Management Plan 2024 and enhance the oversight function of the Board of Directors through his involvement in management.

Career Summary

April 1985 – Joined Meidensha

April 2015 – Executive officer in charge of the Financing Division

April 2016 – Executive officer in charge of the Accounting and Financing Group

April 2018 – Managing executive officer

April 2020 to present – Managing executive officer in charge of the Group for Promotion of Internal Control

April 2021 to present – Senior managing executive officer in charge of the Group for Promotion of Internal Control and the HR and General Affairs Group

June 2021 to present - Director



Tatsuki Mochizuki

Director and Senior Managing Executive Officer

Reason for Selection and Expected Role

Tatsuki Mochizuki has extensive experience in domestic and overseas sales. He was responsible for the social infrastructure and maintenance and servicing businesses, and he has worked hard to enhance overseas businesses under the previous medium-term management plan. This fiscal year, he will oversee all sales operations and is responsible for the Mobility and Electrical Components Business Group.

He has been selected as he is expected to leverage the aforementioned experience and results which will help us to further promote Medium-term Management Plan 2024 and enhance the oversight function of the Board of Directors through his involvement in management.

Career Summary

April 1985 – Joined Meidensha

April 2013 – Head of the Kyushu Branch

October 2015 – Head of the Chubu Branch

April 2016 – Executive officer in charge of the Chubu Branch Office

April 2018 – Managing executive officer in charge of the Public, Industrial & Commercial Sector Business Unit

April 2021 to present – Senior managing executive officer in charge of the

Mobility and Electrical Components Business Group
June 2021 to present - Director



Hiroyuki Takenaka

Nomination & Compensation Committee Member

Reason for Selection and Expected Role

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

He has been selected as he is expected to fill roles such as providing instruction and advice to further enhance the supervisory function of the Board of Directors and ensure appropriate risk-taking, 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

Reason for Selection and Expected Role

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

We request his selection as he is expected to fill roles such as providing instruction and advice to further enhance the supervisory function of the Board of Directors and ensure appropriate risk-taking, 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 and Expected Role

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) at Meidensha



Michihiko Kato

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

Reason for Selection and Expected Role

Michihiko Kato mainly has sales experience in the social infrastructure business. He has worked hard to enhance sales capabilities in his role overseeing all sales under the previous medium-term management plan. He not only has sales experience; he also has supervision experience in the Construction Business Unit. He possesses extensive experience and knowledge.

We request his selection as he is expected to further enhance audit and supervisory functions by showcasing the aforementioned extensive experience in Meidensha's audits and at meetings of the Board of Directors.

Career Summary

April 1982 – Joined Meidensha
April 2014 – Executive officer in charge of the Water and Environment Division and Sales Division
April 2016 – Managing executive officer in charge of the Water and Environment Division
April 2017 – Managing executive officer
April 2020 – Managing executive officer in charge of the Sales Planning and Coordination Group
April 2021 – Senior trustee
June 2021 to present – Director (Audit & Supervisory Committee member)



Yoshiaki Shin

Director and Audit & Supervisory Committee Member
(Outside Director) Nomination and Compensation Committee Member

Reason for Selection and Expected Role

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 and Expected Role

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 and Expected Role

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

	<p>Certified Public Accountants</p> <p>November 2018 – Representative director of Tohmatsu Challenged Co., Ltd.</p> <p>January 2019 to present – Member of Acquisition, Technology and Logistics Agency Defense Procurement Council</p> <p>June 2019 - Deloitte Tohmatsu Group D & I committee advisor</p> <p>August 2019 – Chair of The Japanese Institute of Certified Public Accountants Audit Practice and Review Committee</p> <p>October 2019 to present – Chair of The Japanese Institute of Certified Public Accountants Audit and Discipline Investigation Committee</p> <p>June 2020 – Outside director of Lifenet Insurance Company</p> <p>June 2020 to present – Director (Audit & Supervisory Committee Member) of Meidensha</p> <p>July 2020 to present – Principal of Keiko Hayashi Accounting Office</p> <p>February 2021 to present – Outside auditor of Nippon Filcon Co., Ltd.</p> <p>March 2021 to present – Supervising officer of Nippon Building Fund Inc.</p> <p>June 2021 to present – Outside director (Audit & Supervisory Committee member) of Lifenet Insurance Company</p>
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Managing Executive Officers	<p>Kuniake Yasukawa</p> <p>Masahiko Suzuki</p> <p>Akio Inoue</p> <p>Hiroshi Toke</p> <p>Satoshi Momenya</p> <p>Hideki Miyazawa</p> <p>Akio Ikemori</p>
Executive Officers	<p>Noritaka Matsushita</p> <p>Hisahiro Murashima</p> <p>Norio Mizutani</p> <p>Takeo Suzuki</p> <p>Katsunori Suzuki</p> <p>Munekazu Shiratori</p> <p>Kuniteru Yamaoka</p> <p>Katsuyuki Watanabe</p> <p>Seiji Kato</p> <p>Kazuhiro Yamada</p> <p>Nobuya Ono</p> <p>Hiroshi Takahata</p> <p>Katsumi Shimamura</p> <p>Takehisa Koganezawa</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 guide our business strategy to success 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 its sensitivity when considering business risks, establish its own PDCA risk management systems, and establish a system to understand and control major business risks throughout the entire Group, 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.

Risk Management Structure

Operation of the Risk management Committee

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. In fiscal 2018, we introduced control self-assessment (CSA) to identify, evaluate, and control risks relating to business strategy and management of business units, including factories and subsidiaries. In addition to this CSA by business units, in fiscal 2020, we established the Enterprise Risk Management Division of the Group for Promotion of Internal Control and the Risk Management Committee in order to identify, evaluate, and appropriately control major business risks facing the Group as a whole. 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.

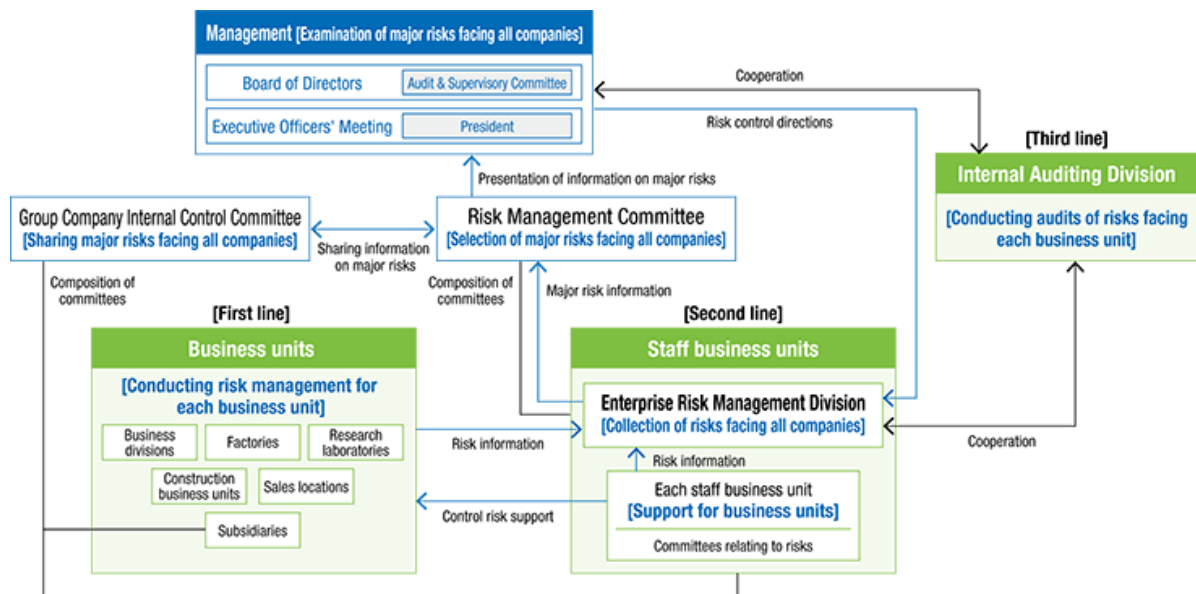
Risk Management Structure

Operation of the Risk management Committee

Risk management through CSA of business units is conducted with the support of the Group for Promotion of Internal Control and the staff business unit. The Internal Auditing Division conducts risk evaluation and control verification through CSA for each business unit at the time of business audits, and reports the results to the Executive Officers' Meeting, the Board of Directors, and prominent managers from time to time. The Enterprise Risk Management Division gathers CSA risk information from each business unit, collects a range of risk information in conjunction with the Headquarters staff business units and the various committees, and identifies key business risks to be dealt with by the entire Meiden Group. The Risk Management Committee is chaired by the head of the Group for Promotion of Internal Control. Key members of the Headquarters staff business units scrutinize the Meiden Group's major business risks that have been identified by the Enterprise Risk Management Division and debate response policies each half.

Managers further debate business risks debated by the Risk Management Committee at the Executive Officers' Meeting and the Board of Directors, stipulate key business risks facing the Meiden Group, and determine response policies.

The Meiden Group's Risk Management Structure



Major Risks from Business Activities

The Meiden Group stipulates major business risks to the entire Meiden Group through regular discussion among managers according to systems such as those listed above. Major business risks are as follows.

(1) Business Management Risks

- Risks relating to compliance
- Risks relating to HR

- Risks relating to quality of products and services
- Risks relating to information security
- Risks relating to occupational accidents and incidents
- Risks relating to overseas business management
- Risks relating to procurement of materials
- Risks relating to environmental management
- Risks relating to fluctuations in value of assets held

(2) Risks from Change in External Environment

- Occurrence of natural disasters
- Global financial trends
- Change of legal or regulatory trends
- Rapid technological innovation
- Interest rate fluctuations

(3) Other Risks

- Novel Coronavirus disease (COVID-19)
- Major lawsuits, etc.

Initiatives

Risk Management Relating to Business Activities

Preliminary Risk Assessment

Preliminary risk assessment was initiated in October 2012 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 Officers' Meeting 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

Corporate Policy Planning Group and the Group for Promotion of Internal Control, and their responsible executives decide whether or not to conduct preliminary review. Depending on the content, the Legal Affairs Division, the Overseas Business Strategic Management Group, and the Accounting and Financing Group participate in the assessment.

Policies, Plans, and Targets

Business Continuity Plan (BCP)

| Basic BCP Policy

The Meiden Group Basic BCP Policy stipulates the Meiden Group's basic policy on business continuity, business continuity targets, and response in the event of a disaster, etc., and is applied at each business unit and subsidiary.

[Basic Business Continuity Policy]

- (1) In the event of a disaster, it is our utmost priority to ensure the safety of all employees, their family members, and customers.
- (2) We contribute to swift reconstruction and recovery from disasters, considering our corporate social responsibility as a company that supports social infrastructure.
- (3) Limit impact on customers and Meidensha's businesses as much as possible.

| Medium-term Management Plan (FY2021 to FY2024)

We will promote the Medium-term Management Plan, paying particular attention to the following items relating to disaster-prevention and BCP.

●Ongoing BCP initiatives

- Moving from an earthquake-based BCP to an "all-hazard" BCP that applies to a range of risks
- Establishing a BCP and creating systems to maintain, evaluate, and confirm its effectiveness
- Continuing education and training, and ensuring that each employee is involved with BCP initiatives
- Extending the BCP to overseas subsidiaries, and creating a BCP with a global perspective

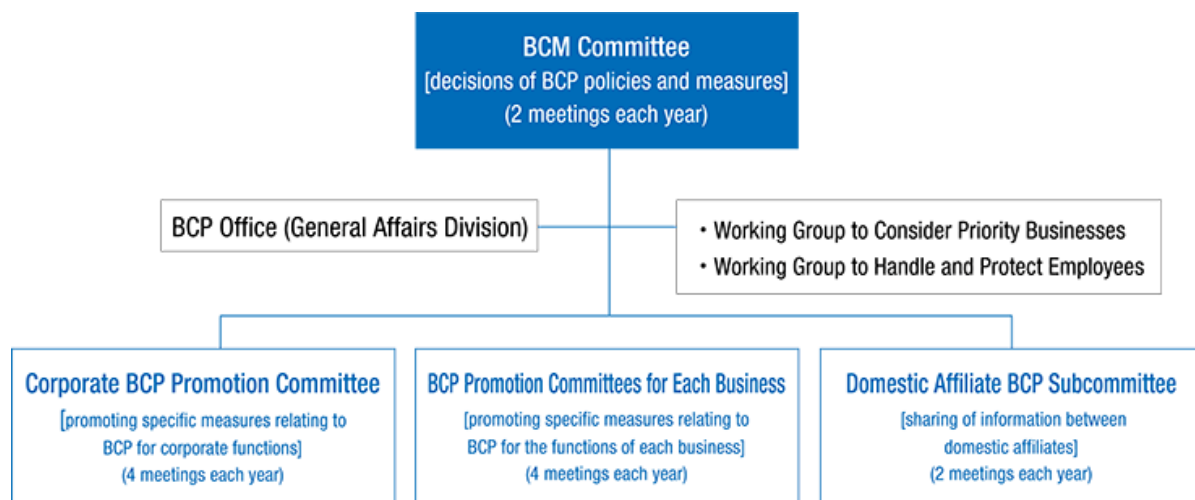
●Improving corporate and organizational resilience

- Encouraging independent promotion of BCPs by business units, and work to improve Disaster responsiveness by company organization
- Considering alternative production sites for important operations

●Contributing to society and communities

- Contributing to disaster-resilient community development by supplying Meidensha's BCP products and corporate BCP initiatives to communities and society

BCM Promotion System



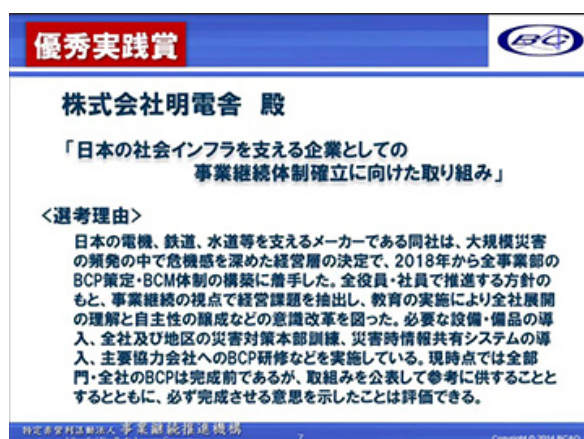
Under the BCM Committee, which determines the Meiden Group’s BCP policy and measures, the Meiden Group established the Corporate BCP Promotion Committee, BCP promotion committees for each business, Domestic Subsidiary BCP Subcommittee, the Working Group to Consider Priority Businesses, and the Working Group to Handle and Protect Employees, and promotes BCP throughout the Group.

Initiatives

BCAO Awards 2019: Superior Practice Award

Meidensha received the Superior Practice Award in the Business Continuity Division and was praised for its business continuity planning (BCP) for all business units in 2018, as well as its system of business continuity management (BCM).

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.



September 29, 2020: Online award ceremony

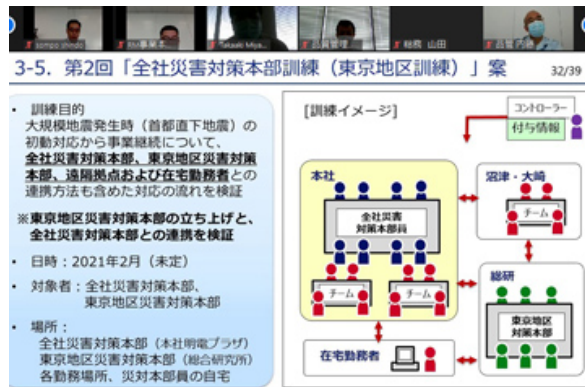
Promotion of creating Business Continuity Plans (BCP)

We hold workshops regularly at each business unit for business managers and BCP promotion managers to understand and formulate effective BCPs.

In fiscal 2020, we held workshops in dispersed locations as well as hybrid workshops that take place both online and in person, in order to ensure the effectiveness of workshops and avoid the three Cs (Closed spaces, Crowded places and Close-contact settings) that contribute to COVID-19 transmission.

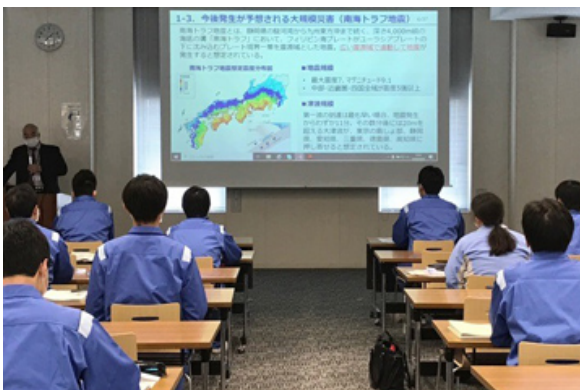


Workshops

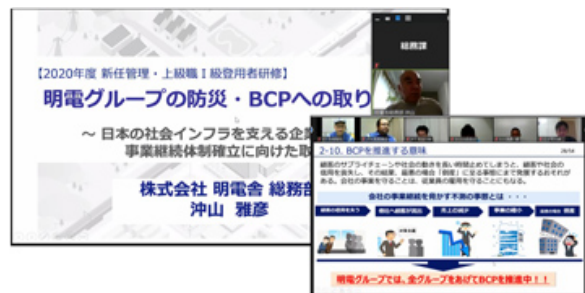


Employee Education on Disaster Prevention and BCP

We conduct ongoing employee education in disaster prevention and BCP for each level of employment. In fiscal 2020, we educated for new employees and new managers.



