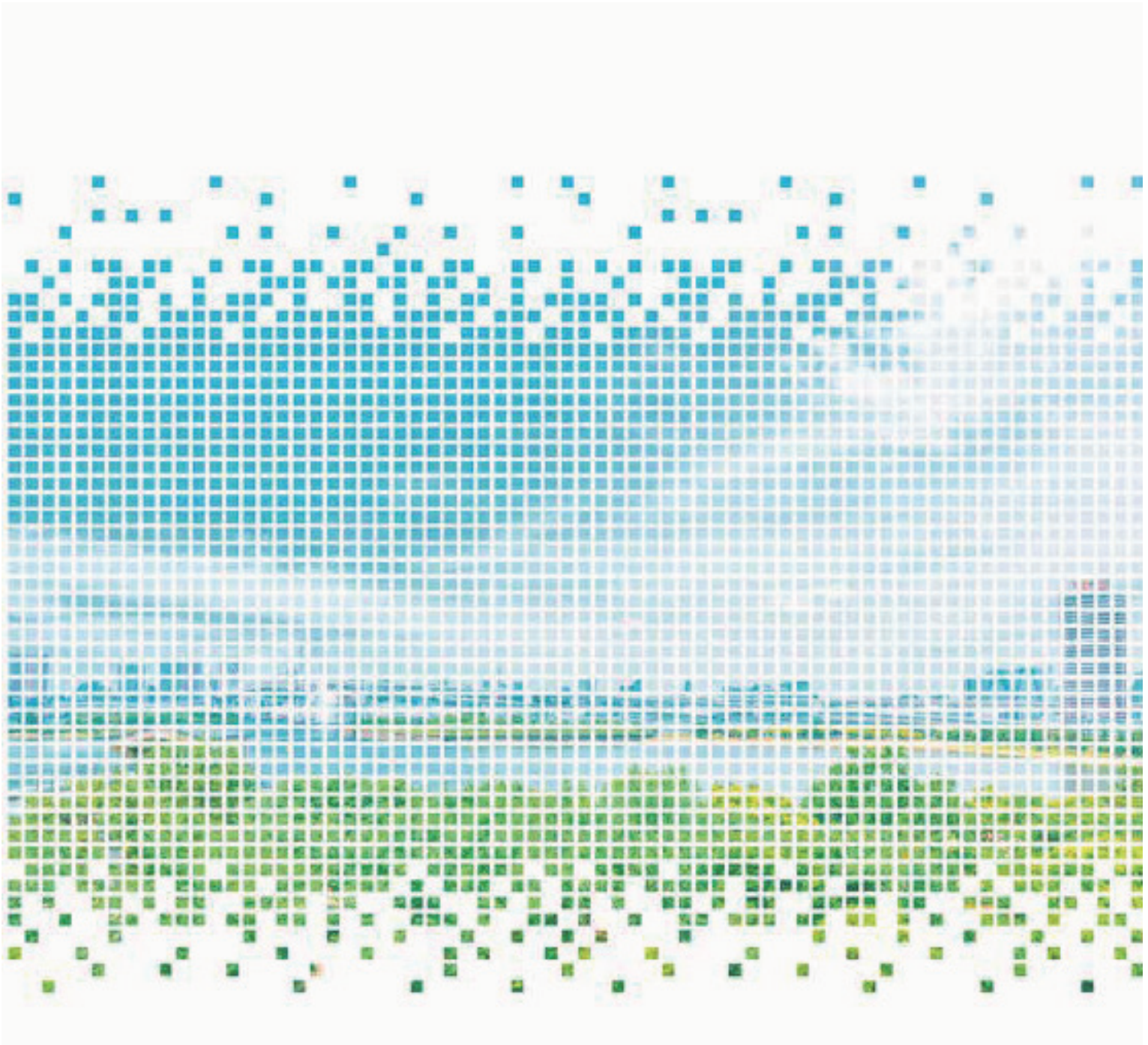


2022

Meiden Group Sustainability

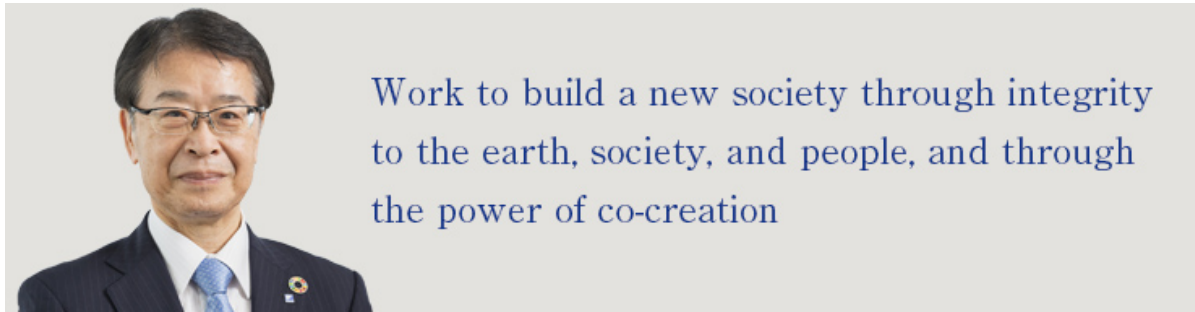


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Sustainability

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, 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 & President and Executive Officer

Takeshi Miida

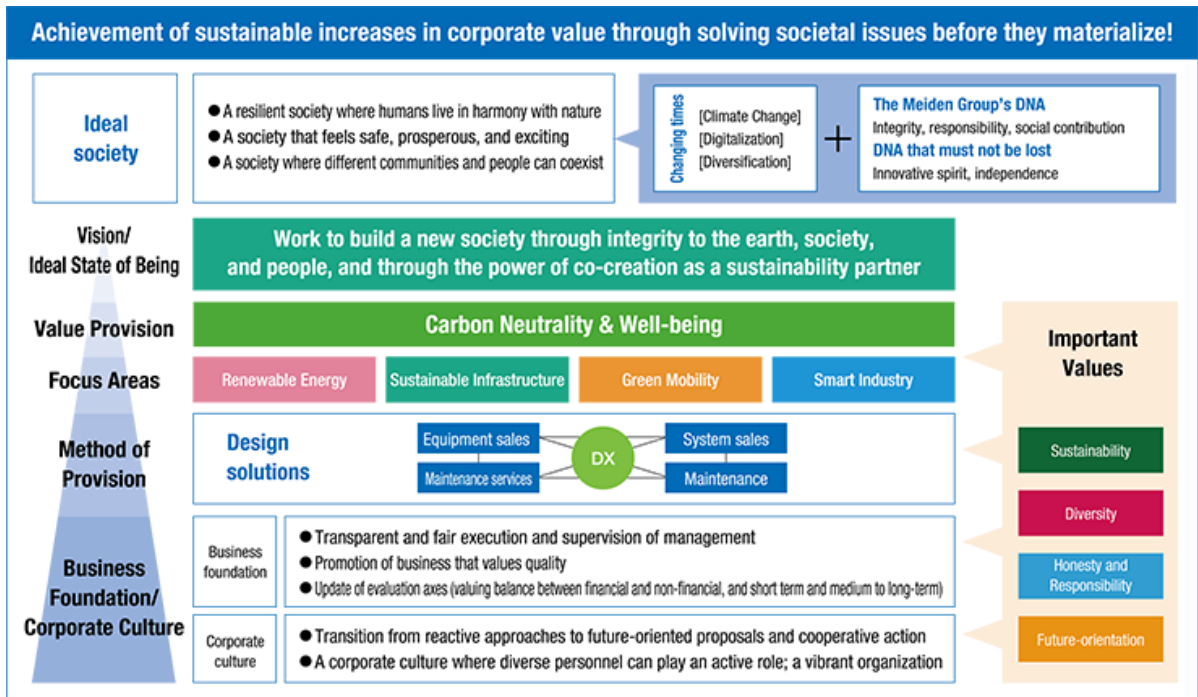
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The Meiden Group's Sustainability Management

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.

Amid such profound social changes, we have depicted the Meiden Group's ideal society of 2030 with an eye to the worldview of 2050, by combining Meidensha's DNA of "integrity," "responsibility," and "social contribution," which are our strengths since the establishment of the Group, with the DNA that we must not lose of "innovative spirit" and "independent mind." 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 be a sustainability partner that "works 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 know-how that we have developed over many years, and the trust and results of our customers. The values that must be held by everyone who works in the Meiden Group are "sustainability," "diversity," "integrity and sense of responsibility," and "future orientation" to achieve this society. 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 "Big Jump" in our growth and achieve sustainable corporate growth, by promoting management focused on ESG and sustainability.



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.

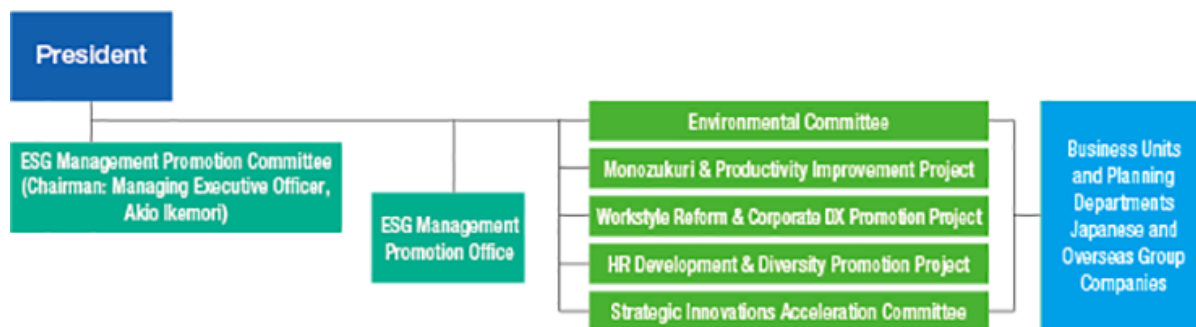
Sustainability Management Promotion System

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, and promoted activities as per the following “FY2021 ESG Management Promotion Committee Activity Record” as a promotion framework that focuses on sustainability management.

Subsequently, in April 2022, we updated Medium-term Management Plan 2024, and we are reviewing our structure to enable specific implementation of the Sustainability Management Policy.

It is now a two-tiered structure, comprising the Sustainability Management Strategy Committee, which is chaired by the President, and the Sustainability Promotion Committee, which is chaired by the officer in charge, where each department is able to independently implement measures. Based on the Sustainability Management Policy, content of the practice is incorporated as action plans into our unique reform improvement activities known as the Meiden Advantage Program (MAP), and these activities are promoted through regular follow up of promotion and results, and through the PDCA cycle, while improving awareness of sustainability management promotion throughout the Meiden Group.

ESG Promotion Structure (FY2021)

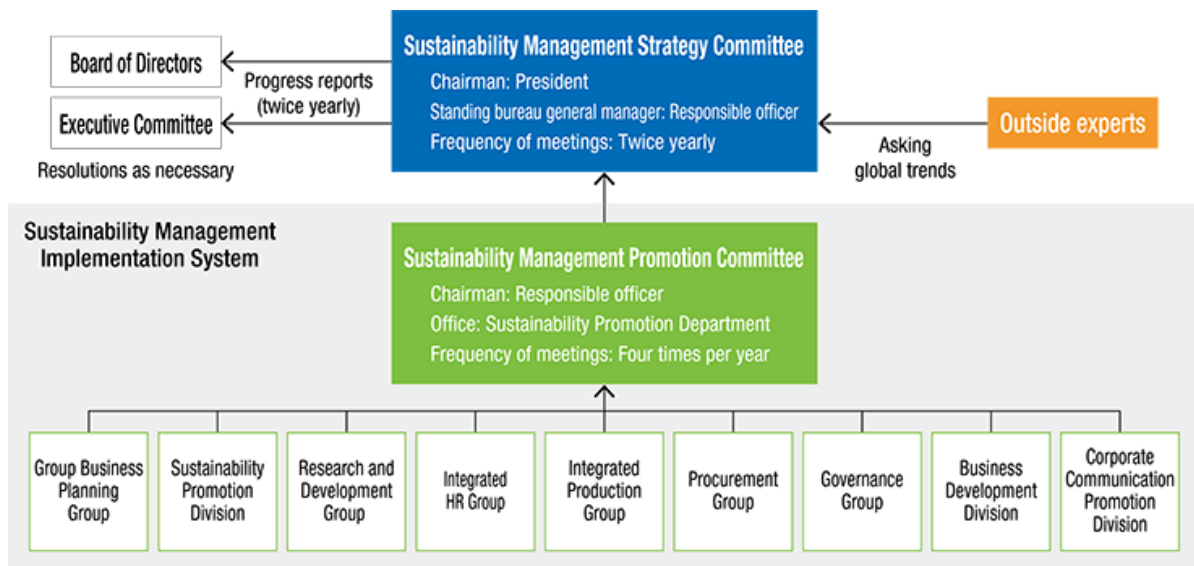


Themes discussed by the ESG Management Promotion Committee (FY2021)

1st meeting	<ul style="list-style-type: none"> • Outline and processes of the ESG Management Promotion Committee
2nd meeting	<ul style="list-style-type: none"> • Dialogue with employees and penetration of awareness of the vision • Current issues with each value
3rd meeting	<ul style="list-style-type: none"> • Updating all-company policies • Environment (progress of the Environmental Vision) • Stakeholder engagement (NPS)
4th meeting	<ul style="list-style-type: none"> • Dialogue with employees and penetration of awareness of the vision • Environment (green products and water conservation) • Diversity (company culture) • Future direction (toward producing an innovation theme)
5th meeting	<ul style="list-style-type: none"> • Awareness penetration dialogue (internal development content) • Supply chain initiatives • Diversity (employment of people with disabilities)
6th meeting	<ul style="list-style-type: none"> • Internal development KPI of each measure • Internal awareness penetration dialogue • Environment (carbon-neutral declaration and green products)

7th meeting	<ul style="list-style-type: none"> • Environment (RE100 and carbon-neutral declaration) • Internal awareness penetration dialogue (briefings and group visits) • HR strategy
8th meeting	<ul style="list-style-type: none"> • Environment (TCFD, green products, and water conservation) • Stakeholder engagement (NPS) • Revision of the Corporate Code of Conduct • Progress of innovation
9th meeting	<ul style="list-style-type: none"> • Environment (TCFD) • Stakeholder engagement (NPS) • Materialities

Sustainability Management Promotion System (FY2022)



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

Initiative	Outline	Date of agreement/participation
CDP	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.	March 2017
Task Force on Climate-related Financial Disclosures (TCFD)	An initiative established by the Financial Stability Board to encourage disclosure of information about climate-related risks and opportunities.	June 2019
Japan Climate Initiative (JCI)	A network of diverse non-state actors such as corporations, municipal governments, groups, and NGOs, that actively work to combat climate change.	December 2020
United Nations Global Compact (UNGC)	A global framework that sets 10 principles implementation relating to protecting human rights, eliminating inappropriate labor, attending to the environment, and preventing corruption, in order to achieve sustainable growth.	September 2022 (TBC)

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

Identification of Materialities

| Background of identification

We are currently surrounded by drastic changes in the social environment in which we operate, 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 our ideal society of 2030 as “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,” by combining Meidensha’s initial DNA of “integrity,”

“responsibility,” and “social contribution,” which are our strengths, with the DNA that we must not lose of “innovative spirit” and “independence mind.” With such a mindset, the Meiden Group has set its ideal state of being for 2030, which is to be “a sustainability partner that works to build a new society through integrity to the earth, society, and people, and through the power of co-creation.”

In these circumstances, in FY2021, we developed Medium-term Management Plan 2024, and identified major issues (materialities) in the plan by backcasting from our 2030 ideal state of being.

The Meiden Group will embrace the challenge of creating a new society and work toward the realization of a sustainable global environment and happiness for all people by solving materialities that have been identified.

Major Issue (Materiality) Identification Process

STEP 1

Management of Major Opportunities and Risks for the Meiden Group

- We arranged societal changes by 2030 and impact on business management and identified constituent factors through PEST analysis.
- We drafted a longlist (369 societal changes and issues in total), including the aforementioned constituent factors using metrics of international standard-setting organizations and items set by ESG evaluation institutions, to avoid omissions.
- We listed 369 societal changes and issues in total, and arranged them according to opportunities and risks from the perspective of the Meiden Group’s ideal state of being.

Referenced Frameworks and Guidelines, etc.

- SDGs
- GRI standards

- SASB standards
- ISO26000
- ESG evaluation items required by ESG evaluation organizations
- The Ten Principles of the UN Global Compact

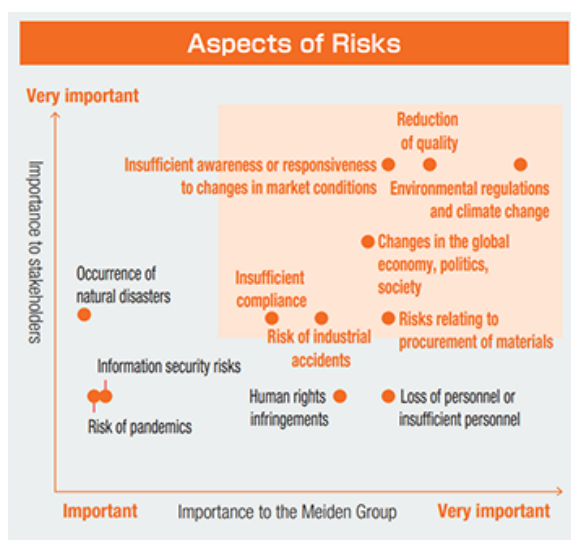
STEP 2

Evaluation of Importance

- We conducted an overall evaluation of the importance of major risks and opportunities according to the two axes of the Meiden Group and Stakeholders.

	Evaluating department	Evaluation items
Meiden Group	Corporate Policy Planning Group, etc.	FY2030 impact on operating income, likelihood of occurrence, and level of response
Stakeholders	Business units that deal with stakeholders	To what extent do stakeholders consider the issue to be important

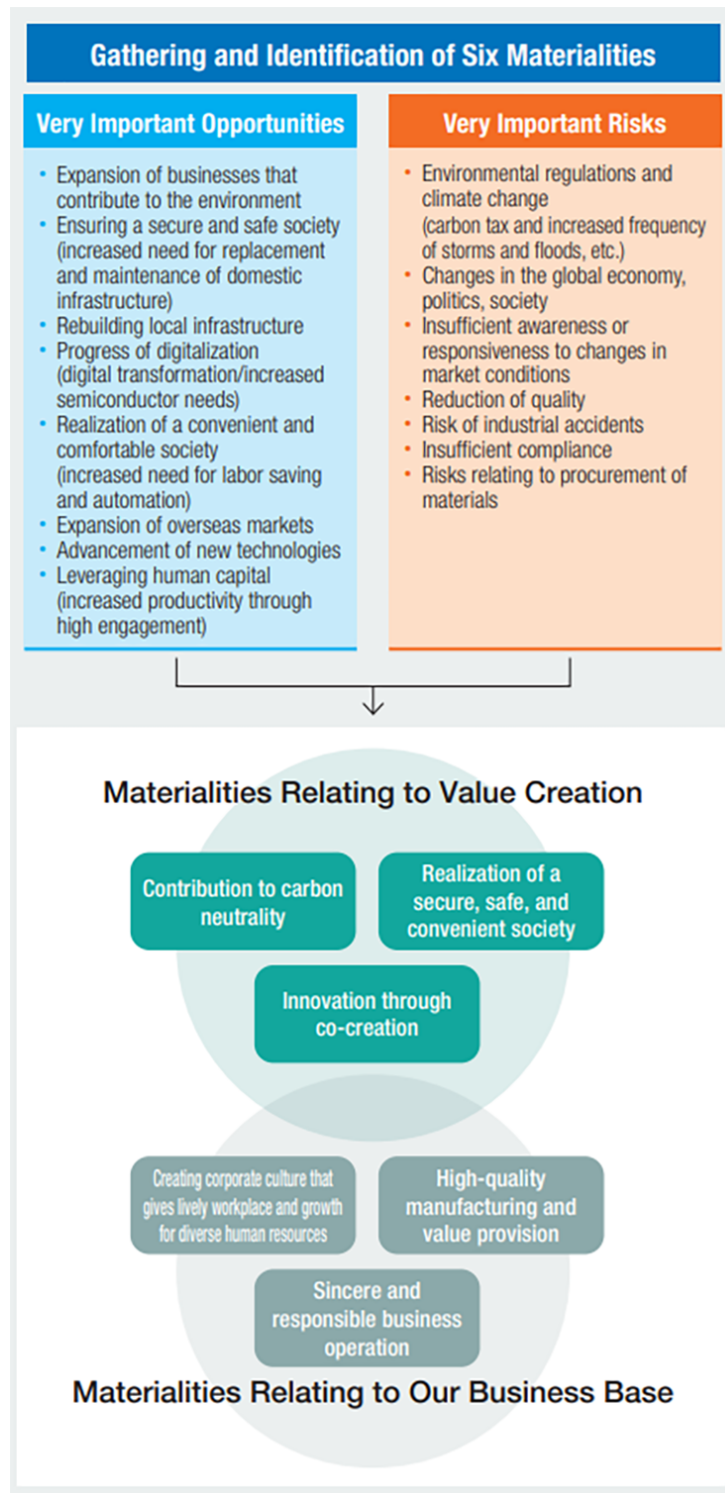
Evaluation of Importance to the Meiden Group and Stakeholders






STEP 3

Identification and Determination of Materialities

- We have gathered and designated items that we have deemed are very important opportunities or risks as six materialities.
- Designated materialities are discussed and determined by the Sustainability Management Strategy Committee, the Executive Officers' Meeting, and the Board of Directors.