New employee training



New manager training

Creation of Tools for Disaster Prevention Education

Building on the disaster response card created the year before last, in fiscal 2020, we created the Meiden Group Hazard Maps, and we distributed it to Group employees in order to lead to measures in a normal operation and appropriate actions in times of emergency by understanding and improving awareness of disaster risks on a regular basis.

Through this measure and the disaster response card, we hope to prevent and prepare for

disasters, and plan to make use of opportunities to discuss preparation for disasters with people at work customers, and trading partners.



Disaster response card carried by all employees



Hazard Maps

External Communication of Information

We widely disseminated information about Meidensha’s disaster-prevention and BCP initiatives through online seminars and presentations, etc.

At presentations, we mainly introduce examples of our actual initiatives, and try to make presentations useful for participating companies to their implement activities.



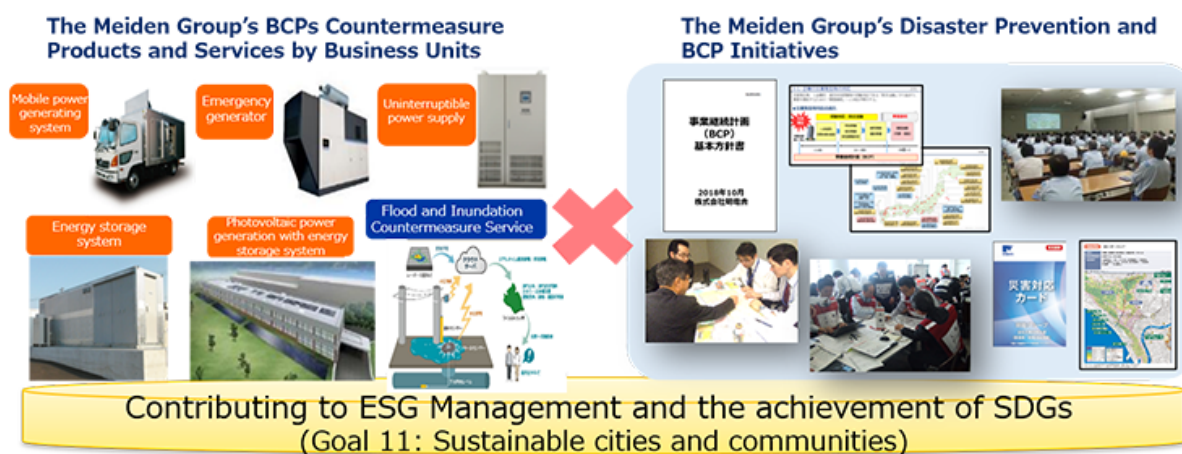
Presentation in Numazu



ISM Japan Annual Conference

Developing BCP Total Service Business

Utilizing internal systems to seek and develop new business ideas from the bottom up, we are conducting development aimed at commercialization through the research of the market needs and interviews with interested parties with the new business theme of “providing a business continuity planning (BCP) total service.”



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.

[Corresponding to COVID-19 infection >](#)

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.

Meidensha Basic Information Security Policy

1. Purpose and Scope of Information Security

Meidensha (hereinafter the “Company”) is aware that ensuring security of information assets handled by the Company is a major management issue for the Company, and protects information assets from threats such as disasters, accidents, crime, negligence, and cyber risks.

By establishing and maintaining information security management, we aim to prevent information security incidents such as leakage, falsification, or theft of information, build relationships of trust with a range of interested parties, including shareholders and customers, and improve corporate value of the Company.

This basic policy applies to all personnel who handle information assets managed by the Company.

2. Legal Compliance, etc.

The Company complies with obligations imposed by laws and agreements that relate to business activities.

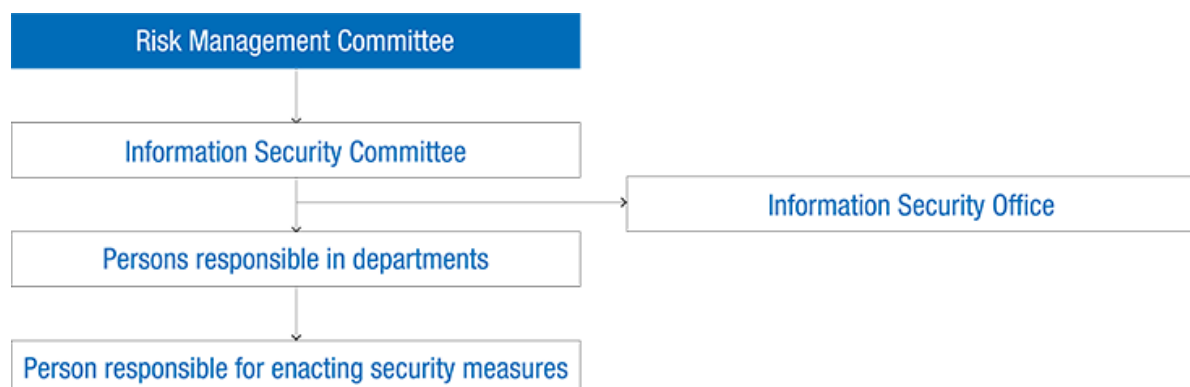
Everyone involved with business activities ensures thorough compliance with matters required by laws and regulations, obligations imposed by agreements, this policy, and internal management regulations relating to information security.

3. Establishment and Maintenance of Information Security

The Company provides for information security management such as by nominating an Information Security Manager and an Information Security Business Unit Managers, and establishing an office, has established regulations and procedures, etc., based on the Basic Information Security Policy, and continuously maintains and improves information security.

System

Information Security Control System



Information Security Management

The Meiden Group conducts information security audits of Meidensha and subsidiaries, mainly through the Information Security Committee, and verifies and evaluates whether security measures are actually being implemented and function.

At present, some of Meidensha and its domestic subsidiaries have received Information Security Management System (ISMS) certification.



Initiatives

In fiscal 2020, we are continuing to implement initiatives to reinforce information security for the entire Meiden Group.

Analysis of Incidents and Countermeasures for Each Cause

The Meiden Group is working to implement sustainable security measures in the areas of “prediction,” “defense,” “detection,” and “response.”

We analyze and implement both hardware and software measures to protect data from unauthorized logins, etc., and virus infections from suspicious emails, such as targeted email attacks, as well as measures mainly aim at combatting human factors such as theft, loss, or mishandling of information devices. 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) and joined the Nippon CSIRT Association in order to enhance response. We also conduct incident response training and promote the establishment of internal systems to speed up response to incidents.

Information Security Education and Training

All of the Meiden Group’s officers, employees, dispatch workers, and contract workers, etc., engage in information security education. In fiscal 2020, we conducted e-learning with the

theme of “the danger of suspicious emails.” The e-learning was attended by 90% of employees with materials sent to those who were unable to attend online.

Since fiscal 2015, we have continuously conducted suspicious email drills as education about cyber attacks such as targeted attack emails.

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.

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

Compliance Policy

The Meiden Group fully understands domestic and overseas laws, including those relating to corporate activities, customs, and all other social norms and spirit. The Meiden Group complies with and respects these, and has developed the Meiden Group Code of Conduct to constantly maintain a high standard of corporate ethics and social decency.

In accordance with this code of conduct, 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.

System

Compliance System

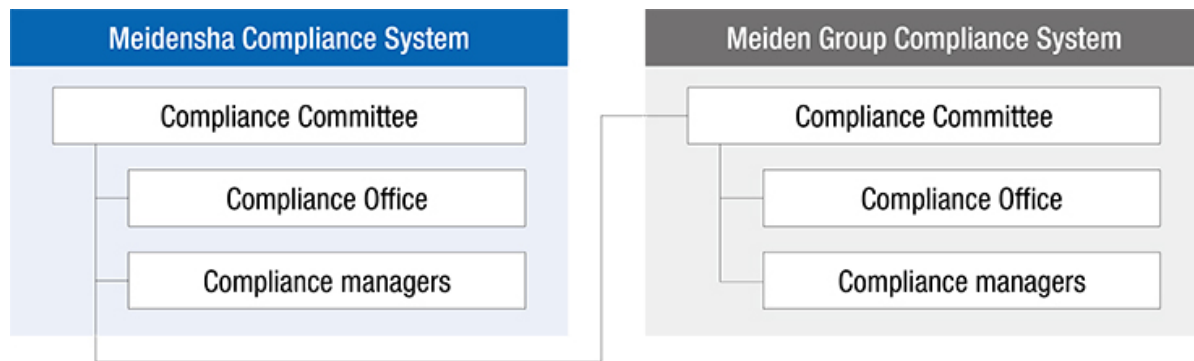
We have established the Compliance Committee, which operates separately from the workplace structure. The Committee handles matters relating to determination of policies concerning compliance activities, compliance education, and compliance reporting and works to express opinions and solve problems relating to a range of situations that may arise. The Compliance Committee is chaired by an officer responsible for compliance (the Chairman for fiscal 2020 was a director and senior managing executive officer), and comprises heads of staff business units such as the Legal Affairs Division and the Internal Auditing Division. It holds regular meetings twice each year. The content of Compliance Committee discussions is reported to management.

We have placed a compliance manager in each workplace in order to connect the Compliance Committee with workplaces. These compliance managers report matters being discussed at the workplace and issues they discover to the Compliance Committee. The compliance committee shares information with compliance managers through compliance training. This strengthens communication and reporting systems.

In fiscal 2020, the Compliance Committee reflected on existing systems and activities.

Committee members expressed many opinions, and the committee confirmed the course of future systems and activities. Also, in order to enhance overseas compliance, we are continuing to promote the implementation of internal control systems at overseas group companies.

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 Compliance 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 lawyers to deal with them. We are working to increase the dependability of management of information, such as the names of whistleblowers, 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 2020, the Meiden Group received 53 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.

System to Respond to Individual Incidents

Managers who become aware of illegal or inappropriate activities are obligated to promptly report them to their immediate superior. The system ensures that reports reach responsible officers. Illegal or inappropriate activities that are detected internally are investigated and handled under the direction of the head of the business unit, who serves as a member of the Compliance Committee. We work to introduce events that cause compliance problems or which may do so through compliance training and to thus prevent their reoccurrence as appropriate.

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.

Initiatives

Compliance Training

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. At compliance training aimed at employees, including compliance managers at each company in the Meiden Group, reports are made on the status of activities, legal training is provided, and compliance awareness is improved.

In fiscal 2020, we conducted training online in response to the COVID-19 pandemic; however, training was conducted for locations around Japan, and there were 1,338 participants. The Committee made reports concerning the status of compliance activities at the company as a whole, and it conducted education concerning the Antimonopoly Act, the Subcontract Act, harassment, and environmental laws. We also conduct individual presentations on compliance as part of training for each level of new staff, leaders, and managers.



Compliance training

Anti-corruption Measures

Meidensha stipulated “absolute prohibitions” through a resolution of the Board of Directors' Meeting on December 26, 2012. These “absolute prohibitions” prohibit profit-sharing with national public servants, correspondence with competitors, etc., such as bid-rigging or cartel behavior, collection of confidential information such as target prices and job prices from customers, etc. “Absolute prohibitions” are thoroughly enforced within the Group.

In 2016, we developed the Meiden Group Bribery Prevention Policy in order to prevent corruption. The principles were revised in 2020 in order to make them easier to understand. They have been disseminated throughout the Group once more in two volumes – the Meiden Group Bribery Prevention Policy and the Guidelines for the Meiden Group Bribery Prevention Policy.

| Group Corporate Code of Conduct toward 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 Meiden Group Bribery Prevention Policy and the Guidelines for the Meiden Group Bribery Prevention Policy in three languages. These regulations and policies are available on the Group-common web portal.

[Meiden Group Corporate Code of Conduct >](#)

| Meiden Group Bribery Prevention Policy/Guidelines

[Bribery Prevention Policy \(PDF:440KB\) !\[\]\(3cb60d42b10e53f9522bb0b392c1c4cd_img.jpg\)](#)

| Officer Training

In fiscal 2020, we conducted training for officers relating to prevention of bribery of foreign public servants administered by external instructors. The training was attended by the presidents of overseas Group companies in addition to officers of Meidensha. In 2021, providing entertainment to public servants was an issue throughout society, so in March 2021, we, including our officers, reaffirmed our commitment to appropriate treatment of public servants, etc.

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.

Compliance Data

| Breaches of the Law, etc., in Japan and Overseas

Incidents Relating to Laws of Japan, etc. (Entire Meiden Group)

	Unit	FY2018	FY2019	FY2020
Orders to cease and desist from the Fair Trade Commission, etc.	Cases	0	0	0
Suspension of operations or business due to scandals, etc.	Cases	0	0	0
Criminal charges for compliance-related incidents or accidents	Cases	0	0	0

Incidents Relating to Overseas Laws, etc. (Entire Meiden Group)

	Unit	FY2018	FY2019	FY2020
Discovery of price cartels	Cases	0	0	0
Discovery of bribery	Cases	0	0	0
Other discovery	Cases	0	0	0

Consultations and Reports Through the Compliance Hotline

Number of Consultations and Reports Received Through the Compliance Hotline (Only Meidensha*)

	Unit	FY2018	FY2019	FY2020
Number of consultations and reports	Cases	56	47	53

* Includes incidents at subsidiaries referred through the Meidensha Hotline.

Compliance-Related Training

Times Compliance Training Conducted and Number of Participants (Entire Meiden Group)

		Unit	FY2018	FY2019	FY2020
Compliance Training		Times	30	30	11
		Participants	—	—	1,338
Education by level (compliance presentations)	New staff education	Participants	—	—	213
	Leader training	Participants	—	—	110
	New manager training level 1	Participants	—	—	90
Training for overseas management candidates (compliance presentations)		Participants	—	—	10

* Number of Participants since fiscal 2020 is shown. was recorded from fiscal 2020.

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

We value our attitude of embracing the challenge of continuing to meet the expectations of customers and society and our spirit of craftsmanship(Monozukuri) to supply high-quality products and services, also we help our customers to solve issues, focus on activities to eliminate defects, and produce results through priority measures. We ensure that each of the Group's employees is aware of our social responsibility concerning the Company's products and services and the scale of the impact that defects have on our business to provide products and services that satisfy our customers.

Plan and Targets

Under Medium-term Management Plan 2024, 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 2020 results over four years, 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 (Executive Officer, Nobuya Ono) oversees quality management for the whole Meiden Group. The quality assurance (QA) promotion system comprises the General Manager of the Quality Control Management 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

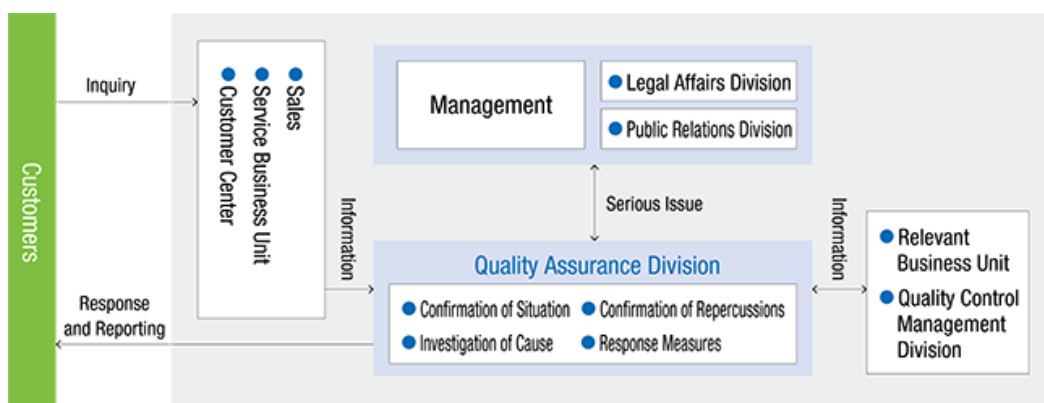


Quality Assurance Activities and Quality Risk Management

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

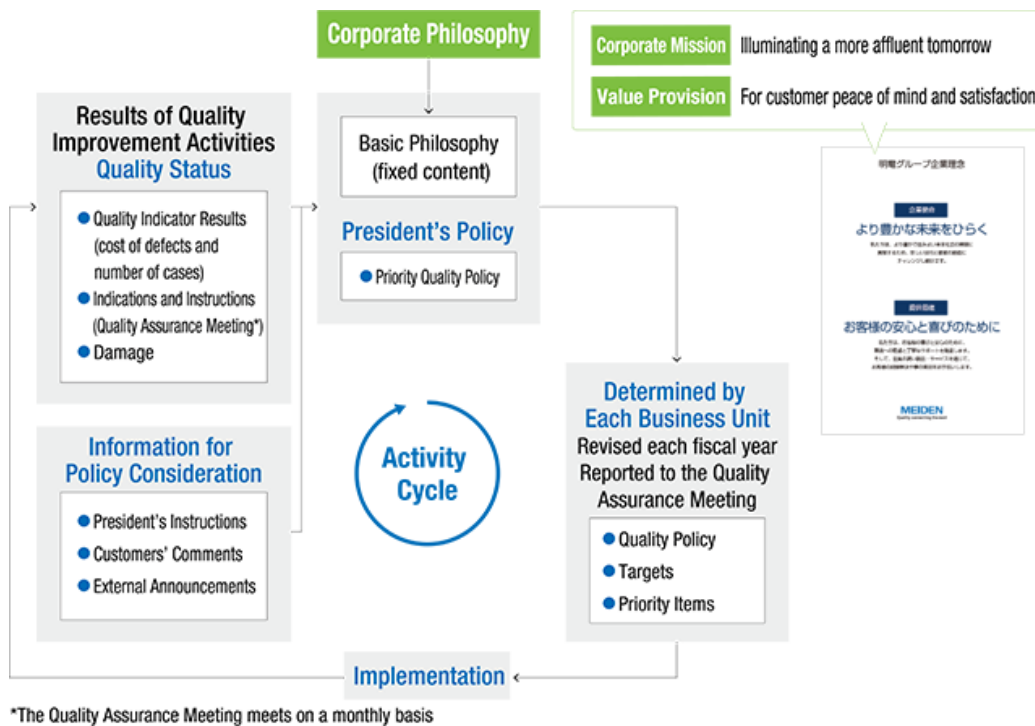


Quality Activity Cycle

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

Improving Quality Management

Examining Tasks from the Perspectives of “No Defecting Unit Accepted,” “No Defective Unit Made Here,” and “No Defective Unit Shall Leave Here” to Achieve Exhaustive Quality Management

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, and we conduct activities accordingly.

(1) Reducing defects in outsourced and purchased products

Check and provide instruction regarding suppliers’ process control and shipping inspection, and review the content of Meidensha’s receiving inspections

(2) Reducing defects from insufficient consideration and inattention

Reducing defects from insufficient consideration: Prevent faults by focusing on changes through design FMEA and process FMEA

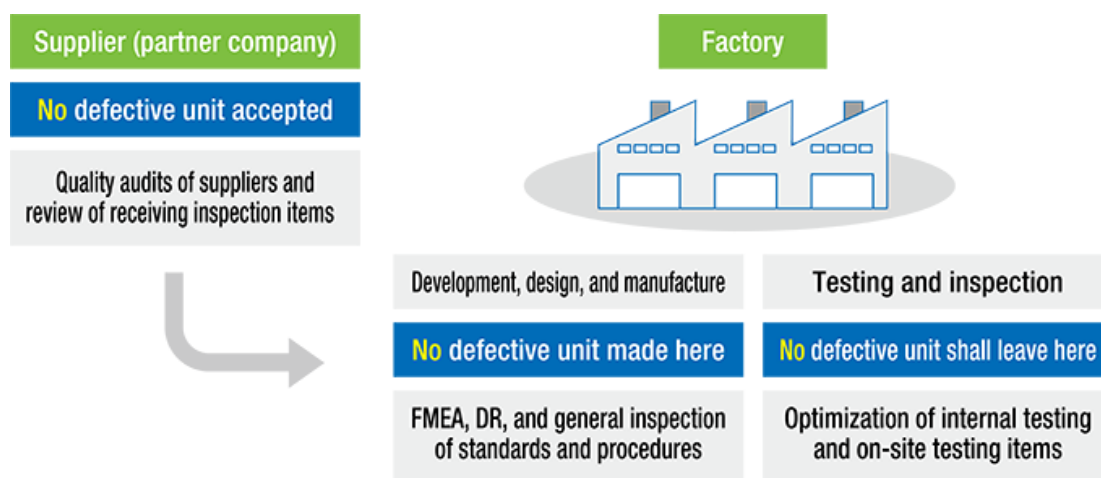
Reducing defects from inattention: Review QR maps, procedures, and standards, analyze background factors, and implement response measures

(3) Reducing internal defects

Analyze and respond to defects in processes (internal defects) and leverage this to reduce external defects

(4) Preventing outflow of defects

Clearly outline tests that ought to be conducted internally and on-site, and make sure they are thoroughly conducted



In particular, under Medium-term Management Plan 2024, we analyzed the results of Medium-term Management Plan 2020, and identified Meidensha's weaknesses. We are overcoming our weaknesses and promoting improvement of quality management by conducting the following activities at all companies.

Improvement at the Supplier Management Level

The quality of outsourced and purchased products varies widely according to the technological level of suppliers. We believe it is important to understand the technological level of suppliers and to provide instruction for improvement. To that end, we conduct quality audits and instruction of suppliers, which leads to a reduction in defects of outsourced and purchased products.

Reform of Receiving Inspection Items

In addition to improvement at the supplier management level, we conduct inspections of outsourced and purchased products in the course of receiving inspections, and prevent flow of defective products into internal processes. We promote optimization of inspections by comparing receiving inspection items of each business unit for each type of product and conducting an overall evaluation.

Identification of 3H* Risks and Response Measures

Using design FMEA, we conduct DR that clarify new points, changes, usage conditions, etc. For mass produced products, we prevent process faults by focusing on changes in the process FMEA, which leads to a reduction in defects. A risk map is used to assess the level of risk and create a mechanism for efficiently identifying risks by clearly stipulating the level of DR. *3H: Hajimete "first time," Henkou "change," Hisashiburi "first case in a long time")

| Improved Quality of DR (design review)

We clearly stipulate DR levels by determining the level of risk using the risk map. With regard to DR that is deemed to be important, we operate a “key person system” that requires participation in DR wherein experts in each product field are nominated each time DR is conducted. Through DR by experts, we create an environment where extensive content is considered and risks can be identified, which results in high-quality DR. In order to facilitate nominating and requesting the participation of experts in DR throughout the organization, a list of registered key person is made available throughout the company.. Furthermore, 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 defects that have 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 manage management items and methods in each process through a Quality Control Process Chart (QC Process Chart) that we call the QR Map. By applying this QR map, we are able to ensure that all tasks are completed and that everyone completes tasks at the same level, which enables us to reduce the risk of defects arising due to the variations among personnel. This QR map is linked to standards and procedures to promote tasks in each process. We prevent recurrence of past defects and occurrence of similar defects by conducting an overall examination and revision of these standards and procedures to ensure that their content relates to prevention of recurrence of defects or occurrence of similar defects. Furthermore, we encourage filling in the Quality Control Process Chart (QC Process Chart) so that the implementation status can be confirmed by third parties.

| Preventing Outflow of Defects

We must not allow any defects to leave the Company. In order to achieve this, it is important to conduct thorough testing. There are many products for which it is not possible to conduct all tests in-house. Therefore, we clearly differentiate tests that should be conducted in-house and tests that should be conducted on-site, and make sure we conduct them accordingly.

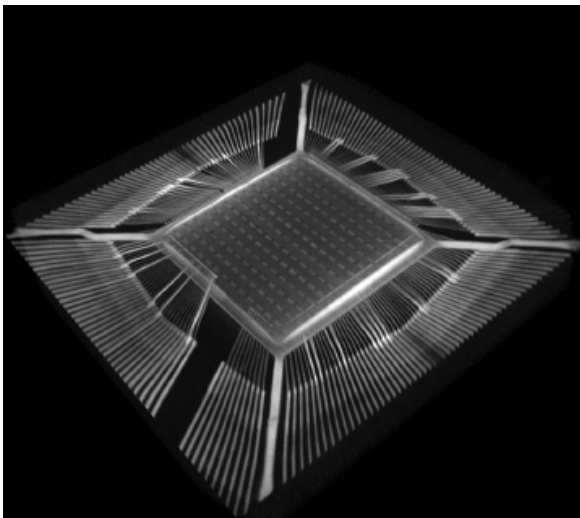
Quality Analysis of Parts and Materials to Prevent Defects

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 established screening technology for phthalates contained in plastics, 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

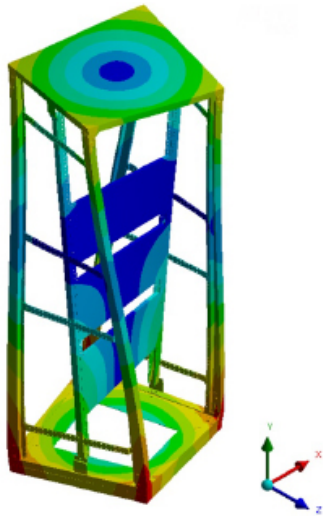


Evaluation of electrical characteristics of semiconductor devices (power device analyzer)

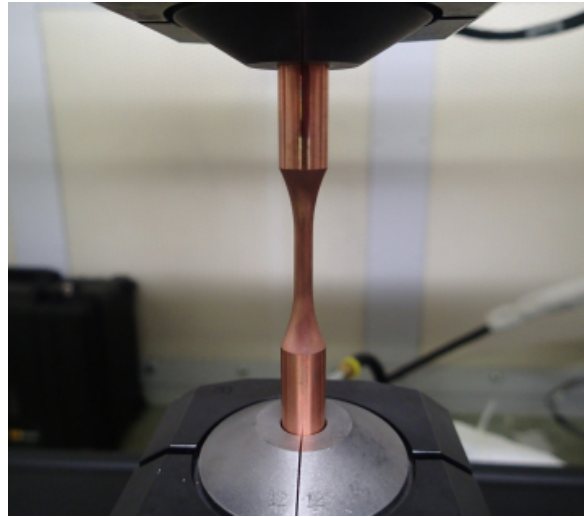
Coexistence of Limit State Design and Product Quality

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 actual machine 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

Activities to Prevent Defects in Mass-produced Products

For mass-produced EV products, we are working to thoroughly manage quality in the following ways.

- (1) Manufacturing automation: Improve automation and eliminate human error
- (2) Image analysis: Detect missing goods, detect position of screw holes and cables, manage fastening positions, etc.
- (3) Temperature management: Manage shrink-fitting conditions and manage adhesive setting conditions, etc.
- (4) Centralized process data management: Link with a traceability database

Expansion of Remote Product Inspection Before Shipping

Due to the impact of the COVID-19 pandemic, it has become difficult to conduct pre-shipment product inspections by customers visiting our factories, as before, so we started remote pre-shipment inspections. At these remote pre-shipment inspections, by connecting the inspection factory via PC screen, customers at a remote location can check the status of the inspection by viewing three screens: an image of the entire inspection site, an image of the inspector's hands taken up, and an image of the inspection certificate. Customers can talk to on-site inspectors through an internet meeting system using a microphone and a camera. In addition, we established the Meiden Standard System to conduct remote pre-shipment inspections and rolled out ideas and initiatives to meet the new needs of customers, such as by automatically inputting inspection results in the inspection certificate in real time, by transmitting measurement data from measurement devices such as products' external dimensions and coating thickness, etc. Going forward, we will continue to promote expansion of products and factories, while achieving overall improvement by managing and rectifying issues and carrying out remote pre-shipment inspections.



Development and Introduction of Image Inspection Equipment for Surface Coating

We have developed and introduced surface coating image inspection equipment to quantitatively investigate the quality of coated surfaces. We are able to prevent variation in quality checks by replacing external visual inspection of metal sheets used for switchboards, etc., with image analysis that quantifies color irregularities and roughness. For the inspection, the inspector takes a photograph of the coated surface of the metal sheet using a microscope that incorporates a CCD camera and an LED light. We are able to check the accuracy of the data by loading the photograph data into a PC, quantitatively measuring the exterior of the coated surface, and acquiring the image data in real time. In the past, half of the items that were deemed to be defective by pre-shipping inspection using switchboards and control panels only had a defective surface coating, and were able to be shipped after recoating or polishing. By introducing this equipment, we are able to reduce the cost of recoating and polishing because of defective surface coating by reducing the number of defects due to quality of coating to zero. Going forward, we aim to reduce cost and shorten time by reviewing conditions such as the amount of coating and time spent polishing and washing, etc., using coating accumulated evaluation data, and by optimizing coating processes.



Surface coating image inspection equipment

Quality Reform Activities for Overseas Subsidiaries

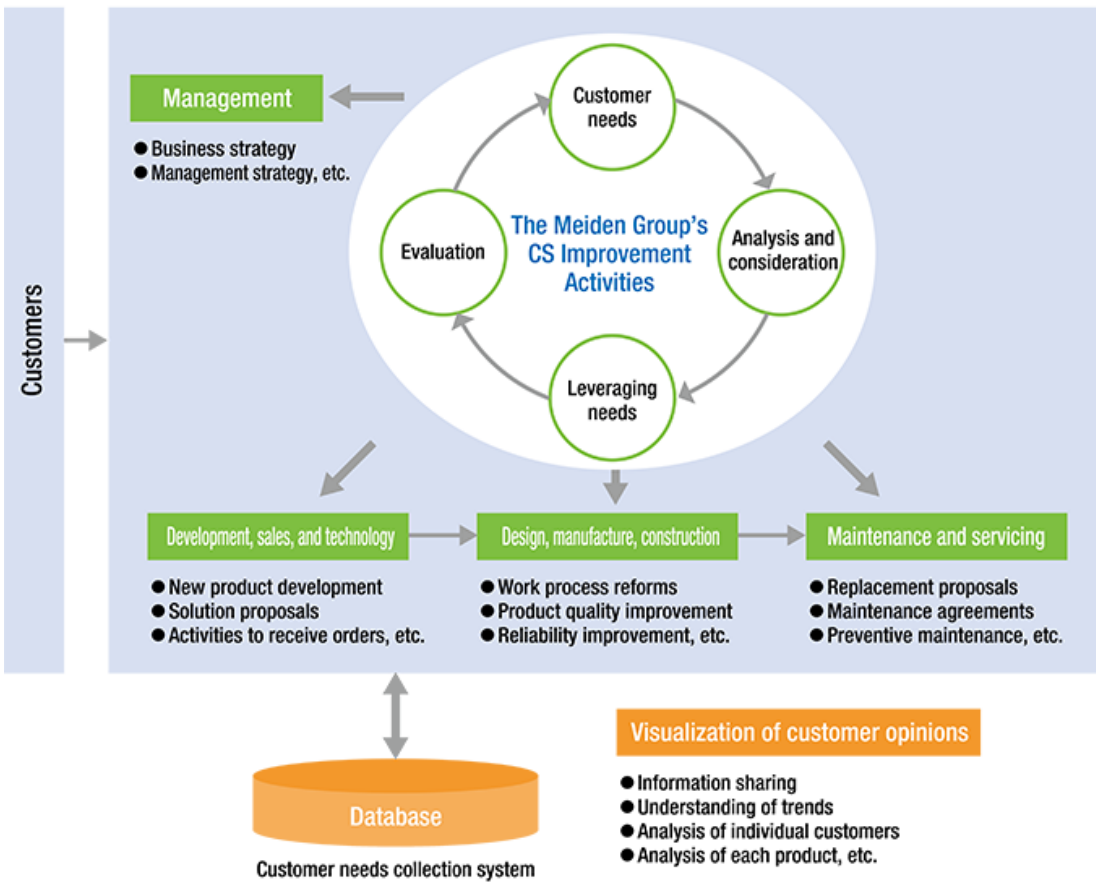
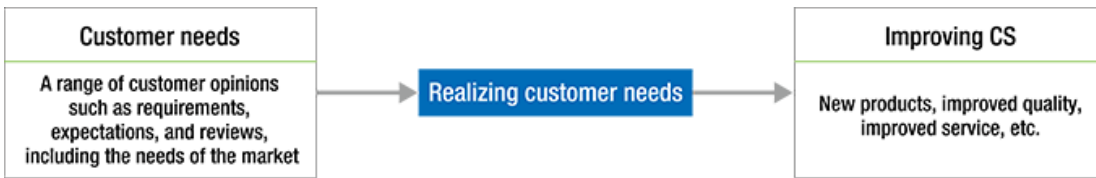
For overseas subsidiaries, we have introduced a mother factory system in which the domestic production plant is in charge of starting up production and providing training guidance for overseas subsidiaries. We provide support and guidance for overseas subsidiaries through the mother factory, which excels in technology, development capabilities, quality control, etc., and is fully equipped with comprehensive management capabilities for plant operations. We work to increase the competitiveness of overseas subsidiaries and promote further globalization by actively providing support such as dispatching engineers and managers from Meidensha and providing the required technology.

Promoting Initiatives to Collect Customers' Needs

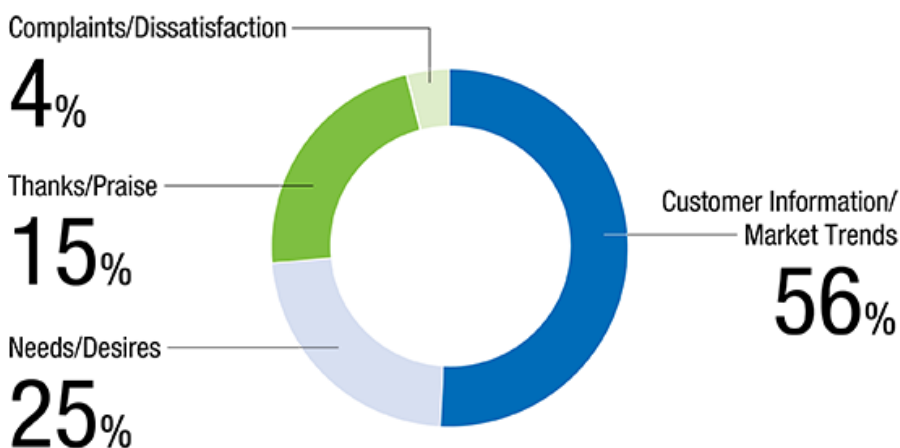
In order to provide products and services that satisfy our customers, we are gathering and analyzing the needs of our customers on a daily basis, including information and requests provided by customers, complaints, and market trends, and implementing activities that lead to concrete actions such as proposing solutions, developing new products, and engaging in servicing and various improvement activities.