Materialities Relating to Value Creation

Materialities that have been identified	Reasons for Identification as a Materiality	Outlook	Related SDGs
Contribution to carbon neutrality	The Meiden Group operates many decarbonization businesses, but there is also an environmental impact from manufacturing. It is essential to launch a response to the significant impact on operations.	<ul style="list-style-type: none"> Climate change is accelerating, and the movement to reach the Paris agreement target (1.5°C) is gaining momentum. Markets relating to decarbonization are expanding, and it is essential to respond to legal restrictions relating to carbon taxes, etc., and prepare for increasing large-scale disasters. 	
Realization of a safe, secure, and convenient society	The Meiden Group operates many relevant businesses. On another front, it is essential to respond as business continuity risks may arise.	<ul style="list-style-type: none"> Review of the state of local infrastructure will proceed due to the declining birthrate and aging population, difficulties with local government finances, and aging facilities in Japan. Digitalization is expected to proceed, leading to increased semiconductor-related demand and increased demand for reduced manpower and automation in the industrial sector. 	
Innovation through co-creation	It is extremely important to embrace the challenge of developing next-generation technology, and create and furnish social value along with partners that share the same conviction.	<ul style="list-style-type: none"> Existing social systems have reached the end of their usefulness, and global-scale social issues have arisen, including climate change issues. These issues cannot be solved by any individual organization, so it is necessary to enter partnerships to 	

Materialities that have been identified	Reasons for Identification as a Materiality	Outlook	Related SDGs
		embrace the challenge of solving them.	

| Materialities Relating to Our Business Base

Materialities that have been identified	Reasons for Identification as a Materiality	Outlook	Related SDGs
Creating corporate culture that gives lively workplace and growth for diverse human resources	Human resources are the source of the Meiden Group's strength. Drawing out and combining the abilities of each individual is essential for value creation.	<ul style="list-style-type: none"> • Values will diversify and work-styles will change. There is a demand for a corporate atmosphere that allows individuals to display their abilities and work with enthusiasm. • As a precursor to this, it is essential for the workplace environment to allow employees to be physically and psychologically healthy. 	
High-quality Manufacturing and Value provision	The Meiden Group's strength of insistence on quality is essential not only to deliver products and systems, but also provide subsequent services.	<ul style="list-style-type: none"> • The Meiden Group's business fields relate to infrastructure and industrial underpinnings, and it is essential that we deliver high-quality products and systems without defects. • As society changes, the value of infrastructure and equipment that "will not shut down" under any circumstances will remain constant. 	
Sincere and responsible business operation	It is important to respond to the changing requirements of society and promote management that we can be proud of, with the core of the Meiden Group's strengths of	<ul style="list-style-type: none"> • We have an obligation to society to always conduct corporate management with sincerity, as we receive capital from society, provide value to society in conjunction with our stakeholders. 	

Materialities that have been identified	Reasons for Identification as a Materiality	Outlook	Related SDGs
	sincerity and responsibility.		

STEP 4

Establishment of Targets and KPIs

- Based on our materialities, we are developing strategies and implementing measures under Medium-term Management Plan 2024.
- With regard to implementation of measures, we establish KPIs to the extent possible and conduct internal progress management.
- We will regularly review materialities and KPIs.

Materialities	Major opportunities and risks	Medium-term Management Plan 2024	Major KPIs and targets () are externally disclosed targets for FY2024	Externally disclosed targets for FY2025 onwards
Contribution to carbon neutrality	[Opportunities] <ul style="list-style-type: none"> • Expansion of markets for businesses that contribute to the environment [Risks] <ul style="list-style-type: none"> • Increased costs due to carbon taxes, etc. • Risks from frequent storms and floods • Decline in competitiveness due to late response 	[Basic Policy 1] Realization of high-quality growth <ul style="list-style-type: none"> 1. Expansion of growth businesses • Expansion of EV-related, renewable energy business, and environmentally-considerate products, and high profitability 	<ul style="list-style-type: none"> • EV business net sales (47.0 billion yen) • Renewable energy business net sales • Environmental contribution (10.00 million tons) • Scope 3 reduction rate (6% reduction compared to FY2019) • Proportion of green products • Number of super green products 	<ul style="list-style-type: none"> • EV business net sales (100.0 billion yen in FY2028) • Scope 3 reduction rate (15% reduction compared to FY2019 in FY2030)
		[Basic Policy 2] Promotion of sustainability management <ul style="list-style-type: none"> • Promotion of decarbonization within the Company 	<ul style="list-style-type: none"> • Scope 1,2 reduction rate (6% reduction compared to FY2019) 	<ul style="list-style-type: none"> • Scope 1 and 2 reduction rate (30% reduction compared to FY2019 in FY2030) • Achievement of RE100 (FY2040) • Achievement of carbon neutrality (FY2050)
Realization of a safe, secure, and	[Opportunities] <ul style="list-style-type: none"> • Growing need for replacement 	[Basic Policy 1] Realization of high-quality growth <ul style="list-style-type: none"> 1. Expansion of growth businesses 	<ul style="list-style-type: none"> • Motor Drive business net sales 	—

Materialities	Major opportunities and risks	Medium-term Management Plan 2024	Major KPIs and targets () are externally disclosed targets for FY2024	Externally disclosed targets for FY2025 onwards
convenient society	<ul style="list-style-type: none"> and maintenance of infrastructure Rebuilding local infrastructure Growing need for semiconductors due to digitalization Expansion of overseas markets Creation of added value through digital transformation (DX) Growing need for labor reduction and automation <p>[Risks]</p> <ul style="list-style-type: none"> Decline in competitiveness due to late response 	<ul style="list-style-type: none"> Expansion of motor drive and semiconductor-related businesses <p>2. Enhancement of competitiveness of earnings-based businesses</p> <ul style="list-style-type: none"> Expansion of the maintenance business Promotion of public private partnerships and provision of design solutions <p>3. Improvement of profitability of overseas businesses</p> <ul style="list-style-type: none"> Rebuilding and improving profitability of overseas businesses 	<ul style="list-style-type: none"> Semiconductor-related businesses net sales Maintenance business net sales (¥41.6 billion) Overseas net sales (¥73.0 billion) 	
Innovation through co-creation	<p>[Opportunities]</p> <ul style="list-style-type: none"> Growing new needs due to sustainability and ESG trends Advancement of new technologies <p>[Risks]</p> <ul style="list-style-type: none"> Decline in competitiveness due to late response 	<p>[Basic Policy 3] Promoting ambidexterity management</p> <ul style="list-style-type: none"> Creation of new business themes and promotion of commercialization through co-creation Development of and furnishing society with next-generation technology 	<ul style="list-style-type: none"> New businesses net sales (¥5.0 billion) Number of innovation themes Number of innovation personnel 	—
Creating corporate culture that gives lively workplace and growth for diverse human resources	<p>[Opportunities]</p> <p>Improvement of productivity through high engagement of employees</p> <ul style="list-style-type: none"> Generation of innovation by leveraging diversity 	<p>[Basic Policy 2] Promotion of sustainability management</p> <ul style="list-style-type: none"> Implementation of measures to improve engagement Expansion of diversity and inclusion measures Expansion and fulfillment of professional 	<ul style="list-style-type: none"> Improvement rate of employee engagement metrics (10% improvement compared to FY2021) Female officer class: number of inside officers (at least 1) Number of non-Japanese presidents of local 	<ul style="list-style-type: none"> Female officer class: number of inside officers (at least 3, of which 1 is an executive officer, in FY2030)

Materialities	Major opportunities and risks	Medium-term Management Plan 2024	Major KPIs and targets () are externally disclosed targets for FY2024	Externally disclosed targets for FY2025 onwards
	<p>[Risks]</p> <ul style="list-style-type: none"> • Outflow of personnel or insufficient personnel due to low engagement • Worse employee health due to factors including occurrence of industrial accidents and pandemics 	<p>development programs</p> <ul style="list-style-type: none"> • Enhancement of occupational health and safety • Promotion of health management 	<p>subsidiaries (at least 3)</p> <ul style="list-style-type: none"> • Total education and training expenses • Number of industrial accidents 	<ul style="list-style-type: none"> • Number of non-Japanese presidents of local subsidiaries (at least 5, of which 1 is an executive officer, in FY2030)
High-quality manufacturing and value creation	<p>[Opportunities] Creating safe and secure infrastructure and industrial underpinnings</p> <p>[Risks]</p> <ul style="list-style-type: none"> • Loss of customer trust or orders by reason of lower quality 	<p>[Basic Policy 2] Promotion of sustainability management</p> <ul style="list-style-type: none"> • Establishment of the Meiden Monozukuri(Manufacturing) Standards to improve QCDSE • Enhancement of quality assurance (QR map, reconstruction of the Meiden Customer Center, etc.) 	<ul style="list-style-type: none"> • Manufacturing process metrics (product production time, production time per unit, units produced per person, production/manufacturing lead time) • Number of defects and cost of dealing with defects (reduced by half compared to FY2020) 	—
Sincere and responsible business operation	<p>[Risks]</p> <ul style="list-style-type: none"> • Infringement of human rights by the Meiden Group or suppliers • Information security risks • Insufficient compliance measures 	<p>[Basic Policy 2] Promotion of sustainability management</p> <ul style="list-style-type: none"> • Enhancement of stakeholder engagement • Introduction of respect for human rights and human rights due diligence • Enhancement of information security and internal training • Enhancement of compliance • Enhancement of corporate governance 	<ul style="list-style-type: none"> • Stakeholder engagement improvement rate • Human rights training attendance rate • Information security training attendance rate • Compliance training attendance rate 	—

* We will continue to consider and scrutinize the selection of measures and specific KPI figures going forward.

Sustainability

The Approach to SDGs

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 Meiden Group’s ESG Vision and business activities. 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 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

	<p>★★</p>	<ul style="list-style-type: none"> · We support the infrastructure development of developing nations by delivering equipment through Official Development Assistance (ODA) · We promote partnerships with local businesses in Southeast Asia (T&D business, switchgear business, etc.) · We expand public-private projects by building partnerships with other industry sectors in the water treatment field · We provide sustained water supply service that is both good and inexpensive through public-private partnerships · We contributed to the realization a safe and secure water supply through comprehensive operations in waterworks by establishing the Gunma Tobu Suido Kigyodan (an amalgamation of several local water services in Eastern Gunma Prefecture) · 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.
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*1 RPA (robotic process automation): The use of robots to make work more efficient.