Furthermore, at factories in Japan, we ask customers who have visited our facilities through factory observations or pre-shipping inspections, 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 (FY2020)



24 Hour Support for Customers' Facilities

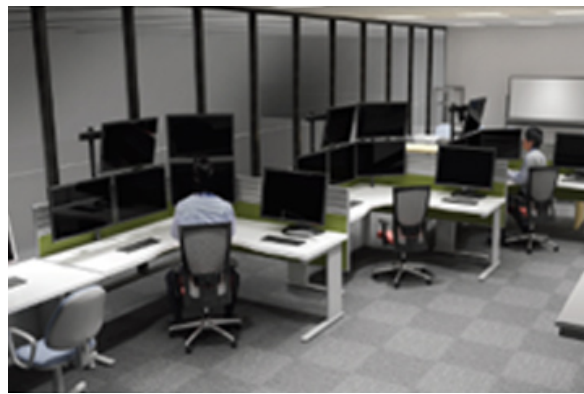
In order to respond to urgent trouble or product enquiries in a timely fashion, the Customer Center has staff ready to provide support to customers 24 hours a day. We also use the Center to provide remote monitoring services for substation equipment and wind power

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 improvement (Kaizen), seven tools for quality control, analysis based on the five whys, and supplier engagement education, 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.

At Manabi-ya, which is the new technology center established at Numazu Works in October 2020, we have constructed an educational system utilizing AR(augmented reality), and are using the latest ICT technologies, such as the experience of maintenance at virtual full-scale facilities, the visualization of invisible power distribution ranges, and the reference of veteran workers' working know-how to smoothly pass on technologies in the maintenance and service fields, where actual on-site experience is required, as well as to quickly development young workers and improve technical capabilities.



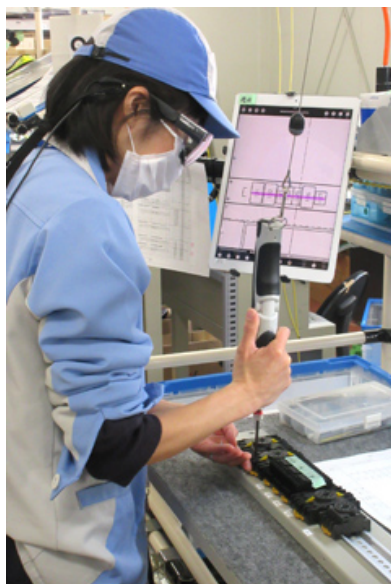
Thai university student internships (product observation)



Technical training (creating sequencing circuits for rotating machinery)

Transmission of Skills Using Eye Tracking

We introduced the line-of-sight analysis tools called “Eye Tracking” and began an initiative to visualize the hand and eye movements of skilled worker who has “good intuition” and “knacks” for the purpose of transferring the skills and knowhow of skilled worker to the next generation. The line-of-sight analysis tools, Eye Tracking is glasses with built-in small cameras. When worker wears this glasses, the central camera records the field of view and captures the movement of the hand. By having skilled worker wear these glasses, it is possible to visualize fine hand and eye movements that were previously in tacit knowledge domain.



The line-of-sight analysis by Eye Tracking

Social

Supply Chain Management

Policy

The Meiden Group promotes supply chain CSR when procuring materials.

Whilst the Corporate Code of Conduct is based on the Corporate Philosophy, we ask all of our business partners to conduct activities in accordance with our Basic Procurement Policy for CSR items that cover all of our business activities.

| 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 2024.”

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 environmental management systems (EMS) certification by our business partners and enhancing CSR promotion by building partnerships such as through follow-up education after EMS certification has been acquired, information security measures, and support for health and safety 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).

Dissemination and Explanation of the Procurement Policy to Business Partners

We supply the Supply Chain CSR Promotion Guidebook at the start of dealings, and request that all new business partners (100%) disseminate it and apply it at the time of the first transaction.

We directly request our business partners to comply with both the Meiden Group Basic Procurement Policy and the Meiden Group Supply Chain CSR Promotion Guidebook at the production plan explanatory meetings held at each of our production site.



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. (500 companies evaluated in fiscal 2020)

Survey relating to CSR activities and environmental conservation activities

2016年度 資材調達スコアカード

評価視点	目的	評価項目	得点	配点
企業評価	企業の経営実態を評価	財務、一般情報、認証、CSR	16.4	/30点
納入実績評価	企業の実行力を評価	品質、コスト、納期、サービス	29.2	/30点
技術力評価	企業の管理技術力(改善)と固有技術力(品質)を評価	品質、コスト、納期、技術開発、提案力、経営基盤	13.5	/20点
協力度評価	当社に対する協力度を評価	方針展開、協力・連携、情報提供	15.9	/20点
合計			75.0	/100点

Materials procurement score card (example)

Response to the Conflict Minerals Issue

Meidensha has devised the Meiden Group Policy on Conflict Minerals Issue, and we added a section entitled “responding to the conflict minerals issue” to the Meiden Group Supply Chain CSR Promotion Guidebook and clearly articulated our stance on the matter in January 2014.

Policy on Conflict Minerals Issue

The Meiden Group promotes prohibition of the use of conflict minerals (tantalum, tin, gold, and tungsten) mined in the Democratic Republic of the Congo and surrounding nations, which are used to fund armed group activities that repeatedly engage in human trafficking, forced labor, child labor abuse, or inhumane acts, etc.

The Meiden Group promotes responsible procurement of minerals in order to fulfill its corporate social responsibility.

We conduct surveys of high-risk minerals as a due diligence measure, using the Conflict Minerals Reporting Template (CMRT) developed by the Responsible Minerals Initiative (RMI). In fiscal 2020*, we conducted a survey of materials that we had purchased from 380 major suppliers in the previous year and received acceptable responses from 350 companies (91%). If the surveys reveal that minerals have been used to support conflicts, we ask our business partners to take corrective action to avoid using the relevant minerals, such as by changing suppliers. Furthermore, if customers identify risky refineries, we ask business partners that use these refineries to re-examine the status of their business dealings.

At present, we have not confirmed any relationships between our business partners and armed groups, and we are conducting measures aimed at identifying refinery operators and ensuring supply chain transparency.

* In fiscal 2020, we collected information on cobalt, and in fiscal 2021, we plan to conduct surveys using the Cobalt Reporting Template (CRT).

| Request to business partners

The Meiden Group considers ensuring a transparent supply chain and conducting responsible procurement of materials and parts to be important matters. We request that all of our business partners accept our Policy on Conflict Minerals Issue and cooperate with our initiatives to source conflict-free minerals.

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 revised our Green Procurement Guidelines in light of 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 EcoAction 21.

Promoting and Supporting EcoAction 21 Certification and Registration

In fiscal 2020, for the sixth consecutive year of the initiative, we held a study session (Greening Program) for the EcoAction 21, an environmental management system endorsed by the Ministry of the Environment, for small and medium-sized companies that have not yet acquired environmental management, to promote and support certification and registration. As a result, seven participating business partners received certification. (A total of 131 suppliers have acquired EMS and EcoAction 21 certification.) In consideration of the impact of the COVID-19 pandemic, the certification award ceremony has been cancelled for this fiscal year. Also, we conducted follow-up education and individual visits for 90 companies that had received certification before fiscal 2018, and provided them with opportunities for discussing with lecturers and sharing information on environmental aspects. However, we decided not to conduct such events in fiscal 2020 in order to prevent the spread of COVID-19 infection. We will continue providing support for the EcoAction 21 certification and registration activities of our business partners, and aim to spread the environmental management systems and improve the environment throughout the entire value chain.



Certification ceremony in Numazu



Follow-up education in Numazu

Implementation of Environmental Audits

We conduct environmental audits of our business partners. In fiscal 2020, we conducted document review and remote audits during the COVID-19 pandemic. We also request our

business partners who have not yet acquired an environmental management system (EMS) to participate in EcoAction 21 study sessions.

Business Partners where Environmental Audits Have Been Conducted

FY2020
14 companies

Communication with Business Partners

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

We are working to increase awareness of QCDSE and revitalize improvement activities of our business partners.

1. Gathering Real Feedback

Business partners are regularly visited by officers of Meidensha, the head of the Procurement Group, and production engineering staff, who gather information such as issues and requirements, which leads to improved functionality, quality, and productivity.

2. Supporting Health and Safety Measures

We conduct individual support using the Project to Support SME Workplace Safety & Health with the support of the Japan Industrial Safety & Health Association.

We dispatch health and safety experts to the sites of business partners. The experts offer advice to improve issues with work sites and operations.

3. Business Efficiency and Improvement Activities

We conduct support for business improvement of business partners using ICT.

We promote activities such as study sessions and case studies with the support of the Shizuoka Industrial Foundation.

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. We request our business partners to report or consult with this contact point when they discover any violation of laws and regulations, inappropriate behavior, or potential violation of laws and regulations by our employees in relation to business transactions.

Details on the management of information, protection of reporter confidentiality, response to reports, etc., can be found on the Procurement Group webpage. (Only in Japanese).

Enhancing the Capabilities of Business Partners

Hosting of Meidensha Partners Meeting

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. He appreciate them face-to-face, and reward exceptional activities and results. Since last fiscal year, the President has been visiting the award-winning business partners to present the awards in light of the COVID-19 pandemic.



President's message



Visit to business partners
and award presentation
(FY2020)



Visit to business partners
and award presentation
(FY2021)

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

Holding Various Seminars, etc.

We hold seminars on process improvement and information security measures at our suppliers' manufacturing sites as needed to improve their capabilities. In fiscal 2021, we held product exchange meetings, where we communicated and exchanged opinions with workers on site. In collaboration with the Corporate IT Systems Group, we conducted on-site checks to ensure if appropriate information security measures were being taken to prevent information leaks and provided advice. Also, in terms of health and safety, we have commenced the workplace checks of our business partners using the Health and Safety Support Project in collaboration with the Occupational Health and Safety (OHS) Management Division. There are limitations within the COVID-19 pandemic; however, we are promoting ongoing support to the extent possible.



Product exchange meeting



Information security instruction



Project to Support Safety & Health

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 Group 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

Education and Professional Development for Procurement Managers (as of FY2020)

Certified Procurement Professional qualification system	Attainment: 84%
Eco Test	Attainment: 82%
Education for new staff and reassigned personnel, etc. (FY2020)	100% attendance

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 management 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)

If a human rights violation occurs due to Meidensha's businesses, employees are able to report to the Compliance Hotline, the Harassment Consultation Hotline, and the Public Whistleblower System. All stakeholders (including individuals and local residents, etc.) have access to make inquiries from outside the company using our external help-line. Consultations can be made anonymously so as not to incur any disadvantage, and are handled with due care and attention to information management.

[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. We also conduct anger management training for managers to raise awareness to respect the personalities and ideas of

others through training.

To strengthen our efforts in mental health, we conduct self-care training in each region for each year of joining the company and each age bracket, as well as line-care training for managers and supervisors.

Content of Human Rights Training (FY2020)

Content of Initiatives	Targets
Workplace discussions relating to compliance and human rights	All employees
Anti-compliance and harassment training	All employees
Anger management training	Managers
Mental health training	Conducted in each region

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

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.

In the Medium-term Management Plan 2024, diversity is a key value of ESG promotion. We will promote contribution to the realization of an inclusive society, organizations that allow participation by diverse personnel, and work-style reforms in order to create innovation, by launching the Professional Development & Diversity Promotion Project which leverages differences in attributes (race, gender, lifestyle, etc.) and initiatives to maximize the abilities of personnel.

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.

In March 2021, we were granted Kurumin certification, as well as Platinum Kurumin, which is granted to companies that conduct higher-level initiatives as companies that excel in providing childcare support, 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.



Eruboshi



Platinum Kurumin

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 (有給)
- 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)
- Support for temporary childcare services (assistance with subsidies for day care center fees, etc.)

FY2020 Initiatives

Meeting to Exchange Ideas on Diversity

Under Medium-term Management Plan 2024, we conducted employee diversity surveys, to give consideration to how to promote Diversity 2.0. At the meeting held in December 2020, we shared the results of this survey, as well as the status and results of internal initiatives, etc., with participants. We introduced the case study of a business unit that introduced female uniforms, conducted a presentation of each generation's attitudes toward work, and shared opinions.



Presentation of case study (introduction of female uniforms)

Introduction of Mandatory Retirement at Age of 65 and System to Extend Employment to Age of 75

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.

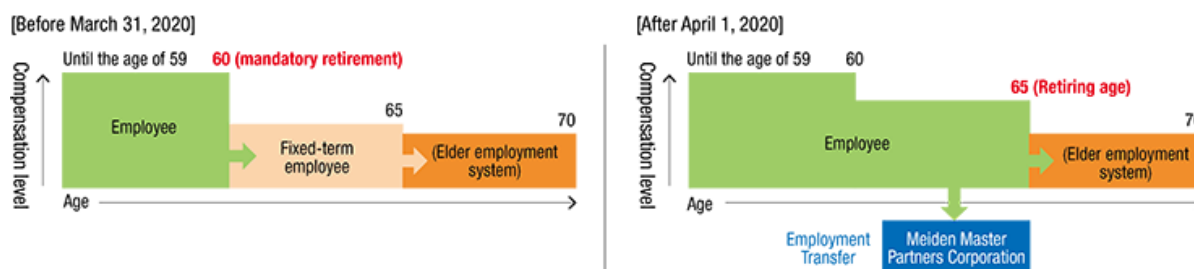
Furthermore, we have established a subsidiary (MEIDEN MASTER PARTNERS CORPORATION) to provide flexible workstyles to senior employees. For employees who wish to work reduced days/hours, we have established a system that allows them to transfer to Meiden Master Partners and work as temporary employee 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.

Over and above, on April 1, 2021, the Act on Stabilization of Employment of Elderly Persons was amended to require companies to make the best effort to achieve the goal of securing employment for employees aged 65 and over. In January 2017, we have already introduced the "Elder System," which allows employees to work from the age of 65 to a maximum of 70, and from October 2020, we raised the maximum age to 75. Under this system, employees can continue to work after the age of 65 if they meet certain conditions, and veterans who have once retired can be rehired. Going forward, we will continue to develop a workplace environment where seniors can play an active role with no worries.

| 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
- October 2020: Revised the elder system (made it possible to work up the age of 75)



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 2021, 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, 2016	June, 2017	June, 2018/th>	June, 2019	June, 2020
Ratio of Employees with Disabilities (%)	2.27	2.24	2.24	2.42	2.50

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 2024” — Toward reduction of total annual working hours —

The Meiden Group promotes reduction of work outside of regular hours and taking leave as an important management issue. We are rolling out Smart Work, which promotes reduction of annual working hours. Even during the COVID-19 pandemic, we achieved our targets for average hours of overtime and annual working hours under Smart Work 2020 by each employee implementing new working styles.

Under Smart Work 2024, as we transition to a new normal way of working, we have set a new target to create a working environment that is conducive to work, in the Professional Development & Diversity Promotion Project. In order to achieve the targets for fiscal 2024, we are continuing to promote activities such as industrial innovation and improving efficiency through robotic process automation (RPA), etc., as well as telecommuting.

| Vision and Target Values of “Smart Work 2024”

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

	People worked overtime >80 h/month	Average hours of overtime	Total annual working hours
FY2024 targets	Achieved Zero	19 hours/person-month	Under 1,900 hours/person

<Reference>Smart Work 2020

	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 hours/person
Fiscal 2020 results*	Achieved Zero	Achieved Zero	17.3 days/person-year	24.3 hours/person-month	1,990 hours/person

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

Promoting Flexible Work Styles (Establishment of Satellite Offices)

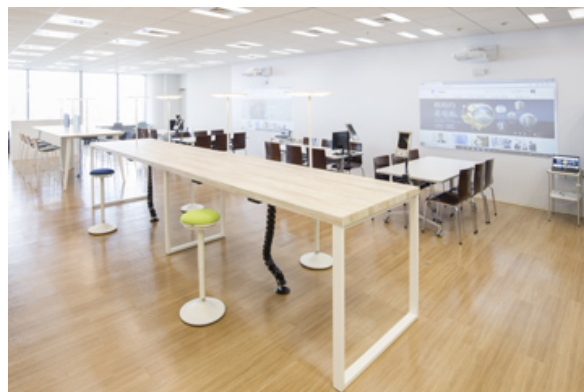
In our Smart Work initiatives, we have been focusing on implementing strategies to improve productivity and realize a positive workplace environment.

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.



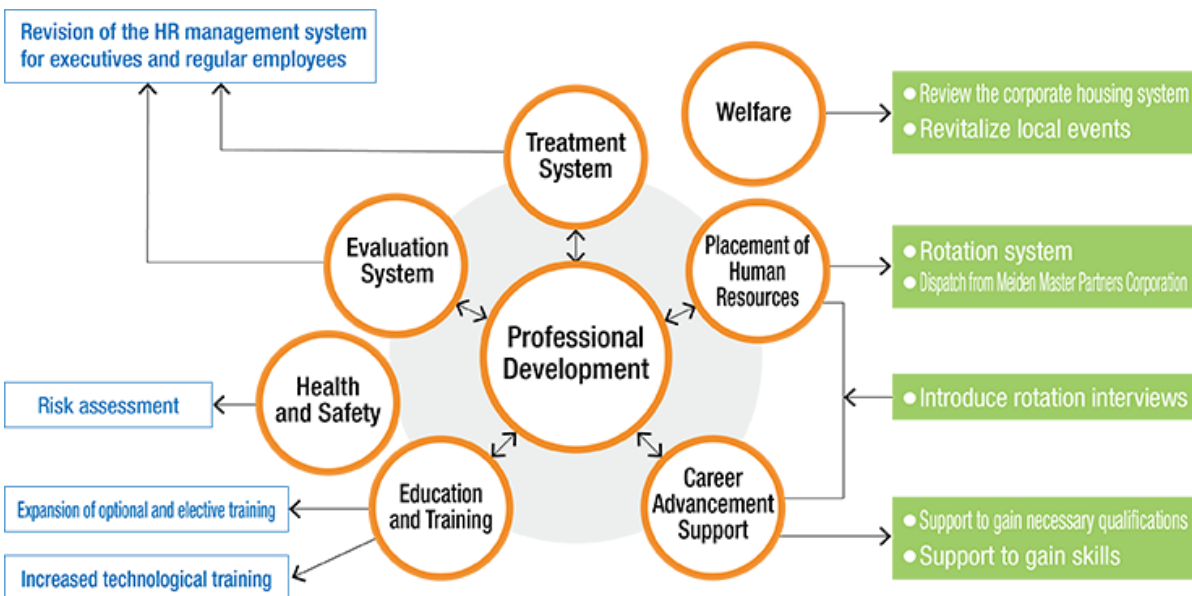
The General Research Laboratory Relaffice: Available for versatile use than before.