Programming robots to do white color work and other tasks that humans have always done helps to automate typical, repetitive tasks. By teaching robots a set of rules, it is possible for them to do work that includes decision-making based on certain standards. Software robots are being used to automate typical PC operation without changing existing systems.

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

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

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

Sustainability

Environment

Promotion of Strategic Environmental Management >	Environmental Management >
Product Initiatives (Expand businesses that contribute to the environment) >	Product Initiatives (Promote Environmentally Conscious Design) >
Product Initiatives (Management of chemical substances in products) >	Climate Change >
Disclosure based on TCFD recommendations >	Prevention of Pollution and Effective Utilization of Resources >
Water Resources >	Biodiversity >
Promotion of Environmental Communication >	Foster Environmental Awareness >
Overview of Environmental Impacts by Our Business Activities >	Environmental Impact Data (FY2021) From the Four Main Manufacturing Sites (Domestic Manufacturing Sites) >
Third-Party Verification >	Issue of Green Bonds >

Environment

Promotion of Strategic Environmental 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 sustainability management to achieve sustainable growth of society and improved corporate value.

Basic Environmental Philosophy

The Meiden Group aims to engage in sustainability 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 entire lifecycle of our products, 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 a sustainability 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 sustainability management and invigorate environmental contribution activities through environmental education.

The 7th Edition, April 1, 2022

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 realization of “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 sustainability 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
- Promote 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)

The Meiden Group aims for Carbon Neutrality by 2050. As an interim step, we upwardly revised our FY2030 greenhouse gas emission reduction targets. 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 well 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.”*3 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

FY2030greenhouse 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.) • Procurement of renewable energy power (non-fossil fuel certificate, power menus, 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, etc.)
Overall	<ul style="list-style-type: none"> • Generating innovation • Introducing internal carbon pricing

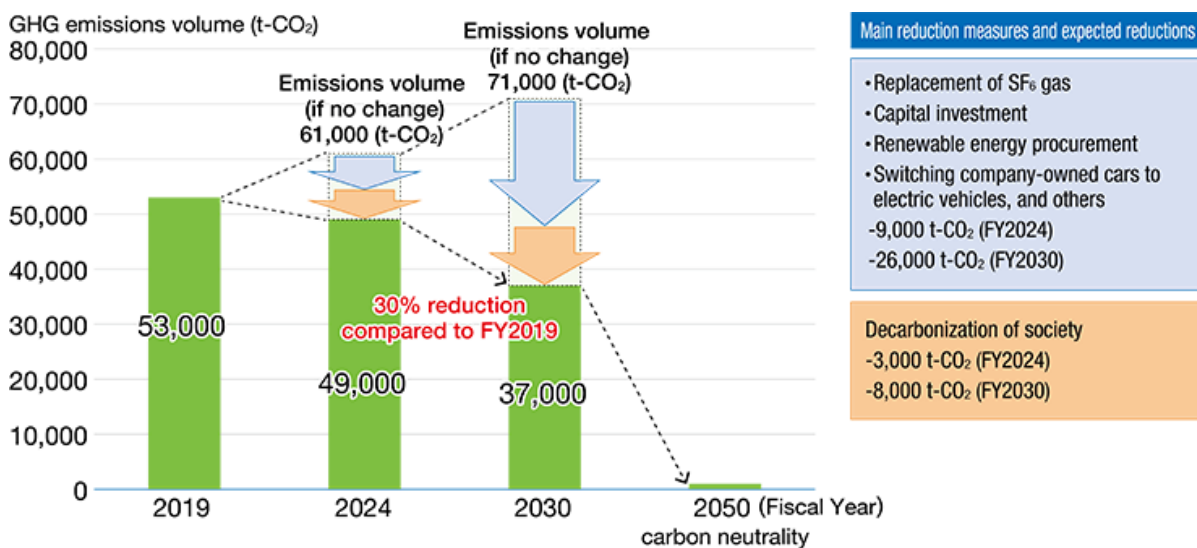
In particular, with regard to reducing GHG emissions at the product use stage (Scope 3 Category 11), we will increase the ratio of low-carbon businesses with low emissions per unit of sales, including EV-related products and maintenance services, for which demand is expected to grow. By making our business portfolio low-carbon through these measures, we 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.

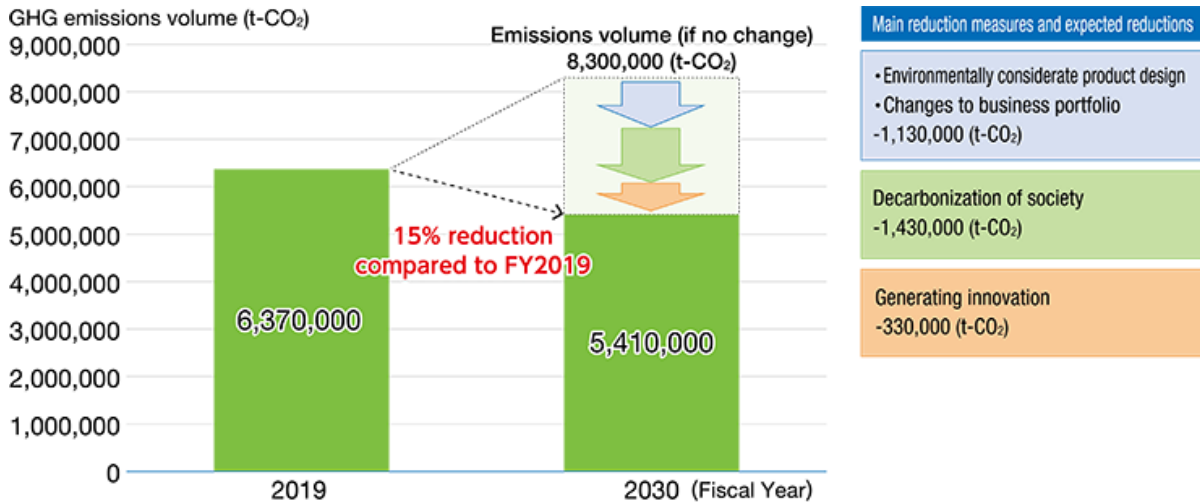
◆Timeline of main measures to cut greenhouse gas emissions

Emissions classification	Measures to cut greenhouse gas	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025~2030	
Emissions from business activities: Scopes 1 and 2	Replacing SF ₆ gas (replacement with dry air, etc.)	Evaluation of SF ₆ replacement gas for electrical testing			Replacement of SF ₆ gas		
	Renewable energy procurement (non-fossil fuel certificate, power menu, etc.)	Meiden R&D Center, Osaki Kaikan Hall, Ota Works: Renewable energy procurement				KOFU MEIDENSHA ELECTRIC MFG. CO., LTD., Nagoya Works: Renewable energy procurement	Numazu Works, overseas
		Capex	Replacement of aging equipment		Introduction of high-efficiency equipment		Switching from gas to electricity
	Switching company-owned cars to electric vehicles		Use EVs and HVs to replace vehicles (gradual)			Ensure that all vehicles are EVs or HVs	
Emissions from product use: Scope 3, category 11	Environmentally considerate product design	Promote LCA, ensure miniaturization and high efficiency, expand green products					
		Eliminate SF ₆ gas					
	Business portfolio change	Expand proportion of low-carbon businesses such as EV-related and maintenance services and hydroelectric power					

◆Scope 1 and 2 reduction measures and results



◆ Scope 3, category 11 reduction measures and results



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 the 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

FY2021 Environmental Targets and Results

Targets and level of achievement for FY2021, which is the first year of Medium-term Management Plan 2024, are as follows.

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

Achievement of FY2021 Environmental Targets

Rating: ☆☆☆ = target achieved,

☆☆ = improvement over previous year,

☆ = work in progress

Strategic Targets	Actions	FY2021 Environmental Targets (Japan)	FY2021 Results	Rating
Contribute to environment through products and services	Promote environmentally conscious design	Contribute a 950,000 t/year reduction in CO ₂ emissions by Environment-Contributing Businesses	736,000 tons	☆
		Build a foundation for scope 3, category 11 reductions (investigate and calculate for main businesses)	Conduct LCA for three business units	☆☆☆

Strategic Targets	Actions	FY2021 Environmental Targets (Japan)	FY2021 Results	Rating
Reduce the environmental impact of business operations	Reduce greenhouse gas emissions	Japan: Total emissions (Scope 1+2): -3% (compared to FY2019)	-13% (compared to FY2019)	☆☆☆
		Overseas*1: Total emissions (scope 1+2): -1% (compared to FY2019)	+12% (compared to FY2019)	☆
	Manage chemicals properly	VOC emissions: 80 tons or less	71.9 tons	☆☆☆
	Promote the 3Rs	Total waste: -4% (compared to FY2017) 4 main manufacturing sites*3	-10.3% (compared to FY2017)	☆☆☆
		Zero waste emissions*4 at 9 sites*5: 1% or less final waste emissions	1.2%	☆☆
	Conserve water resources	Implementation of water conservation activities and risk countermeasures: 4 main manufacturing sites*3	On-site investigation and consideration of replacement proposals to streamline plumbing	☆☆☆
	Conserve biodiversity	Conservation of ecosystems: 4 main manufacturing sites*3	Elimination of introduced species, 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 Main overseas production sites

*2 Emissions volume increased as MEIDEN T&D (INDIA) LIMITED was added to the Meiden

Group through business expansion in FY2021.

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

*4 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.).

*5 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

Targets

FY2022 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 sustainability 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 FY2022, 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%.

FY2022 Environmental Targets

Strategic Targets	Actions	FY2022 Environmental Targets (Japan)
Contribute to environment through products and services	Promote environmentally conscious design	8.0 million-ton reduction in GHG emissions by Environment-Contributing Businesses *1
		Develop a plan for scope 3, category 11 reductions (create systems and develop a standard)

Strategic Targets	Actions	FY2022 Environmental Targets (Japan)
Reduce the environmental impact of business operations	Reduce greenhouse gas emissions	Japan: Total emissions (scope 1+2): -5% (compared to FY2019)
		Overseas: Total emissions (scope 1+2): -2% (compared to FY2019)
	Manage chemicals properly	VOC emissions: 80 tons or less
	Promote the 3Rs	Total waste: -5% (compared to FY2017): All sites in Japan (excluding Construction Business Unit)
		Less than 1.0% final waste emissions: Main sites in Japan *2
	Conserve water resources	Promotion of efficient use of water resources: 4 main manufacturing sites *3
Conserve biodiversity	Conservation of ecosystems in green spaces (reduced agricultural chemicals, elimination of introduced species, etc.): 4 main manufacturing sites *3	
Promote environmental management	Strengthen value chain management	Green procurement rate (own standards): 90% or greater

*1 Direct or indirect GHG reductions (estimated) from replacing standard products and services with the Meiden Group's products and services (revised calculation method from FY2022)

*2 Main sites in Japan: Numazu Works, Ota Works, Nagoya Works, KOFU MEIDENSHA ELECTRIC MFG. CO., LTD., MEIDEN CHEMICAL CO., LTD., HOKUTO DENKO CORPORATION, MEIDEN ENGINEERING CORPORATION, Plant Construction & Engineering Business Group, MEIDEN PLANT SYSTEMS CORPORATION, EAML Engineering CO., LTD.