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 21 certified personnel as Meisters from 2008 to 2020.</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 held on holidays, such as sports festivals, provide opportunities for employees and their families to socialize, and they have become regular events each year.

In fiscal 2020, amid the COVID-19 pandemic, we collected photographs with messages written by employees, a theme song based video message to invigorate the Meiden Group, and posted it on the internal portal site, as part of an initiative for employees to encourage each other. We

also held a company-wide online event at which teams work together to answer quizzes. In addition, there are a variety of company-recognized 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 conditions, 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	FY2018	FY2019	FY2020
Number of employees (non-consolidated)	Male	People	3,294	3,367	3,371
	Female	People	519	557	571
	Total	People	3,813	3,924	3,942
Domestic subsidiaries	Male	People			3,056
	Female	People			469
	Total	People	0	0	3,525
Overseas subsidiaries	Male	People			1,642
	Female	People			358
	Total	People	0	0	2,000
Number of consolidated employees*1	Male	People			8,069
	Female	People			1,398
	Total	People	9,297	9,599	9,467
Number of foreign employees (non-consolidated)	Male	People	16	17	21
	Female	People	7	8	11
	Total	People	23	25	32
Domestic subsidiaries Number of	Male	People			6
	Female	People			2

		Units	FY2018	FY2019	FY2020
foreign employees	Total	People	0	0	8
Overseas subsidiaries Number of foreign employees	Male	People			1,510
	Female	People			354
	Total	People	0	0	1,864
Number of foreign consolidated employees*1	Male	People			1,537
	Female	People			367
	Total	People	1,923	1,974	1,904
Proportion of all employees accounted for by contractors and temporary workers		%	11.8	13.7	13.8
Average age	Male	Age	41.7	41.7	42.9
	Female	Age	43.4	43.1	43.4
	Total	Age	42.0	41.9	43.0
Years of employment	Male	Years	17.9	17.6	18.7
	Female	Years	20.2	19.6	20.0
	Total	Years	18.2	17.9	18.9
Number of managers*2	Male	People	914	932	973
	Female	People	37	36	40
	Foreigners	People	3	4	6
Managers of level of general manager or above*2	Male	People	189	192	214
	Female	People	3	3	5
	Foreigners	People	0	0	0
Officers*2	Male	People	34	34	34
	Female	People	0	0	1
	Foreigners	People	0	0	0

		Units	FY2018	FY2019	FY2020
Executive officers*2	Male	People	23	24	24
	Female	People	0	0	0
	Foreigners	People	0	0	0
Proportion of women*2 *3	Managers	%	3.88	3.70	3.95%
	Managers of level of general manager or above	%	1.56	1.54	2.28%
	Officers	%	0	0	2.86%
	Executive officers	%	0	0	0
Number of people with disabilities employed*4 *5		People	94	103	108
Rate of employment of people with disabilities*4 *5		%	2.24	2.42	2.5
Number of employees leaving the company (voluntary)	Male	People	46	65	75
	Female	People	11	11	5
	Total	People	57	76	80
Rate of employees leaving the company (voluntary)*6 *7	Male	%	1.2%	1.6%	1.9%
	Female	%	0.3%	0.3%	0.1%
	Total	%	1.5%	1.9%	2.0%
Rate of union membership		%	64.4	64.7	65.1%
Annual average salary*8		Yen	7,707,752	7,528,871	7,508,585

*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: 2.2% (2.3% from March 2021)

The number was calculated in consideration of those with severe disabilities, etc. The specific number was 75.

*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, 2021)

	Male	Female	Total
Under 30	604	105	709
30-39	682	67	749
40-49	734	195	929
50-59	1,072	178	1,250
60 or over	279	26	305

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
Joined April 2021	55	14	69	9	42	120

* 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
2020.4 – 2021.3	40	4	44	10	3	57

Work Style-Related (only Meidensha)

		Units	FY2018	FY2019	FY2020
People taking maternity leave		People	16	12	6
Number of employees with the right to take parental leave	Male	People	101	104	76
	Female	People	11	11	5
	Total	People	112	115	81
People who took parental leave	Male (within 1 week)	People	1	1	4
			34	43	32
	Female	People	14	9	5
	Total	People	49	53	41
Rate of return after leave of absence for child care purposes	Male	%	100	100	100
	Female	%	100	100	100
	Total	%	100	100	100
People taking family care leave		People	1	4	3
Average days of paid leave allocated		Days	23	23	23
Average days of paid leave taken		Days	14	16	15
Rate of taking paid leave		%	61	68	64
Average total hours worked per year*1		hours/year/person	2,019	1,978	1,980

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

Proportion of Employees that Underwent a Periodic Review of Results and Career Development (only Meidensha)

		Units	FY2018	FY2019	FY2020
Proportion of employees that receive feedback interviews	Male	%	96.5	93.7	94.9
	Female	%	98.8	95.6	97.5
	Total	%	96.9	96.9	96.9
	Managers	%	98.4	92.3	94.6
	Regular employees	%	96.1	94.7	95.5
	Total	%	96.9	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

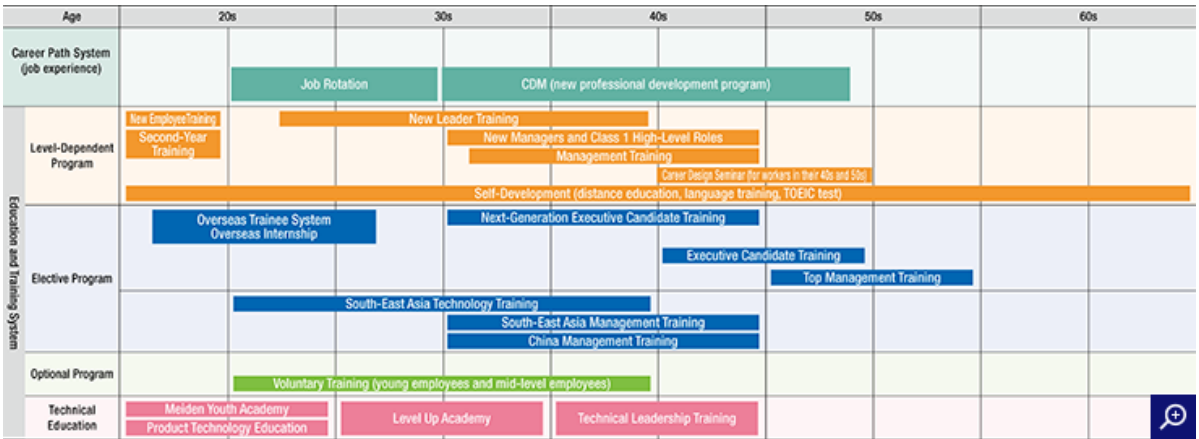
We implement many training programs to encourage employee growth in different aspects as an employee, member of society, and professional.

As the business environment became increasingly unclear, under Medium-Term Management Plan 2020, we introduced new programs to work to enhance technology for increased corporate competitiveness and education systems to develop the next generation of managers. As technological innovation centered on digitalization further accelerates and cross-industry collaboration progresses, under Medium-Term Management Plan 2024, we are focusing on creating the value necessary to solve issues relating to corporate competitiveness and training personnel to think flexibly and act courageously in order to enhance corporate competitiveness.

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 the way of thinking, skills, and practical abilities to solve management problems with the aim of enhancing 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

When the prescribed correspondence course is completed, we will cover 60% of course fees or the full amount if completed with high grades.

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

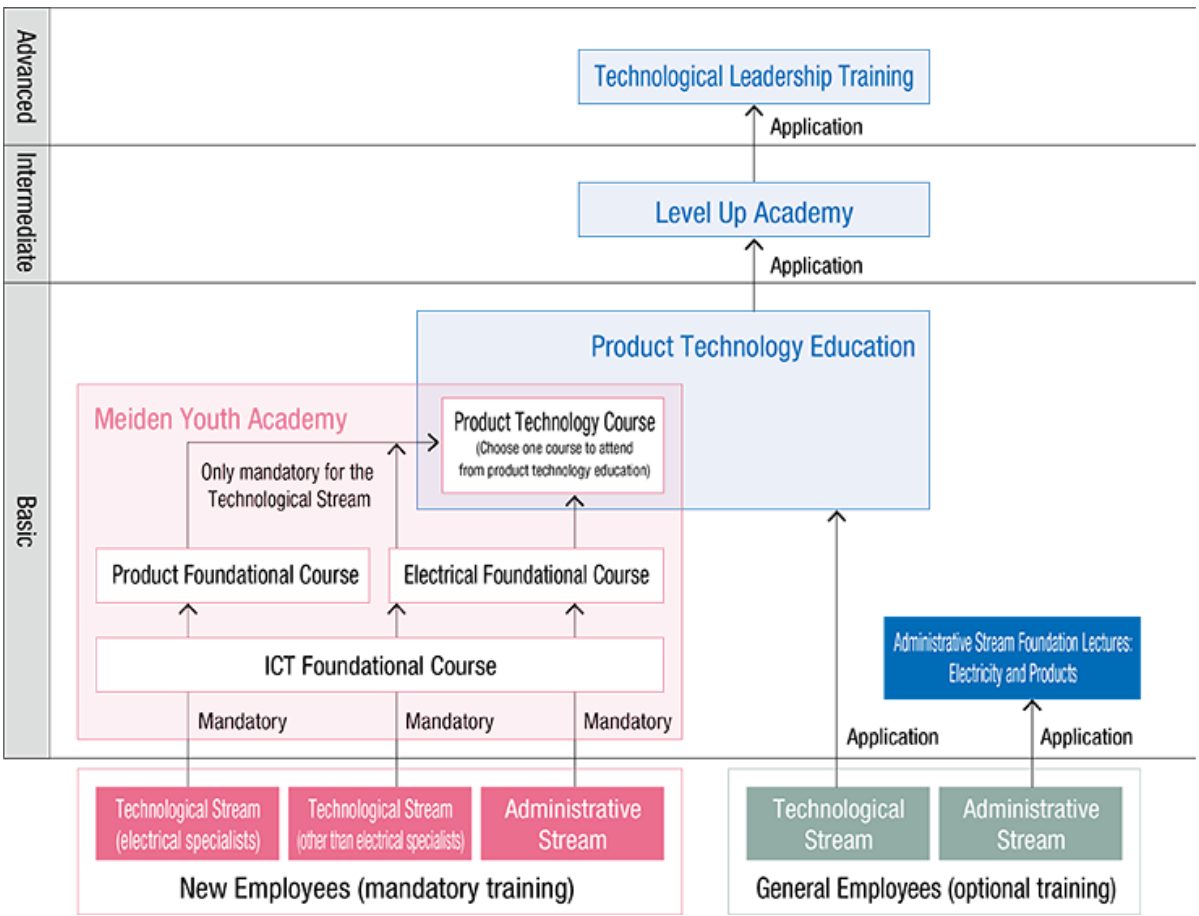
Initiative

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 our 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.



Acquisition and Transmission of Techniques and Skills

In October 2020, we opened a technical training center at the Numazu Works, in order to rapidly train technicians and to pass on techniques and skills. At the technological training center, we provide a full range of experiential educational content 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. This facility is also open to customers and local residents.



Technological training center (Manabi-ya)
(opened in October 2020)



Safety experience using VR

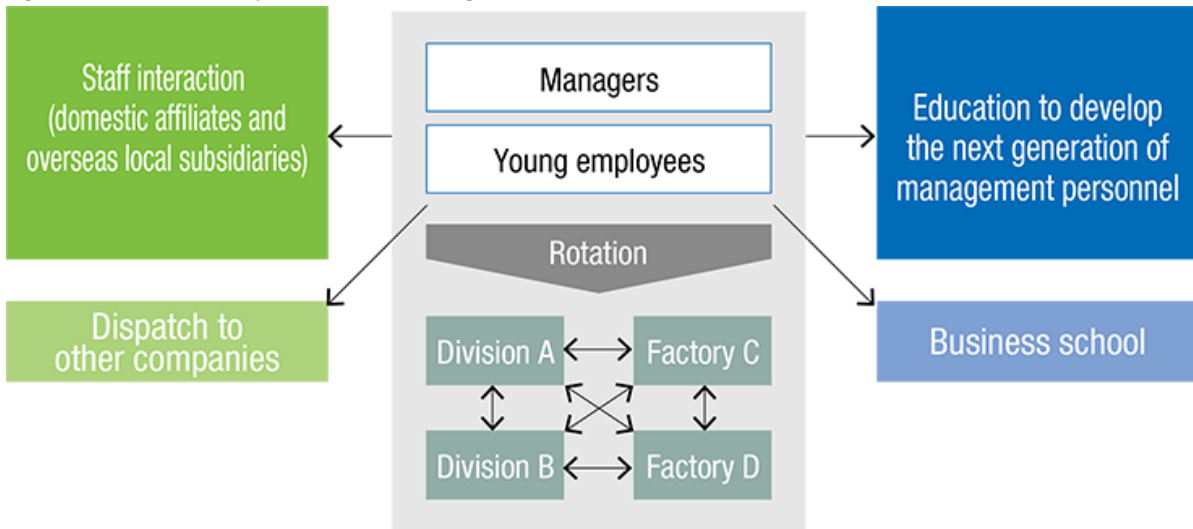
Developing the Next Generation of Group Personnel

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 newly 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 will bring the Meiden Group together.



Career Formation and Networking of Young Employees

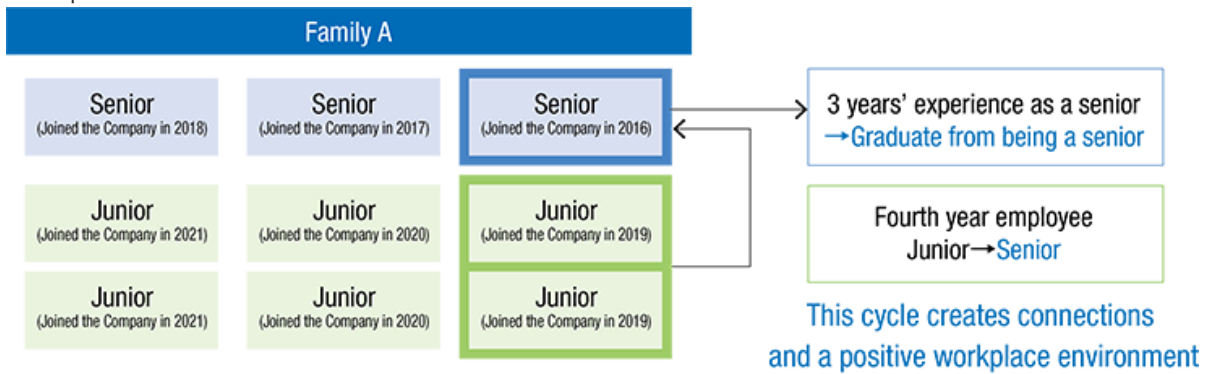
Raising Awareness of Career Formation

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 raises 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. We refer 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

Data

Number of Participants in Each Type of Training

Training Type	FY2017	FY2018	FY2019	FY2020
Hierarchical program	2,995	2,802	2,181	2,463
Selective program	64	67	123	130
Optional program	114	85	57	55
Technical training	680	657	934	1,090
Total	3,853	3,611	3,295	3,738

Data Concerning Professional Development

Item	FY2017	FY2018	FY2019	FY2020
Total expenses of education and training*1	98,570,000 yen	97,940,000 yen	95,432,000 yen	71,664,000 yen
Total hours of education and training*2	43,634 hours	43,332 hours	48,385 hours	51,583 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 Policy" and the "President's Health Management" every year, and rolls out occupational safety and health and health management activities based on them. The President's policy is an overarching policy that applies to all people who work at the Meidensha group, including contractors as well as each site (works and branch) 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.

The Meiden Group Occupational Safety and Health Action Guidelines

"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 Code of Conduct of "working to ensure a safe environment that is conducive to work and achieve comfort and affluence for employees," and aim to be a leading health and safety company, through revitalization of health and safety activities at all national and local businesses.

2. Action Guidelines

- (1) Based on the awareness that ensuring safety and health is reliant on good communication, prevent occupational accidents and occupational diseases by conducting appropriately managed workplace environment reforms with participation by all employees.
- (2) Comply with relevant laws including the Industrial Safety and Health Act, as well as business unit and workplace rules relating to safety and health.
- (3) Sustainably boost safety and health awareness and conduct 4M reforms through the Safety and Health Management System.
*4M: Management, machine, media, man
- (4) Identify and evaluate safety and health risks (risk assessment), including near-miss incidents, and eliminate or reduce risks to acceptable levels in all workplaces.
- (5) Enhance safety and health education, increase opportunities to experience the importance

of safety and health, and increase each individual's sensitivity to danger.

(6) Promote work-life balance and work style reforms.

(7) Work to improve the health awareness and health literacy of each employee. (8) Enhance mental health promotion systems and promotion of workplaces that do not result in mental illness.

(9) Prevent impairment of health due to smoking.