*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

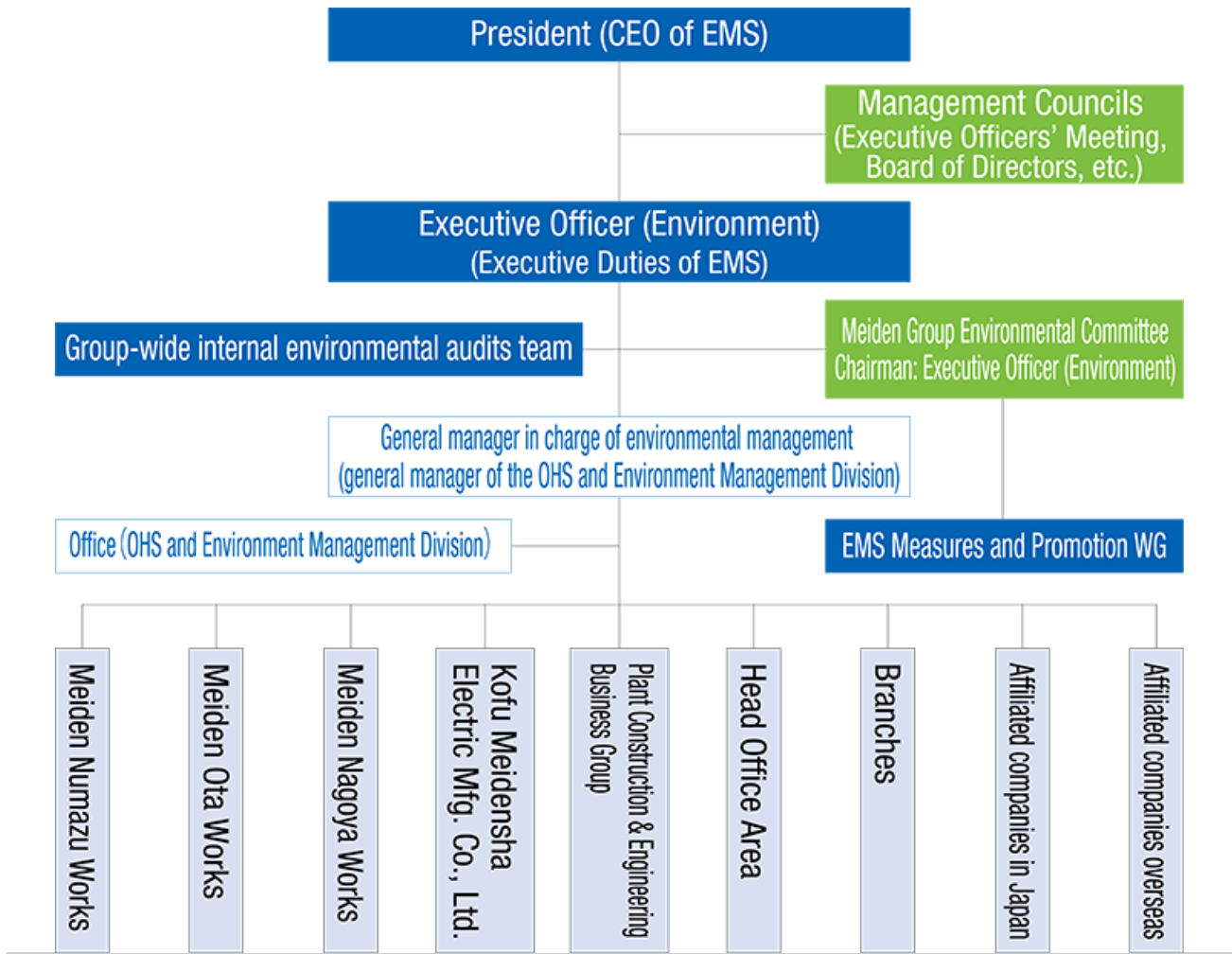
Environmental Management Promotion Organization

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 Officers' Meeting, Board of Directors, and the like and then acts as decided by top management.

Meiden Group Environmental Management Promotion Organization



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"> • Carbon neutrality and mitigation of climate change • Adapting to climate change • Accelerating expansion into new energy and renewable energy markets, and carbon-free energy systems 	<ul style="list-style-type: none"> • Effects of cooperation throughout the value chain • Rising insurance premiums • Electricity market: More new players • Intensified competition with other industries 	<ul style="list-style-type: none"> • Increased demand for environment-friendly type products • Increased opportunities in the primary and tertiary industry markets • New energy, renewable energy, and VPP market expansion 	<ul style="list-style-type: none"> • Promoting environmental management • Expanding products' contribution to the environment

Phenomena (issues) related to environment	Risks	Opportunities	Carrying out initiatives
	<ul style="list-style-type: none"> Strengthening partnerships with municipal governments, etc. 		<ul style="list-style-type: none"> Proposals for urban development and business expansion
Economy	<ul style="list-style-type: none"> Carbon pricing Automobile electrification and digitalization Sustainability management and CSV approach Medium- to long-term economic growth of developing countries 	<ul style="list-style-type: none"> Increased prices Zero value chain CO₂ emissions in the future Withdrawal of investors due to being seen as half-hearted in carbon reduction efforts Overseas compliance 	<ul style="list-style-type: none"> Expanded nonuse fossil fuel, new energy, and renewable energy markets Expanded EV motor/inverter market Increased corporate value through information disclosure Conducting growth investments (overseas markets)
Society	<ul style="list-style-type: none"> Efficient utilization of resources and active utilization of recycled materials Expanding businesses that contribute to the environment and products that contribute to GHG reduction Response to CDP, SBT, TCFD, TGIF, etc.* Expansion of responsibility 	<ul style="list-style-type: none"> Increased costs due to utilization of recycled materials Reduced product competitiveness Reduced corporate value Risks to the value chain (procurement and seeking responsibility) Decreased employee awareness Increased reputational and litigation risks 	<ul style="list-style-type: none"> Reduced costs due to decreased reliance on scarce resources, and reduced emissions Increased corporate value due to expansion of businesses that contribute to the environment and products that contribute to GHG reduction Reputation as a problem-

Phenomena (issues) related to environment		Risks	Opportunities	Carrying out initiatives
	<p>to the value chain</p> <ul style="list-style-type: none"> • Change of lifestyle (ecological orientation) and adoption of Sustainable Development Goals (SDGs) • Fair labor and employment conditions • After Corona and With Corona initiatives <p>*TGIF: A section of the Climate Innovation Finance Strategy proposed by METI in September 2020. This favors finance (F) towards transition (T), green (G), and innovation (I), rather than a dualistic approach, in order to achieve the SDGs and the Paris Agreement.</p>	<ul style="list-style-type: none"> • Loss of corporate value as a so-called black company • Increased gap between companies 	<p>solving company</p> <ul style="list-style-type: none"> • Enhanced value chain • Increased awareness, unified goals of employees, etc. • Initiatives to incorporate SDGs and information disclosure • Work-style reform initiatives • Creation of new businesses and work-style reforms 	
Technology	<ul style="list-style-type: none"> • High-efficiency power transformer technology • Evolution of ICT and IoT technology and accelerated digital transformation • Diversification and efficiency of maintenance services 	<ul style="list-style-type: none"> • Increased new players (IT companies) • Industrial accidents due to ignoring risks 	<ul style="list-style-type: none"> • Increased demand for environment-friendly type products • Utilizing ICT and IoT and strengthening system technologies and product capabilities • Enhanced rollout of one- 	<ul style="list-style-type: none"> • Expanding products' contribution to the environment

Phenomena (issues) related to environment	Risks	Opportunities	Carrying out initiatives	
	<ul style="list-style-type: none"> Evolution of virtual reality (VR) and augmented reality (AR) 		<ul style="list-style-type: none"> stop services Realistic experiences of accidents and disasters 	
Legal Restrictions	<ul style="list-style-type: none"> Tightened overseas environmental regulations Fourth basic recycling plan Tightening of harmful chemical substance regulations 	<ul style="list-style-type: none"> Penalties and loss of reputation due to non-compliance with overseas laws Increased cost of virgin materials Analysis, communication, and management of information concerning SDS and harmful substances 	<ul style="list-style-type: none"> Utilization of recycled materials Superior products of competitive advantage that are free from harmful substances 	<ul style="list-style-type: none"> Promoting environmental management Promoting environmentally considerate design Strengthening management of chemicals in products
Natural Environment	<ul style="list-style-type: none"> Depletion of resources Microplastics issues Ecosystem abnormalities Occurrence of disasters Change to air temperature and rainfall, and abnormal weather events 	<ul style="list-style-type: none"> Increased cost of virgin materials Utilization of biodegradable plastics Increased reputational and litigation risks Business continuity Disaster response and industrial accidents at time of recovery Disrupted value chain due to flood, etc. 	<ul style="list-style-type: none"> Utilization of recycled materials and promotion of the 3Rs for products Provision of local contribution activities and increased corporate value Increased demand for the water business due to water risks 	<ul style="list-style-type: none"> Promoting environmentally considerate design Promoting environmental communication Promoting environmental/health and safety management

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 19 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
1	MEIDENSHA CORPORATION*	February 24, 1998
2	MEIDEN SHOJI CO., LTD.	
3	KOFU MEIDENSHA ELECTRIC MFG. CO., LTD.*	
4	MEIDEN SYSTEM MANUFACTURING CORPORATION*	
5	MEIDEN KIDEN KOGYO CO., LTD.*	
6	MEIDEN KOHSAN CO., LTD.	
7	MEIDEN SYSTEM SOLUTIONS CORPORATION	
8	MEIDEN PLANT SYSTEMS CORPORATION*	
9	M WINDS CO., LTD.	
10	MEIDEN UNIVERSAL SERVICE LTD.	
11	MEIDEN AQUA BUSINESS COMPANY	
12	MEIDEN TECHNO SYSTEMS CO., LTD.*	
13	MEIDEN MASTER PARTNERS CORPORATION	
14	MEIDEN O&M CORPORATION	July 31, 2003
15	MEIDEN ENGINEERING CORPORATION	
16	MEIDEN CHEMICAL CO., LTD.*	November 20, 2012
17	MEIDEN FACILITY SERVICE CORPORATION	November 18, 2015
18	HOKUTO DENKO CORPORATION*	October 3, 2013
19	EAML Engineering CO., LTD.*	March 5, 2004

* Companies with manufacturing plants

Certification Status Overseas

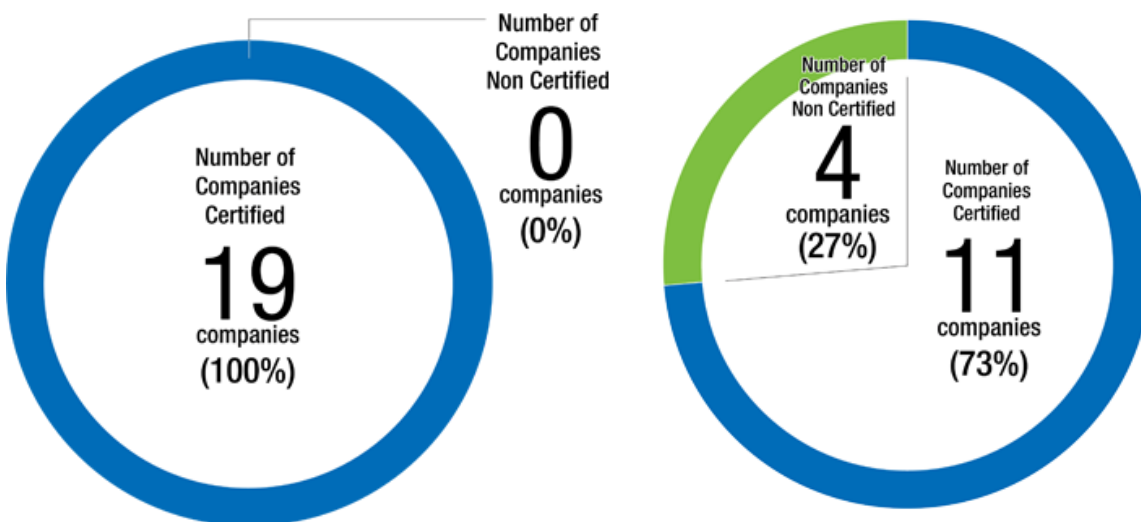
	Company Name	Area	Date of Certification Acquisition
1	MEIDEN ZHENGZHOU ELECTRIC CO., LTD.*	Zhengzhou, China	October 9, 2013
2	MEIDEN HANGZHOU DRIVE SYSTEMS CO., LTD.*	Hangzhou, China	April 7, 2008
3	SHANGHAI MEIDENSHA CHANGCHENG SWITCHGEAR CO., LTD.*	Shanghai, China	January 11, 2016
4	P.T. MEIDEN ENGINEERING INDONESIA	Indonesia	December 19, 2018
5	MEIDEN MALAYSIA SDN. BHD.	Malaysia	October 10, 2018
6	MEIDEN METAL ENGINEERING SDN.BHD.*	Malaysia	October 9, 2014
7	MEIDEN SINGAPORE PTE. LTD.*	Singapore	February 8, 2010
8	THAI MEIDENSHA CO., LTD.	Thailand	July 1, 2009
9	MEIDEN ELECTRIC(THAILAND)LTD.*	Thailand	September 30, 2013
10	TRIDELTA MEIDENSHA GmbH.*	Germany	July 13, 2015
11	MEIDEN T&D(INDIA)PRIME MEIDEN LIMITEDLTD.*	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 audits at overseas sites, focusing on increasing the accuracy of the estimation of energy, vehicle, and water use, and waste emission volume. In FY2021, our audits prioritized “environmental factors and evaluating environmental impact”, “formulation, analysis, and evaluation of environmental targets”, “performing checks of compliance activities”, “improving human resources” and “legal requirements (Waste Disposal and Public Cleaning Act and Fluorocarbon Emissions Control Act, etc.)”. We determined that 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 and electronic equipment industry’s “Carbon Neutrality Action Plan,” 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 FY2021, there were one incident 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 did not receive any complaints regarding noise or odor.

Results Data

Incidents relating to voluntary standards cases

	Date	Location	Content	Response measures, etc.
1	February 2022	Numazu Works	As a result of regular testing of factory wastewater conducted in the wastewater of Factory 10, Cu (copper) concentration exceeded the voluntary standards (within emission standards in the Water Pollution Prevention Act)	In addition to improving untreated water, we established a rule that the manager would conduct pre-treatment concentration control when 60% of the regular analysis value was exceeded, and set warning alert to make sure wastewater treatment capacity was not exceeded.

Breaches of Environmental Laws (Record)

FY2019	FY2020	FY2021
0	0	0

Environmental Accounting (FY2021)

We quantify costs, etc., relating to environmental activities, with reference to the Ministry of the Environment's "Environmental Accounting Guidelines 2005."

Environmental Protection Costs		Investment (million yen)
Business area costs	Implementation of new energy-saving devices, etc.	1,053
R&D costs	R&D costs for environmentally conscious products, etc.	950

* Scope of calculation: Meidensha (non-consolidated); period covered: April 2021–March 2022

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 and Service 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 FY2021, we have set a target of 950,000 tons/year of environmental contribution (the expected reduction in CO₂ emissions from products sold). We were unable to achieve our goal, with an emissions reduction of 736,000 tons/year due to factors such as the reduction in power generation as a result of the repair work of Hachiryu Wind Farm. In FY2022, we changed the name of “environmental contribution” to “GHG reduction contribution,” and we have set GHG reduction contribution targets using calculation methods that are comparable to standard products and services around the world. Applicable products and services include the wind power sales business, photovoltaic power generating systems, hydroelectric power generation equipment, and electrical equipment for electric vehicles.



Choshi Shiosai Wind Farm

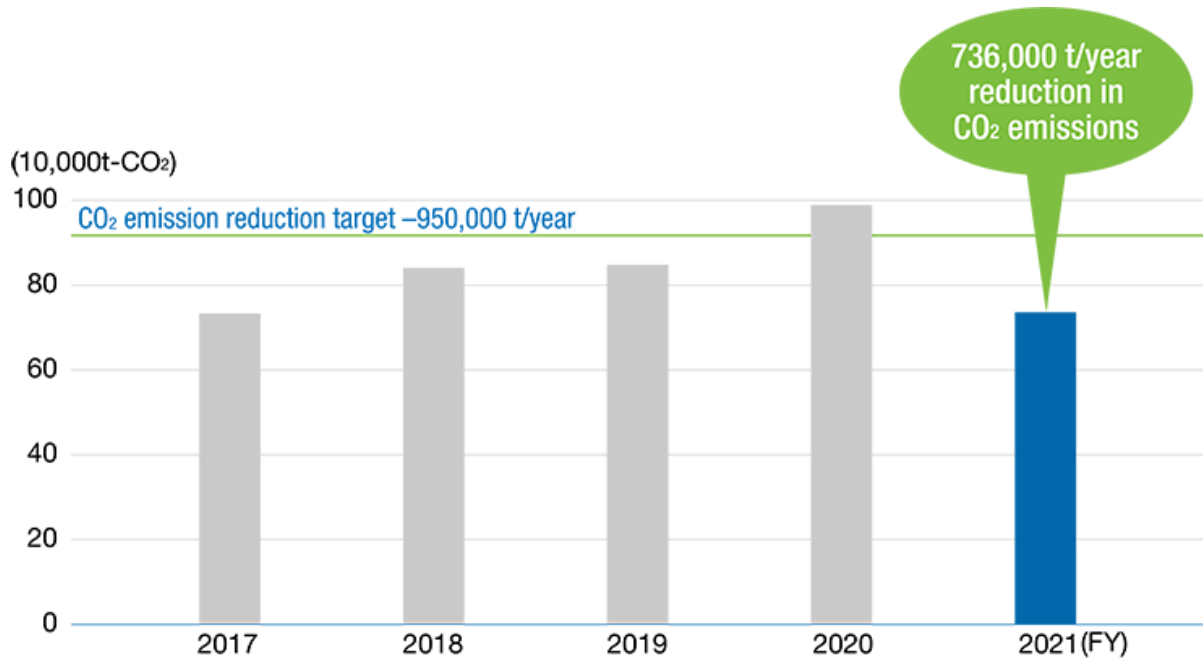


Photovoltaic PCS



Integrated motor/inverter/gear box drive unit

GHG Reduction Contribution Volume (Former Environmental Contribution Volume)



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

Applicable products/businesses	FY2021 GHG reduction contribution (10,000t CO ₂)	Environmental contribution calculation method
Power conditioners for photovoltaic generation	0.8	Emissions reduction if grid power is substituted with renewable energy
Wind power sales business*	4.8	
Hydroelectric generators	10.0	
Electrical equipment for electric vehicles	19.4	Emissions reduction if an equivalent grade of gasoline vehicle is substituted
Power conditioners for storage batteries	0.4	Emissions reduction from substitution of pumped hydroelectric generation (high efficiency)
Electrical equipment for electric forklifts	4.3	Emission reduction when substituting with our existing products (reduction of lost energy)
Engines and turbine generators	4.2	
Transformers	9.2	
Inverters	16.9	
Uninterruptible power supplies	0.9	
Ecotank type vacuum circuit breakers	2.7	
Total	73.6	

* 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.