(10) Support prevention and response to ensure that employees can participate in a healthy manner for a long time.

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

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 initiatives 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 supporting employees' own health activities.

Through these initiatives, the Meiden Group is working to remain a leader in health management.

The Meiden Group Health and Management Policy Statement

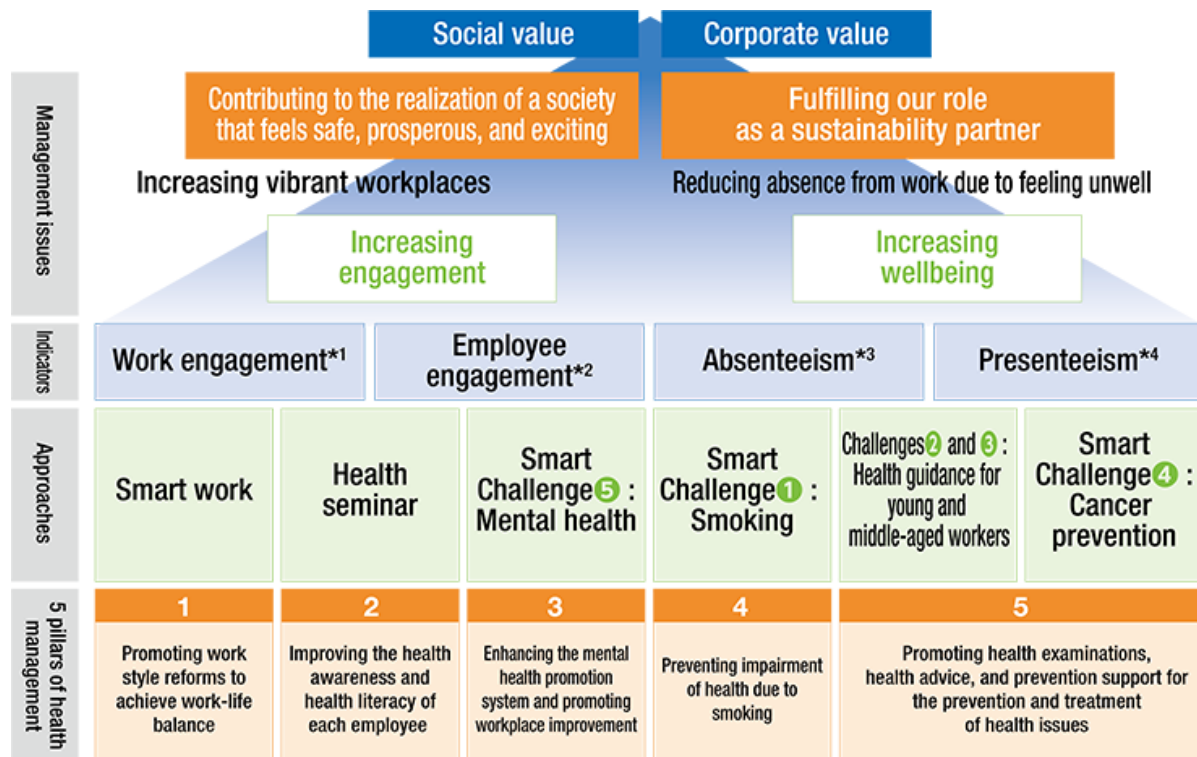
In order to realize the Meiden Group's corporate philosophy of "illuminating a more affluent tomorrow," it is important for employees to maintain their physical and mental health and work with vigor and purpose.

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.

- (1) Promoting work style reforms to achieve work-life balance
- (2) Improving the health awareness and health literacy of each employee
- (3) Enhancing the mental health promotion system and promotion of workplaces that do not cause mental illness
- (4) Preventing impairment of health due to smoking
- (5) Promoting health examinations, health advice, and prevention support for the prevention and treatment of health issues

With the above five pillars of health management, we pledge to work towards becoming a company that provides a healthy and vibrant social life.

Meiden Group Health and Wellness Management Strategy Map



*1 Indicator of a positive state of mind in relation to work

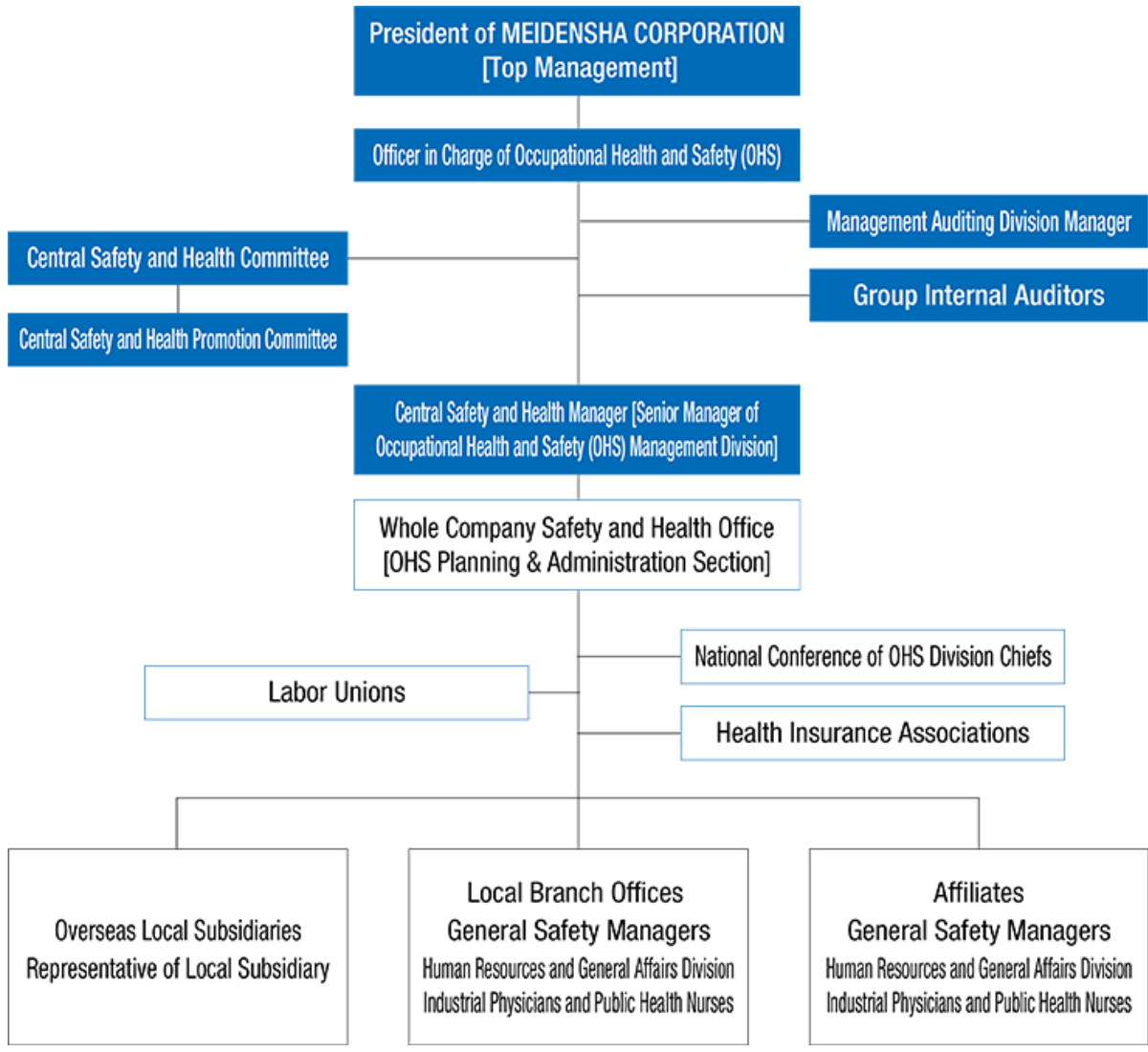
*2 Indicator of sense of community, agreement with Meidensha's philosophy and vision, and willingness to contribute, etc.

*3 Proportion of employees who took sick leave or were absent for a month or more for mental health reasons

*4 Employees evaluate their own work in the previous four weeks, with performance when well and uninjured acting as a baseline of 100%

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 FY2015, the Meiden Group obtained OHSAS 18001 certification for all sites at the four main Japanese production sites of Ota Works, Numazu Works, Nagoya Works and Kofu Meidensha Electric Mfg. Co., Ltd., including on-site affiliates. Furthermore, Meiden Singapore Pte. Ltd. obtained certification in FY2013, and the four remaining main overseas sites of Meiden Zhengzhou Electric Co., Ltd., Shanghai Meidensha Changcheng Switchgear Co., Ltd., PT. Meiden Engineering Indonesia, and Prime Meiden Ltd. obtained certification in FY2017.

Since FY2018, we have promoted penetration of the Occupational Safety and Health Management System to the entire Group, as well as transition to and expanded application of ISO 45001 certification due to the need for international standards.

Acquisition of International Standard ISO 45001

In FY2019, 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. In FY2020, we expanded ISO 45001 certification to Japanese workplaces other than production sites (Tokyo office, branches) and construction business units (Plant Construction Headquarters). In FY2021, we plan to acquire certification for four Japanese affiliates.

Going forward, we will aim to create and promote an occupational safety and health management system at all sites.

Results, Plan, and Targets

FY2020 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	<p>Meidensha (factories, Research and Development Business Unit, Staff Business Unit, Gunma Branch), on-site affiliates*</p> <p>* 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</p>
Numazu area	<p>Meidensha (factories, Research and Development Business Unit, Staff Business Unit), on-site affiliates*</p> <p>* 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</p>

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
Headquarters area	Meidensha (Research and Development Business Unit, Staff Business Unit, other business units), local affiliates* * Local affiliates: MEIDEN KOHSAN CO., LTD., headquarters / MEIDEN SHOJI CO., LTD., headquarters / MEIDEN SYSTEM SOLUTIONS CORPORATION, Tokyo Branch / MEIDEN UNIVERSAL SERVICE LTD., Tokyo Branch / MEIDEN TECHNO SYSTEMS CO., LTD., Tokyo Works
Plant Construction & Engineering Business Group	Northern Japan Construction Division / Western Central Japan Construction Division / Plant Construction Division / Western Japan Construction Division
Branches (including works in Meidensha's jurisdiction)	Hokkaido Branch / Tohoku Branch / Yokohama Branch / Kitakanto Branch / Higashikanto Branch / Shizuoka Branch / Niigata Branch / Hokuriku Branch / Chubu Branch / Kansai Branch / Shikoku Branch / Chugoku Branch / Kyushu 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.

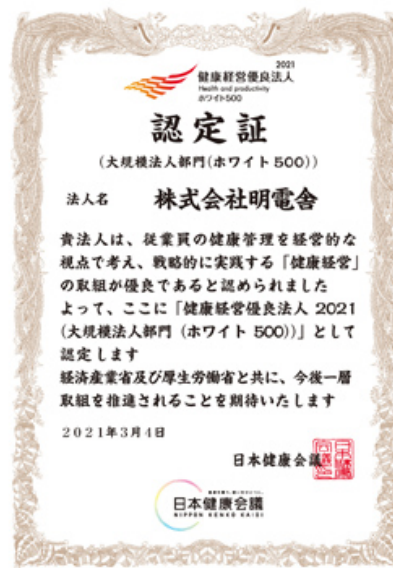
As shown above, we have obtained external certification (ISO45001 and OHSAS 18001) for each domestic region and overseas subsidiaries, and 70% of the Group has obtained certification on a per-employee basis (as of March 31, 2021).

●Results of Occupational Safety and Health Initiatives

1) Received 2021 Health and Productivity Management Outstanding Organization (White 500) Certification and Selected as a 2021 Health and Productivity Management Brand

Meidensha was certified as part of 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 a 2021 Certified Health and Productivity Management Outstanding Organization in the White 500 list. We have been selected as a 2021 Health and Productivity Management Brand by METI and the TSE, in recognition of being an exceptional health and productivity management* listed company. In receiving Health and Productivity Management Organization (White 500) Certification and being selected as a 2021 Health and Productivity Management Brand, we received high praise for the establishment of a structure to promote health management within the Company and our initiatives targeting bearers of future risk at an early stage with information such as and the results of health examinations.

*" Health and productivity management " is a registered trademark of the Health Management Study Group, an NPO.



| 2) Smart Challenge Meiden Five スマートチャレンジ明電5 SMART CHALLENGE MEIDEN FIVE

Meidensha has determined five health activities that we should engage in. Labelling them the Smart Challenge Meiden Five, we are rolling out initiatives accordingly.

- ① Challenge 1: Taking action for passive smoking and promoting the quitting smoking program
In the Tokyo area and at each production site, branch, and affiliate, we have distributed and are displaying posters for a program to quit smoking for which consultations can be conducted online. We have also notified smokers of the program by email, where we displayed messages from people who successfully quit smoking via digital signage. Of the 73 people who participated in the program (62 more than the previous year), 33 successfully quit smoking.
- ② Challenge 2: Measures to combat lifestyle diseases – under 39
We are taking actions providing the pre-obese under 40s with ICT health guidance

programs for weight loss through improvement and establishment of diet and exercise habits. Results were seen in improved average wellness scores as well as weight loss. Improvements were seen in presenteeism as well as prevention of lifestyle diseases.

③ Challenge 3: Measures to combat lifestyle diseases – over 40

For people aged 40 and over, we have ideas not only to improve weight and examination figures, but also for people to feel change and a sense of achievement when it comes to subjective health measures (wellness and performance). We not only increased participation, but also achieved results such as weight change and improved wellness.

Results of measures to combat lifestyle-related diseases	UNDER-39	OVER-40
Participants	75	149
Program completion rate (%)	92.0	93.2
Quantitative improvements		
Weight loss (kg)	-3.2	-1.6
Waist-line shrinkage (cm)	-4.0	-2.0
Behavioral changes		
Improved dietary habits (%)	85.5	57.1
Improved exercise habits (%)	55.1	51.0
Subjective wellness changes		
Average score at commencement	5.7	6.2
Average score at completion	7.8	6.8
Improvement in subjective wellness (%)	+2.1	+0.6
Presenteeism (first University of Tokyo scale)		
Average at commencement	79.5	83.6
Average at completion	80.9	85.5
Presenteeism improvement rate (%)	+1.4	+1.9

*1 Men are allocated a score out of 10 for answering 10 questions relating to wellness. Women are allocated a score out of 11 because there is one extra question for women, concerning “dealing with period pain or PMS,” which has a great impact on presenteeism.

*2 This is an indicator of absence from work due to feeling unwell. Employees evaluate their own work in the previous four weeks, with performance when well and uninjured acting as a baseline of 100%.

④ Challenge 4: Measures to combat cancer

From FY2021, we are working to maintain an environment conducive to receiving examinations, such as by providing a comprehensive support system, in order to increase cancer screenings for women. In light of the difficulty of conducting abdominal X-ray examinations due to the COVID-19 pandemic, we have given priority to incorporating part of the gastric cancer risk examination (ABC exam) into our periodic health examinations, and we support measures to combat gastric cancer. Medical professionals (physicians or public health nurses) encouraged 100% of those who require a thorough examination to receive one and confirmed that they did so. Superior personnel and medical examiners encouraged entire workplaces to receive examinations.

⑤ Challenge 5: Promoting maintain mental health

We provide our workers with information and loan textbooks for the Mental Health Management® exam according to the Mental Health Plans, so that employees can engage in self-care. 12 employees attempted the exam in FY2020. We surveyed each workplace with regard to acute mental health care in accordance with the Workplace Mental Health Checklist.

We adopted the simplified new workplace stress survey (80 items) for our stress check survey, which enabled us to properly investigate work engagement.

Safety and Health Indicators

Occupational Safety and Health Indicators (Meiden Group)

Meiden Group	Occupational Accidents (cases)		Occupational Diseases (cases)	People with absences due to illness of at least one month (rate of absence)*1		Traffic Accidents (cases)
	Lost Time Accidents	No Lost Time Accidents		Total (including mental)	Mental	Accident during work
FY2020 (target values)	3 (20% reduction compared to the previous fiscal year)	4 (30% reduction compared to the previous fiscal year)	0	16 people (0.5%) (10% reduction compared to the previous fiscal year)	16 people (0.4%) (10% reduction compared to the previous fiscal year)	38 (10% reduction compared to the previous fiscal year)
FY2020 (established values)	3	8	0	21 people (0.53%)	20 people (0.50%)	32
FY2021 (target values)	2 (33% reduction compared to the previous fiscal year)	7 (14% reduction compared to the previous fiscal year)	0	19 people (0.5%) (5% reduction compared to the previous fiscal year)	18 people (0.4%) (10% reduction compared to the previous fiscal year)	29 (10% reduction compared to the previous fiscal year)

*1 Proportion of employees who were absent for a month or more

Occupational Safety and Health Data (only Meidensha)

Item	2017※1	2018	2019	2020
Lost time accidents rate*2	0.29	0.99	0.60	0.76
Severity rate of lost time accidents*3	0.00	1.28	0.00	0.00
Number of fatalities (cases)	0	1	0	0
Number of lost time accidents (cases)*4	2	6	1	1
Number of no lost time accidents (cases)	5	3	3	4

*1 Proportion of employees (excluding dispatch workers) who were absent for a month or more due to illness.

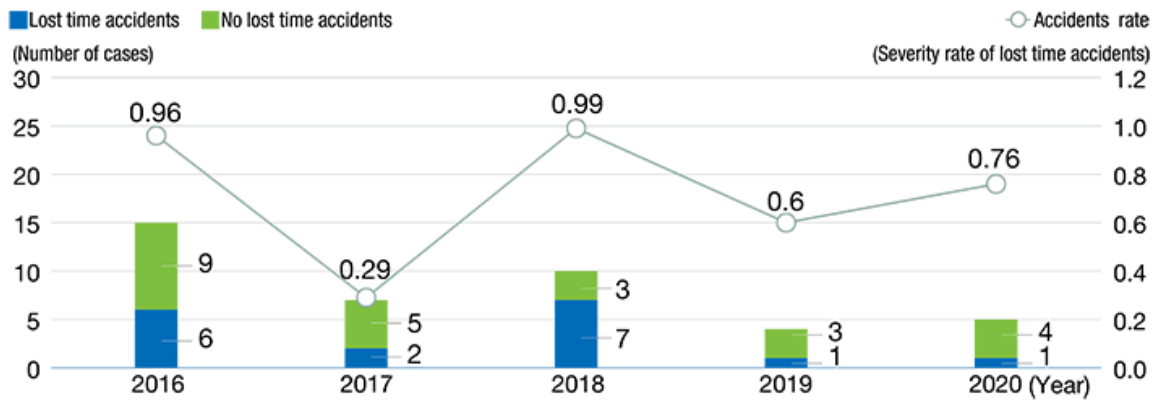
*2 “Frequency rate” indicates the frequency of casualty due to industrial accidents per 1 million gross hours of actual work.

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	FY2019	FY2020
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	1.45% (40 delegates/2,755 people)	0.77% (26 delegates/3,363 people)

Health Management Indicators (only Meidensha)

Item			FY2018	FY2019	FY2020
Participants in the program for smokers to quit smoking			-	11	108
Participants in Meiden Smart Walking			612	767	-
Number of Health Web Kencom members			1,502	1,663	1,842
Rate of regular health examinations			100	100	98.3
Rate of thorough examination, second examination, or treatment (%)*1			67	69	63
Rate of stress checks (%)			91.2	96.1	96.6
Rate of high stress (%)			16.1	15.6	13.4
Rate of consultations with highly-stressed workers (%)*2			2	4	5
Work engagement (*FY2019 survey is for reference purposes) *3			-	2.29	2.47
Average rate of utilization of leave			Listed in Smart Work 2024 labor practice 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 (%)			26.7	24.0	21.8
Regular health examination results (rate of conditions discovered (%))	Obesity (BMI of 25 or over)	Male	34.9	35.0	37.0
		Female	20.9	20.7	20.6
		Total	32.8	32.8	34.6
	Rate of blood pressure risks *4		0.6	0.5	0.7
	Proportion of workers at risk of diabetes*5		0.5	0.4	0.5
Medical expenses per person (yen)			178,000	174,772	137,297
Insurance expenses per person (yen)			16,590	16,799	13,660

Item	FY2018	FY2019	FY2020
Absenteeism (proportion of workers taking mental health leave or other leave (%))*6	0.29	0.43	0.50
Loss of absolute presenteeism (first University of Tokyo scale) (%)*7	-	20	17
Job turnover rate (%)	Listed in labor practices results data >		

*1 Percentage of people who required thorough examinations or second examinations that actually received them

*2 Proportion of highly-stressed workers for whom a voluntary interview with a physician was conducted

*3 Indicator of a positive state of mind in relation to work

*4 Proportion of workers with systolic blood pressure of 180 mmHg or more or diastolic blood pressure of 110 mmHg or more

*5 Proportion of workers with fasting blood sugar of 200 mg/dl or more

*6 Proportion of employees who took sick leave or were absent for a month or more for mental health reasons

*7 Employees evaluate their own work in the previous four weeks, with performance when well and uninjured acting as a baseline of 100%

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 strengthen our safety and health management framework.

2) Compliance with Legal Requirements

We manage and evaluate legal requirements and ensure compliance at the three defensive levels of business unit, site, and company.

3) Improvement of Employees' Safety and Health Awareness

We increase employees' sensitivity to occupational health and safety risks.

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 maintain the three forms of industrial health management (work environment management, work management, and health management), and prevent occupational disease by improving work environments.

6) Achieving a Safe Workplace Environment by Implementing and Continuing 5S Activities

We continue to conduct 5S activities in the belief that they are not merely cosmetic activities, but rather that they are for the purpose of creating a safe workplace environment that is conducive to work.

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 ensure total compliance with all on-site traffic rules and appropriate implementation of vehicle management regulations. We conduct safety checks when loading and unloading.

9) Comprehensiveness and Revitalization of Safety Activities

We ensure the vitality of daily safety activities, including at factories, worksites, and business units (sales and SE), 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 identify risks in normal, unusual, and emergency operations and actively reduce risk by formulating improvement plans for high-risk operations.

11) Thorough Safety and Health Education

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

Major Initiatives

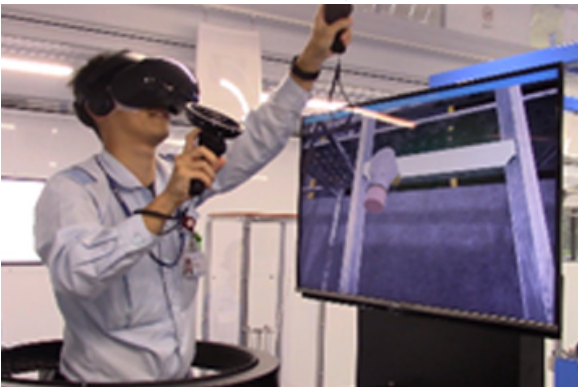
1) Safety and Health Initiatives

The Meiden Group has experienced many industrial accidents over its long history. So far, 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 (ISO 45001).

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 created hands-on safety experience truck no. 2 to conduct safety education for employees, and conducted safety experience education for production sites (Numazu, Ota, Nagoya, and Kofu). Safety experience trucks are fitted with equipment that allows users to realistically experience industrial accidents on site in a virtual environment.



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's 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.

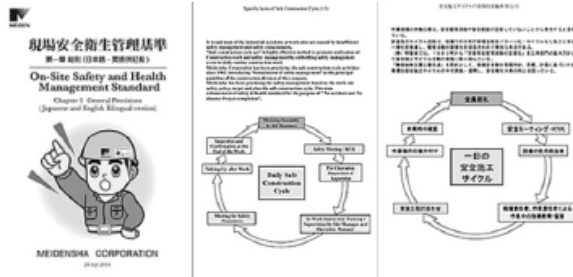


Safety and Health Education at ASEAN Subsidiaries

Due to the impact of the COVID-19 pandemic, we were unable to conduct sufficient occupational safety and health education (including safety experiential education) and quality management education for local staff and workers at Southeast Asian subsidiaries, which we have been continuously conducting since FY2014.

Instead, we conducted remote discussions to support overseas subsidiaries by providing English and Chinese translations of materials and videos required for the education of local staff. We also supported exchange of information with overseas subsidiaries by conducting Zoom or other remote meetings.





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 FY2019, 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

Risk Evaluations Relating to Safety and Health

The Meiden Group identifies risks in ordinary, extraordinary, and emergency operations at each site and business unit as risk-reduction measures at all worksites, including overseas worksites, and works to lower risk by formulating reform plans for high-risk activities.

In addition, we monitor country risks for overseas businesses based on information from the Ministry of Foreign Affairs, specialist overseas safety and risk management and international medical companies, overseas risk media, and local sources, etc., and implement timely and appropriate safety measures (information provision, warnings, travel restrictions, and measures to prevent serious injuries or illness, etc.).

When promoting new projects, we confirm risks such as local laws, the surrounding environment, infrastructure, equipment, and substances used (risk assessment, etc.), as necessary.

The executive committee scrutinizes and makes resolutions regarding risks that have been identified while promoting a project through a preliminary review system, and conducts investigations for management decisions relating to matters that may seriously impact the Group (risk of loss).

Preliminary Risk Assessment >

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.

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

We will roll out initiatives based on successes and points for improvement of Smart Challenge Meiden 5, which we conducted last fiscal year.

- (1) Challenge 1: Taking action against passive smoking and promoting the quitting smoking program

We are promoting quitting of smoking by gradually reducing smoking areas and permitted smoking times and continuing to implement our online program to support quitting of smoking.

- (2) Challenge 2: Measures to combat lifestyle diseases - under 39

We are promoting measures to prevent future onset of lifestyle diseases for young employees under 40, such as providing a health guidance program using ICT and ensuring exercise schedules for people inclined to future obesity.

(3) Challenge 3: Measures to combat lifestyle diseases – over 40

We continue to provide a health guidance program for those who receive specific health guidance, using ICT, and we are promoting the creation of a culture where everyone can participate in order to further increase participation.

(4) Challenge 4: Measures to combat cancer

We encourage those who require a thorough examination to receive one from a medical professional and systematically confirmed that they did so. We also improved the environment for receiving examinations for women’s cancer, and we will promote improved examination rates going forward. With regard to measures to combat cancer, including the gastric cancer risk examination (ABC exam) that we commenced last fiscal year, we are working to conduct publicity and education in order to ensure understanding from as many personnel as possible.

(5) Challenge 5: Promoting mental health

With regard to self-care and line care, we conduct support and dissemination of information for the Mental Health Management® Exam according to mental health plans. With regard to line care, we not only conduct workplace reforms to prevent psychological issues, but we also identify signs that a workplace required an approach based on the results of group analysis of surveys conducted by check sheets that are even simpler than stress checks and the causal relationship between attendance data and other factors. We have established rules and a system to support returning to work, including environmental adjustments to workplaces, in order to reduce protraction and recurrence of mental health issues.

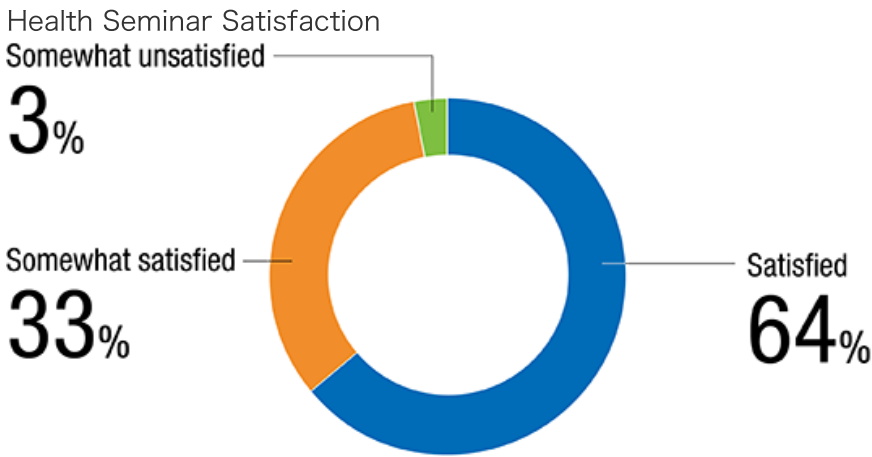
| (1) Promoting Work Style Reform

For details on activities, refer to the [Work Style Reform of Labor Practices](#) >

| (2) Holding a Health Seminar

In June 2021, we invited Tetsuya Ohira, who is a professor of medicine and Chairman of the Fukushima Medical University Department of Epidemiology, to present a health seminar. With the theme of “laughter,” he gave a hybrid (in-person and online) lecture about the laughter health method, which increases mental and physical immunity. 339 employees participated on the day, and 97% of participants indicated “satisfied” on the survey given to participants afterwards.



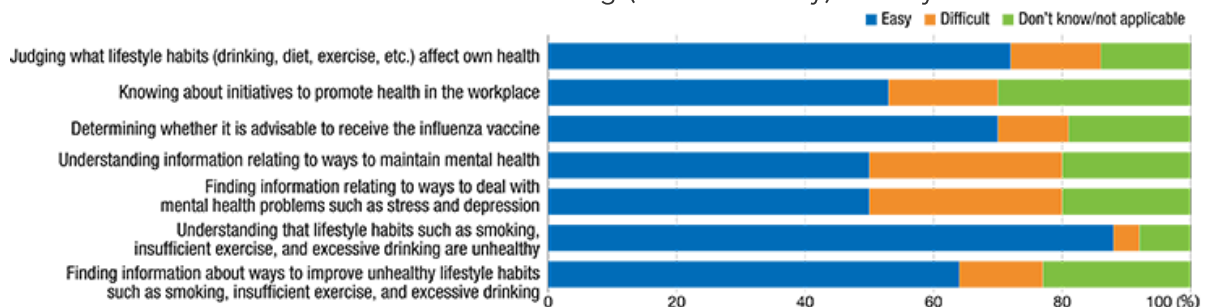


(3) Health Literacy Survey

We administer a health literacy survey to all employees, for the purpose of determining the level of health literacy, which is the ability to search for and utilize information on health and medicine, of employees, etc. The results of the FY2020 survey indicated that there are issues relating to utilization and understanding of information about mental health. Based on these results, we disseminated information about mental health self-care, and encouraged people to obtain Mental Health Management® exam accreditation, etc.

*"Mental Health Management" is a registered trademark of the Osaka Chamber of Commerce and Industry.

Health Information Utilization and Understanding (health literacy) Survey



(4) 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.

(5) Aiming to Maintain Health and Productivity Management Organization (White 500) Certification

We aim to maintain our 2021 Health and Productivity Management Organization (White 500) certification and Health and Productivity Management Brand Selection, and we will actively engage in measures to promote maintenance and improvement of employees' health according to social issues and needs.

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 the 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.

| The Meiden Group's Aims: Solving Social Issues Through Our Business

The Meiden Group aims to be a company that accepts the challenge of solving social issues by providing new value created through its business activities, in order to accept the challenge of creating a new society through a sincere attitude towards the earth, society, and humanity and joint development capabilities. Solving social issues through our core business leads to growth, and this aligns with the Meiden Group Social Contribution Policy. In terms of our social

contribution activities, by conducting social contribution activities that are suited to the Meiden Group, with features that leverage the skills and knowledge of employees, such as manufacturing classes and visiting science lectures that leverage the technology and products developed through our business, we contribute to the solution of social issues, such as lack of engineers and STEM personnel due to children drifting away from science, and the development of local communities. We believe that these activities will eventually lead to the building of a relationship of trust with our stakeholders, which in the long run will lead to the enhancement of corporate value and the securing of excellent human resources.

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

	FY2017	FY2018	FY2019	FY2020
CSR Expenditure (yen)	28,000,000	38,000,000	60,000,000	35,000,000

* 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 water service 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 (Examples and Results of FY2020 initiatives)

Meidensha Manufacturing Classes: Teaching children about the Joy of Manufacturing

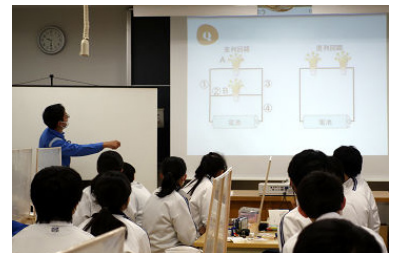
Since fiscal 2007, which was our 110th anniversary, we have held Meidensha Manufacturing Classes at elementary schools located nearby each of our sites, including Hosui Elementary School. Through these Manufacturing Classes, we will enable children to experience the joy of manufacturing by having them 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.



In fiscal 2020, we held classes at Iwakuni Elementary School in Iwakuni City, Yamaguchi Prefecture, and Hosui Elementary School in Shinagawa, Tokyo, with 26 Meiden Group employees and 193 children participating.

Visiting Science Lectures for Junior High Schools Nearby Meidensha Sites

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. In fiscal 2020, we conducted visiting science lectures for 103 second-year students at Ota Junior High School in Ota City, Gunma Prefecture. Lecturers and assistants comprised 12 Meiden Group employees.



Observation at the New Skills Training Center, Manabi-ya, by local technical high school students

In June 2021, the new skills training center, Manabi-ya, located at Numazu Works, hosted an observation by 39 technical high school students who study electronics and robotics. This scheme was designed to provide the hands-on safety experiences to students from local technical high schools. The students successively visited the Manabi-ya Digital Zone, the practical training area, and the study area.

Going forward, we hope to hold more observations for local schools and contribute to the learning of even more students through Manabi-ya.



| 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.

| Donation of Garbage Cages to Numazu City

Meidensha, MEIDEN SYSTEM MANUFACTURING CORPORATION, MEIDEN KOHSAN CO.,LTD., and MEIDEN UNIVERSAL SERVICE LTD. jointly donated 10 garbage cages to Numazu City, which has residents who complain of damage caused by crows at garbage collection areas. The donated garbage cages have been distributed to local residents' associations through the Numazu Federation of Residents' Associations, and are being used by residents.



| Donation of Ozone Water Treatment Spray to Municipalities

For the purpose of helping to prevent COVID-19 infection, each of Meidensha Works in Tokyo, Numazu, Ota, and Nagoya donated ozonized water generation spray and purified water for special use to Shinagawa in Tokyo, Numazu City in Shizuoka, Ota City in Gunma, and Kiyosu City in Aichi, respectively. Ozonized water generation spray has the function of converting water into ozone water, that is said to be highly effective in inactivating viruses and bacteria.

| Events to Experience Nature

MEIDEN SYSTEM MANUFACTURING CORPORATION holds events to experience nature for children in Numazu City. Meiden System Manufacturing has been conducting this initiative since 2016, in order to demonstrate the health of the water and soil, etc., near its plant. In FY2020, an event was held at the fifth Elementary School in Numazu City. It provided an opportunity to introduce Meiden System Manufacturing's products and environmental conservation activities, come into contact with rhinoceros beetles and stag beetles, and learn about the importance of nature.



| Meidensha Fureai (Interaction) Music Class

Meidensha's Chubu Branch Office invited the Nagoya Philharmonic Orchestra to hold a "Fureai (Interaction) Music Class" for all school children at Misono Elementary School in Nagoya City. The Children listened to a performance by a wind quintet and experienced the beautiful tone of live instruments. This was a great opportunity for them to discover the joy of music.