Wind Power Sales Business

M WINDS Co., Ltd. and its affiliates operate a wind power sales business and supply renewable energy from 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 28,000 kW Wajima Community Wind Farm (Ishikawa Prefecture): 10 wind turbines with a generating capacity of 20,000 kW Choshi Shiosai Wind Farm (Chiba Prefecture): 2 wind turbines with a generating capacity of 3,000kW



Hachiryu Wind Farm



Wajima Community Wind Farm

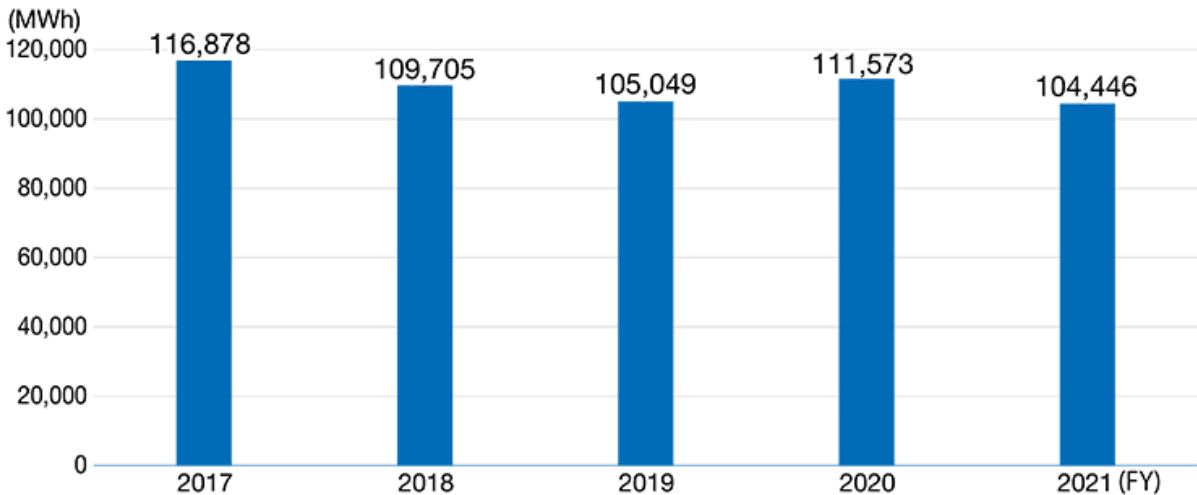


Choshi Shiosai Wind Farm

Aiming for increased utilization of wind power

The FY2021 generation volume of Hachiryu Wind Farm, which we are considering replacing in FY2023 was 104,446 MWh of electricity, following on from FY2020 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 contribution.

Transition of Total Power Generation Performance



Electrical Component 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.

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 Equipment

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 2004, Meidensha succeeded in developing a 72-kV-class tank- type vacuum circuit breaker that uses no sulfur hexafluoride (SF₆) gas, which has 20,000 times the greenhouse properties of CO₂, and has a record of delivering more than 2,000 units to domestic and overseas electricity companies, etc. In 2020, we developed a 145-kV-class model to meet high-voltage requirements. This is the world's first dry air insulation tank type vacuum circuit breaker of this voltage class. In October 2021, the first unit was shipped to a power company in the US state of Alaska.

*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


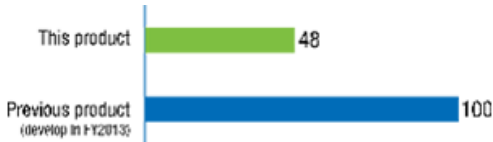
The Meiden Group conducts an assessment of the environmental impact of a product throughout its life cycle, from procurement of components through to disposal, in accordance with our Guidelines for Environmental Action. We use the LCA method to quantify the environmental impact of products and services, 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

[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 received the Good Design Award (from Public Interest Incorporated Foundation Japan Institute of Design Promotion)*1 in FY2021, and the Red Dot Design Award (from Design Zentrum Nordrhein Westfalen) in FY2022*2. The Red Dot Design Award is a German international design award with global recognition.</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.](#) >

*1: [Good Design Award/winning product introduction page](#) 

*2: Red Dot Design Award
An international design award granted by Design Zentrum Nordrhein Westfalen, in Essen,

Germany, since 1955. Out of the three categories of “product design,” “brands & communication design,” and “design concept,” the driving robot Type-i RBT-2020 automatic vehicle driving device won the product design category on this occasion.

Environment

Product Initiatives (Management of chemical substances in products)

Initiatives

Management of chemical substances in products

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.

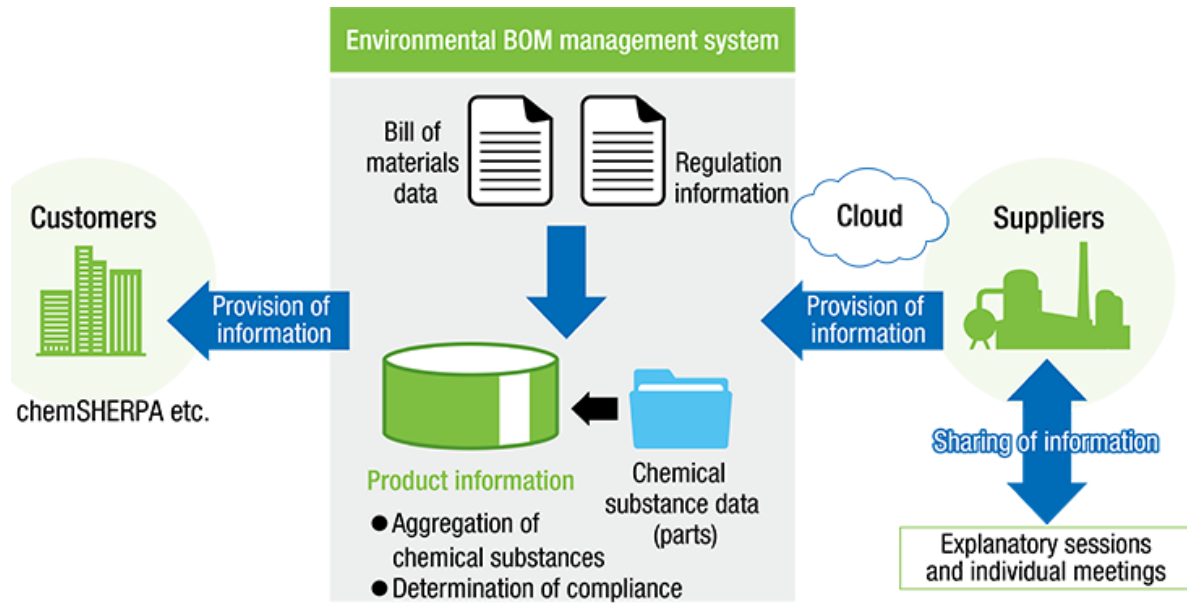
*1 BOM: Bill of Materials

*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. 

*3 chemSHERPA: A joint 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 Officers' Meeting and the Board of Directors, etc., to initiate activities based on executive-level decision-making.

[EMS Promotion Organizations >](#)

Amount of Greenhouse Gas Emissions

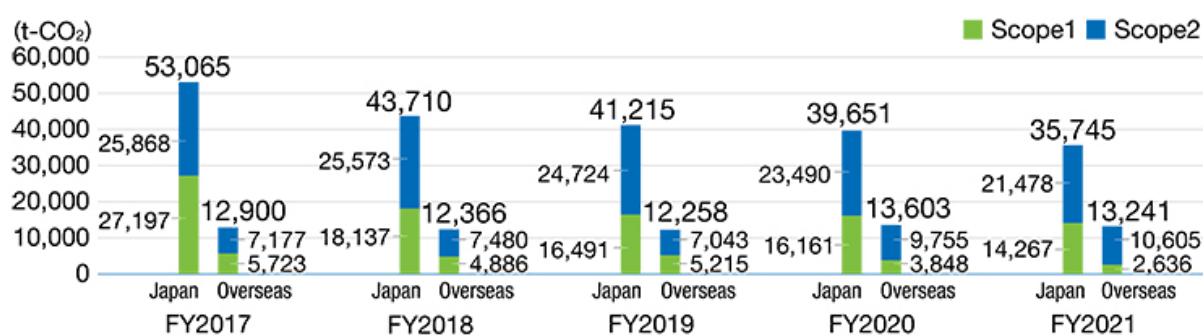
Scope 1 and Scope 2 emissions

In FY2021, we introduced internal carbon pricing and conducted procurement of CO₂-free energy from hydroelectric power plants in Gunma Prefecture for Ota Works, in order to enhance activities to reduce environmental impact. As a result, the aggregate figure for domestic Scope 2 emissions fell.

(t-CO₂)

		FY2018		FY2019		FY2020		FY2021	
		Japan	Overseas	Japan	Overseas	Japan	Overseas	Japan	Overseas
SCOPE1 Direct emissions from in-house use of fuel, etc.		18,137	4,886	16,491	5,215	16,161	3,848	14,267	2,636
SCOPE2 Indirect emissions from power or heat purchased from an outside source	Location basis	27,212	7,480	24,980	7,043	24,479	9,755	25,160	10,605
	Market basis	25,573	-	24,724	-	23,490	-	21,478	-

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

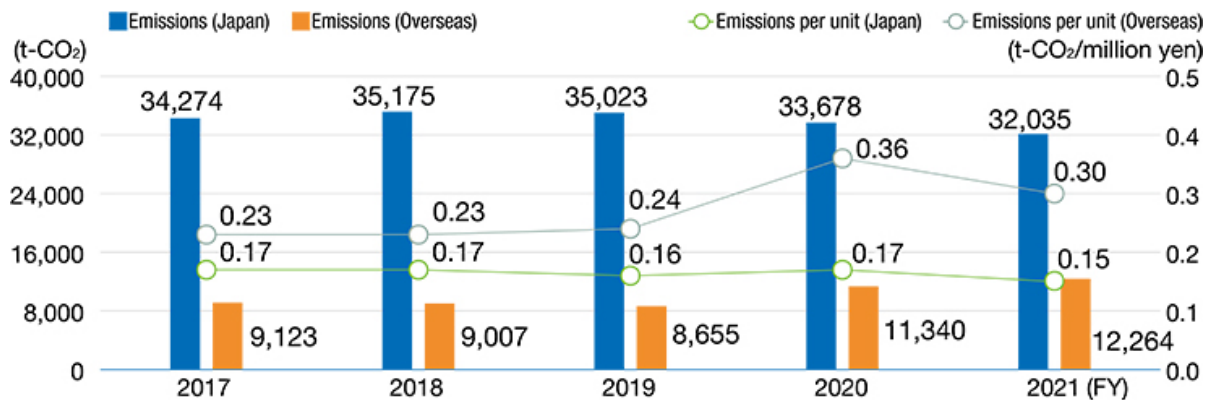
* Renewable energy produces zero emissions

Results Data

Amount of CO₂ Emissions from Energy Sources

From FY2020, we commenced the aggregation of the environmental performance data of MEIDEN T&D (INDIA) LIMITED, 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