Evaluations from External Bodies

Status of incorporation of the ESG Index* (as of July 2021)

* 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.



Sompo Sustainability Index

Meidensha has been selected for the Sompo Sustainability Index, which was instituted by Sompo Asset Management Co., Ltd. in August 2012.

Sompo 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 a survey conducted by Sompo Risk Management Inc. Meidensha’s ESG initiatives have been highly rated by investigation, leading us to be continuously selected by index since fiscal 2016.

2021



Sampo Sustainability Index

FTSE Blossom Japan Index

The FTSE Blossom Japan Index is designed to measure the performance of companies that have taken exceptional action on environmental, social and governance issues, and is selected by FTSE Russell, a global developer and manager of equity bond and other indices. The index consists of stocks that meet various evaluation criteria related to the environment, society, and governance. These criteria are used to select investments by investors who place importance on corporate social responsibility and sustainability, and are reviewed based on the results of annual evaluations. Meidensha was selected as a constituent stock for the first time in fiscal 2020.



FTSE Blossom
Japan

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 2020, Meidensha was rated as B in climate change and B in water security by CDP.



MSCI ESG Ratings

The MSCI ESG Ratings is an ESG rating by MSCI in the United States. MSCI analyzes a company's ability to manage ESG risk and evaluates it on a seven-point scale from AAA to CCC. In 2021, Meidensha received a rating of A in the MSCI ESG Ratings.



Science Based Targets Initiative (SBTi)

In 2021, Meidensha upwardly revised its 2030 greenhouse gas emissions reduction target. This target received SBT certification as it was recognized by the Science Based Targets (SBT) initiative as being consistent with the Paris Agreement.



2021 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 50th out of 124 companies in the electrical machinery industry in the 15th CSR Company Ranking (in 2021).

The 4th 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 2.5-stars company.

The 2nd 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.” In the 2nd survey, 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



Kurumin and Platinum Kurumin

In 2021, Meidensha was granted Kurumin and Platinum Kurumin certification by the Minister of Health, Labour and Welfare (MHLW). The Kurumin certification is a system in which the Minister of MHLW certifies companies that have formulated the Plan of Action for General Employers based on the Act to Advance Measures to Support Next-Generation Child-Rearing and that

meet certain standards, such as achieving the goals set in the action plan, as companies that support child-rearing. Platinum Kurumin certification is a special certification system for companies that have been certified as Kurumin certification and have made efforts at a higher level to become exceptional child-rearing support companies.



Health and Productivity Management Organization (White 500)

Meidensha has been certified as a "Health and Productivity Management Organization - White 500" by the Ministry of Economy, Trade and Industry (METI) for its excellent health management practices. The "Health and Productivity Management Organization - White 500" is a joint effort by METI and Nippon Kenko Kaigi (Japan Health Council) to recognize large corporations, not limited to listed companies, that practice good health management in cooperation with insurers. Meidensha was certified for the first time in 2021.



Health and Productivity Management Brand

Meidensha has been selected as the Health and Productivity Management Brand by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) for listed companies with excellent health and productivity management. The "Health and Productivity Management Brand" has been announced by METI and TSE since 2015 as a company that strategically and actively practices Health and Productivity Management from a management perspective, considering employee health management. Meidensha was first selected in 2021.



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.

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).



September 29, 2020: Remote award ceremony

FY2020 Japan Quality Recognition Awards: TQM Recognition Award

The Japan Quality Recognition Awards is an award system that was founded in 2000 for the purpose of creating companies that are able to overcome intense international competition by conducting exceptional total quality management (TQM). It comprises the TQM Recognition Award and the Quality Innovation Award. At the fiscal 2020 Japan Quality Recognition Awards, Meidensha received the TQM Recognition Award for TQM initiatives at the Plant Construction and Engineering Business Group.



At the award ceremony on November 11, 2020 (front row, third from the right: Norio Takekawa, the Director and Senior Managing Executive Officer of Meidensha)

Third EcoPro Awards: Encouragement Prize

The EcoPro Awards is an award system that recognizes products, services, technologies, solution, and business models that are highly evaluated by businesses, consumers, investors, and market participants in the Japanese market and that specifically incorporate outstanding environmental considerations, with an eye to changes in social and economic circumstances such as economic globalization, the entry into force of the Paris Agreement, and the establishment of the SDGs. Meidensha received the Encouragement Prize at the 3rd EcoPro Awards for its initiatives to reduce greenhouse gas emissions in the value chain through business related to renewable energy and electric vehicles.



The 69th Nikkei Advertising Awards: Excellence Prize in Electrical, Communications and IT Category

Meidensha has been awarded the Excellence Prize in the electrical, communications and IT category of the 69th Nikkei Advertising Awards sponsored by Nikkei Inc. The winning entry is the June 2020 edition of "Electricity: Taking action," which was published in the Nihon Keizai Shimbun on June 19, 2020. This is a series of advertisements, which has been awarded in the same category for three years in a row, following 2018 and 2019.



June 2020 edition



November 2020 edition



January 2021 edition

The 8th (FY2020) GKP PR Awards: Grand Prize

Meidensha won the grand prize at the eighth GKP PR Awards granted by the Gesuido Koho Platform (GKP). The GKP PR Awards is an award system to discover and award examples of exceptional PR activities that increase the value of sewerage infrastructure in order to publicize them throughout the sewerage industry. The award-winning project is the "Guess li! Project" (project on future disaster preparedness from the perspective of the sewerage system) jointly conducted by Meidensha, Toa Grout Kogyo Co., Ltd, and the Asahi Shimbun in fiscal 2019.



High school students who participated in visiting lectures and companies that participated in the project

Editorial Policy

Editorial Policy

The Meiden Group informs its stakeholders of its attitude and initiatives relating to social responsibility through the two media, which are Meidensha Report (print edition and web edition) and the Meiden Group's Sustainability (web edition).

The content of this website is determined after reporting to and consultation with the Board of Directors. With regard to the content of the reports, we work to collect, analyze, and distribute information that meets our stakeholders' expectations and is of interest to our stakeholders through daily public relations and IR activities, 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 ESG management 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.

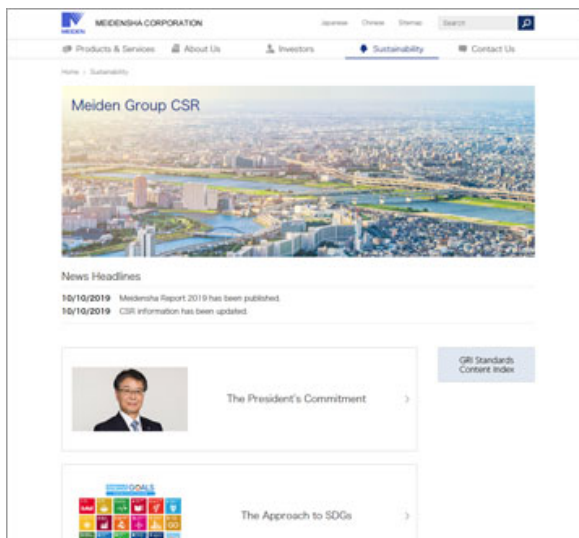


1. Booklet, PDF

[Meidensha Report >](#)

2 Meiden Group's Sustainability Web Edition (this website)

A summarized introduction focusing on specific initiatives to tackle CSR issues that we consider important.



2. Web edition

Reporting Period

This report mainly covers initiatives taken in fiscal 2020 (April 1, 2020 - March 31, 2021). It also includes some information from prior to fiscal 2019 and until July 2021.

Subject Organization

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 2021
- Next scheduled publication: August 2022

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)"

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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

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 ▸ Corresponding to COVID-19 Infection
102-12	The Meiden Group's ESG Management > External Support Initiatives	▸ CSR from the Meiden Group Perspective > External Support Initiatives
102-13	The Meiden Group's ESG Management > Group Membership Credentials	▸ CSR from the Meiden Group Perspective > Group Membership Credentials
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		▸

102-15	Key impacts, risks, and opportunities	<ul style="list-style-type: none"> ▸ The President's Commitment ▸ Medium-term Management Plan
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102-17	Mechanisms for advice and concerns about ethics	<ul style="list-style-type: none"> ▸ Compliance
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102-22	Composition of the highest governance body and its committees	<ul style="list-style-type: none"> ▸ Corporate Governance
102-23	Chair of the highest governance body	<ul style="list-style-type: none"> ▸ Board of Directors & Executive Officers
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102-28	Evaluating the highest governance body's performance	<ul style="list-style-type: none"> ▸ Environmental Management ▸ Climate Change ▸ Corporate Governance
102-29	Identifying and managing economic, environmental, and social impacts	<ul style="list-style-type: none"> ▸ The Approach to SDGs ▸ Environmental Management ▸ Climate Change ▸ Risk Management
102-30	Effectiveness of risk management processes	<ul style="list-style-type: none"> ▸ Risk Management
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Reporting practice		
102-45	Entities included in the consolidated financial statements	—
102-46	Defining report content and topic Boundaries	<ul style="list-style-type: none"> ▸ Editorial Policy
102-47	List of material topics	<ul style="list-style-type: none"> ▸ The Meiden Group's ESG Management
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	Not applicable
102-50	Reporting period	<ul style="list-style-type: none"> ▸ Editorial Policy
102-	Date of most recent report	<ul style="list-style-type: none"> ▸ Editorial Policy

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102-52	Reporting cycle	▸ Editorial Policy
102-53	Contact point for questions regarding the report	▸ Editorial Policy
102-54	Claims of reporting in accordance with the GRI Standards	▸ Editorial Policy * Although based on the reporting principle, this reporting is not prepared following the core option of the GRI Sustainability Reporting Standards.
102-55	GRI content index	▸ GRI Standards Content Index
102-56	External assurance	▸ Third-Party Verification

Topic-specific Disclosures

Disclosure Title		References
Material Topics		
200 series (Economic topics)		
GRI 201: Economic Performance 2016		
103-1	Explanation of the material topic and its Boundary	▸ The Meiden Group's ESG Management ▸ Promotion of Strategic ESG Management
103-2	The management approach and its components	▸ Environmental Management
103-3	Evaluation of the management approach	–
201-1	Direct economic value generated and distributed	▸ Policies to Support Local Communities ▸ Company Profile
201-2	Financial implications and other risks and	▸ Environmental Management

	opportunities due to climate change	▸ Disclosure based on TCFD Recommendations
201-3	Defined benefit plan obligations and other retirement plans	–
201-4	Financial assistance received from government	Not applicable
GRI 202: Market Presence 2016		
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	–
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	–
GRI 203: Indirect Economic Impacts 2016		
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
GRI 204: Procurement Practices 2016		
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 ESG Management

204-1	Proportion of spending on local suppliers	–
GRI 205: Anti-corruption 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> ▸ Corporate Code of Conduct ▸ Compliance ▸ The Meiden Group's ESG Management
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ 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
GRI 206: Anti-competitive Behavior 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> ▸ Corporate Code of Conduct ▸ Compliance ▸ The Meiden Group's ESG Management
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ 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
GRI 207 : Tax 2019		
103-1	Explanation of the material topic and its Boundary	–
103-2	The management approach and its	▸ Compliance > Tax

	components	
103-3	Evaluation of the management approach	–
207-1	Approach to tax	▸ Compliance > Tax
207-2	Tax governance, control, and risk management	–
207-3	Stakeholder engagement and management of concerns related to tax	–
207-4	Country-by-country reporting	–
300 series (Environmental topics)		
GRI 301: Materials 2016		
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	–
GRI 302: Energy 2016		
103-1	Explanation of the material topic and its Boundary	▸ Promotion of Strategic ESG Management ▸ Climate Change
103-2	The management approach and its components	▸ Promotion of Strategic ESG Management ▸ Environmental Management ▸ Climate Change
103-3	Evaluation of the management approach	▸ Promotion of Strategic ESG Management
302-1	Energy consumption within the organization	▸ Climate Change

		<ul style="list-style-type: none"> ▸ 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	▸ Climate Change
302-4	Reduction of energy consumption	▸ Climate Change
302-5	Reductions in energy requirements of products and services	▸ Product Initiatives (Examples of Meiden Green Product registered in FY2020)
GRI 303: Water and Effluents 2018		
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 ESG Management ▸ Environmental Management
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> ▸ Promotion of Strategic ESG Management ▸ Water Resources
303-1	Interactions with water as a shared resource	<ul style="list-style-type: none"> ▸ Water Resources ▸ Overview of Environmental Impacts by Our Business Activities ▸ Environmental Impact Data (FY2020) from the Four Main Manufacturing Sites (Domestic Manufacturing Sites)
303-2	Management of water discharge-related impacts	▸ Water Resources
303-3	Water withdrawal	▸ Water Resources

		<ul style="list-style-type: none"> ▸ Overview of Environmental Impacts by Our Business Activities ▸ Environmental Impact Data (FY2020) from the Four Main Manufacturing Sites (Domestic Manufacturing Sites)
303-4	Water discharge	<ul style="list-style-type: none"> ▸ Water Resources ▸ Overview of Environmental Impacts by Our Business Activities ▸ Environmental Impact Data (FY2020) from the Four Main Manufacturing Sites (Domestic Manufacturing Sites)
303-5	Water consumption	—
GRI 304: Biodiversity 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> ▸ Promotion of Strategic ESG Management ▸ Biodiversity
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ Promotion of Strategic ESG Management ▸ Environmental Management ▸ Biodiversity
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> ▸ Promotion of Strategic ESG 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
		<ul style="list-style-type: none"> ▸

304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity
GRI 305: Emissions 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> ▸ Promotion of Strategic ESG Management ▸ Climate Change ▸ Disclosure based on TCFD recommendations
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ Promotion of Strategic ESG Management ▸ Environmental Management ▸ Climate Change ▸ Disclosure based on TCFD recommendations
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> ▸ Promotion of Strategic ESG Management
305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> ▸ Climate Change ▸ Disclosure based on TCFD recommendations ▸ Overview of Environmental Impacts by Our Business Activities ▸ Environmental Impact Data (FY2020) 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 ▸ Disclosure based on TCFD recommendations ▸ Overview of Environmental Impacts by Our Business Activities

		<ul style="list-style-type: none"> ▸ Environmental Impact Data (FY2020) 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 ▸ Disclosure based on TCFD recommendations
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 (FY2020) from the Four Main Manufacturing Sites (Domestic Manufacturing Sites)
GRI 306: Waste 2020		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> ▸ Promotion of Strategic ESG Management ▸ Biodiversity
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ Promotion of Strategic ESG 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 ESG Management
		<ul style="list-style-type: none"> ▸

306-1	Water discharge by quality and destination	<p>Prevention of Pollution and Effective Utilization of Resources</p> <ul style="list-style-type: none"> ▸ Overview of Environmental Impacts by Our Business Activities ▸ Environmental Impact Data (FY2020) 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
306-3	Significant spills	<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 (FY2020) from the Four Main Manufacturing Sites (Domestic Manufacturing Sites)
306-4	Transport of hazardous waste	<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 (FY2020) from the Four Main Manufacturing Sites (Domestic Manufacturing Sites)
306-5	Water bodies affected by water discharges and/or runoff	<ul style="list-style-type: none"> ▸ Prevention of Pollution and Effective Utilization of Resources

		<ul style="list-style-type: none"> ▸ Overview of Environmental Impacts by Our Business Activities ▸ Environmental Impact Data (FY2020) from the Four Main Manufacturing Sites (Domestic Manufacturing Sites)
GRI 307: Environmental Compliance 2016		
103-1	Explanation of the material topic and its Boundary	▸ Promotion of Strategic ESG Management
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ Promotion of Strategic ESG Management ▸ Environmental Management
103-3	Evaluation of the management approach	▸ Environmental Management
307-1	Non-compliance with environmental laws and regulations	Not applicable
GRI 308: Supplier Environmental Assessment 2016		
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	▸ Supply Chain Management
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	<ul style="list-style-type: none"> ▸ Climate Change ▸ Supply Chain Management
400 series (Social topics)		
GRI 401: Employment 2016		
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
GRI 402: Labor/Management Relations 2016		
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	–
GRI 403: Occupational Health and Safety 2018		
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
GRI 404: Training and Education 2016		

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
GRI 405: Diversity and Equal Opportunity 2016		
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
GRI 406: Non-discrimination 2016		
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	–
GRI 407: Freedom of Association and Collective Bargaining 2016		
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	–
GRI 408: Child Labor 2016		
103-1	Explanation of the material topic and its Boundary	–
103-2	The management approach and its components	▸ 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	–
GRI 409: Forced or Compulsory Labor 2016		
103-1	Explanation of the material topic and its Boundary	–
103-2	The management approach and its components	▸ 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	–
GRI 410: Security Practices 2016		
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	–
GRI 411: Rights of Indigenous Peoples 2016		

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
GRI 412: Human Rights Assessment 2016		
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	–
GRI 413: Local Communities 2016		
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
GRI 414: Supplier Social Assessment 2016		

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	▸ Supply Chain Management
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
GRI 415: Public Policy 2016		
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	—
GRI 416: Customer Health and Safety 2016		
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	▸ Product Initiatives (Management of chemical substances in products) ▸ Product Responsibility
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not applicable
GRI 417: Marketing and Labeling 2016		
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	Not applicable
417-3	Incidents of non-compliance concerning marketing communications	Not applicable
GRI 418: Customer Privacy 2016		
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
GRI 419: Socioeconomic Compliance 2016		
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