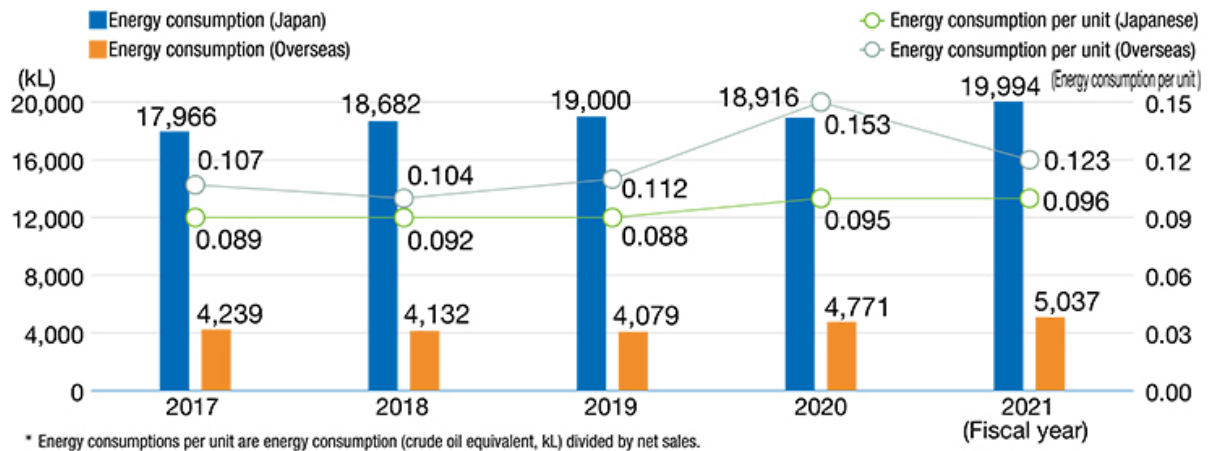
* Japanese emissions: The amounts of fuel oil and fuel gas are calculated referring to the "List of Calculation Methods and Emission Factors in the Calculation, Reporting and Publication System" for the relevant fiscal year published by the Ministry of the Environment. The amount of electric power is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



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 introducing internal carbon pricing, 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 are procuring electricity from CO₂-free hydroelectric sources for the Ota Works, which is one of our main production sites.

| 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 the 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)

In FY2021, there were nine cases of application. For example, when replacing lights(LED) at the Meiden Numazu Works Industrial Components Factory Complex in Shizuoka Prefecture, we used dimmable LEDs, which are expected to reduce CO₂ more than simple LED lights.

As a result of the introduction of internal carbon pricing, we expect to reduce GHG emissions from business activities by making investment decisions about what equipment to introduce that consider reduction of environmental impact in addition to safety and productivity.

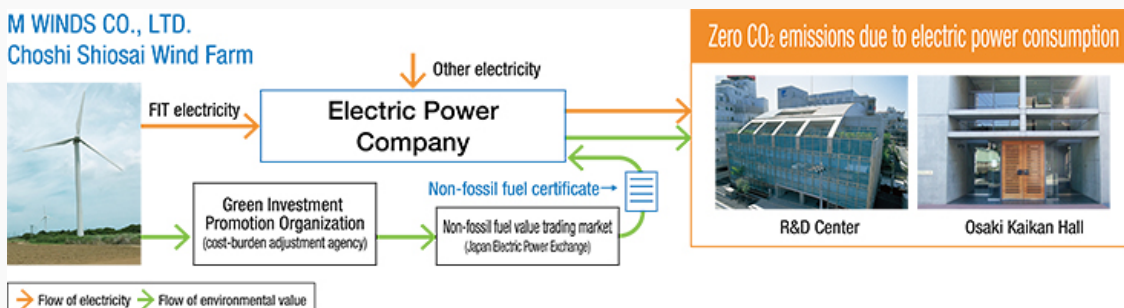
Equipment subject to internal carbon pricing (FY2021)	323 (million yen)
Reduction due to internal carbon pricing*	5,036 (t-CO ₂)

*Reduction is calculated based on the lifecycle (statutory useful life) of equipment.

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 Meiden R&D Center and Osaki Kaikan Hall in combination with FIT¹ and non-fossil fuel certificates², 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 that obliges 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.

Meiden switches to electricity with zero CO₂ emission at its R&D Center and another facility.
Procured from a subsidiary's wind farm using "non-fossil certificates" with tracking information

TOPICS

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

From April 2021, Meidensha has been procuring 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 also considering procurement of electricity from renewable sources at other sites. 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.

Meiden to use locally generated, CO2-free electricity at Ota Works in Gunma Prefecture
Important production base to tap renewable energy source generated by hydro power >

Initiatives and Results Data

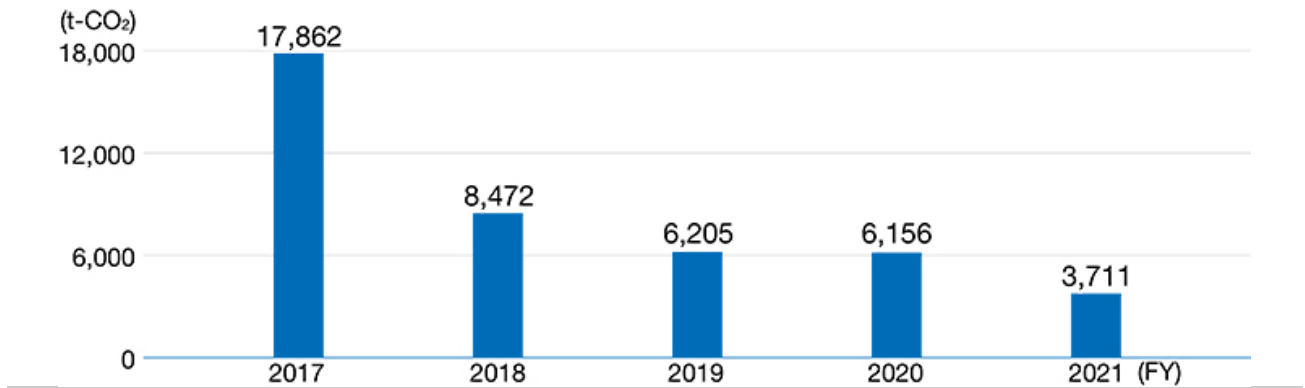
Reducing Emissions of Greenhouse Gasses Other than CO₂

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 research and trials of substitute gasses.

Furthermore, in order to reduce CFC emissions, we are promoting stricter management and replacement of air conditioners.

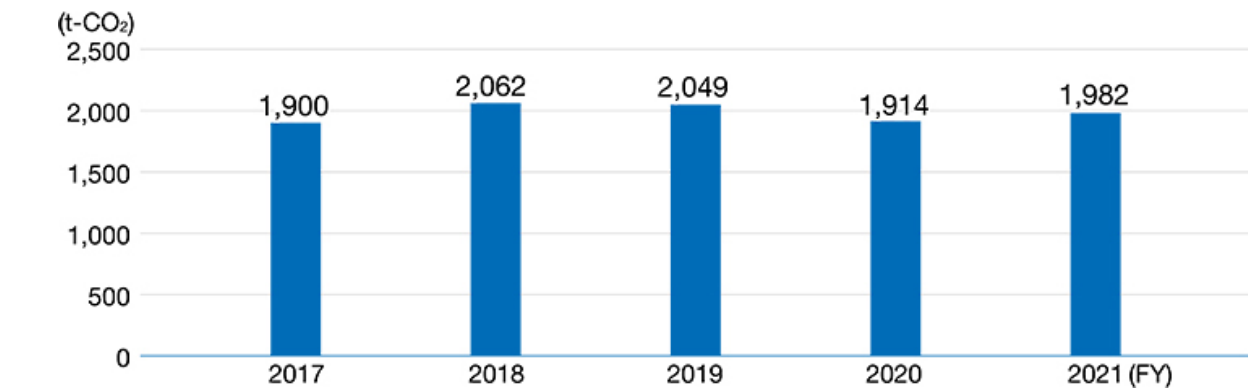
Emissions of Greenhouse Gasses Other than CO₂ (Japan)



Reduction of CO₂ Emissions from Product Transport

The transport division is working to reduce CO₂ emissions by promoting cargo consolidation, modal shifts, and efficient transport, such as using JR containers and making single trips using a 10t truck instead of two trips with a 4t truck.

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, and conducted review of units for our FY2021 record. For Category 11, we increased precision by conducting more detailed calculation of emissions per unit of production for each product group. We also reviewed part of our standards for Category 1 going back to FY2019. Thus, data values disclosed up to FY2021 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 amount (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. Upstream transportation and distribution	Transportation cost (freight, storage, packing, etc.)	3EID
5. Waste generated in 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. Upstream leased assets	Rent (Leased items, etc.)	3EID
9. Downstream transportation and distribution	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	3EID

	Meidensha products and operating conditions	
12. End-of-life treatment of sold products	Assumed disposal cost of sold products	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 this item is optional	—

(t-CO₂)

Category	FY2019	FY2020	FY2021
1. Purchased goods and services	832,781	718,863	859,081
2. Capital goods	40,021	51,042	28,480
3. Fuel- and energy-related activities not included in Scopes 1 or 2	1,883	1,893	3,425
4. Upstream transportation and delivery	1,204	1,346	1,442
5. Waste generated in operations	1,587	2,004	1,645
6. Business travel	3,193	1,007	2,160
7. Employee commuting	1,152	940	1,182
8. Upstream leased assets	2,264	2,124	2,079
9. Downstream transportation and distribution	1,136	1,056	1,168
10. Processing of sold products	—	—	—
11. Use of sold products	6,370,000	6,050,000	5,922,573
12. End-of-life treatment of sold products	5,992	5,418	5,976
13. Downstream leased assets	18,509	16,837	20,030
14. Franchises	—	—	—
15. Investments	—	—	—
Other	—	—	—
Total	7,600,980	7,314,136	6,849,240

Environment

Disclosure based on TCFD recommendations

| Attitude

For many years, the Meiden Group has been aware of the major problem of climate change, and has worked to solve this problem through business. With regard to TCFD*, we endorsed the TCFD recommendations in June 2019, we began considering risks and opportunities according to the TCFD framework in 2020, and we are promoting the incorporation of this in our strategies.

As society places more emphasis on the issue of climate change, in Medium-term Management Plan 2024, which was released in FY2021, we pledged to “promote sustainability management,” and we aim to accelerate promotion of management and development of businesses to realize a carbon-free society.



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

| Initiatives to Implement 4 TCFD Recommendations and FY2021 Progress

Our initiatives relating to “governance,” “risk management,” “strategy,” and “metrics and targets,” for which TCFD recommends disclosure, and our FY2021 projects are as follows.

	Initiative	FY2021 Project
Governance	<ul style="list-style-type: none"> Establishment of the ESG Management Promotion Committee (current the Sustainability Management Promotion Committee), which is led by the President and handles of all aspects of sustainability, including response to climate change, consideration of strategies and measures for a carbon-free society, and management of progress. The content of discussions is regularly reported to the Officers Meeting and Board of Directors 	<ul style="list-style-type: none"> The ESG Management Promotion Committee discussed environmental policies and measures, etc.
Risk management	<ul style="list-style-type: none"> Analysis, information gathering, and management of major risks by the Risk Management Committee, in conjunction with relevant departments Climate change risks are incorporated into all-company risks under the leadership of the 	<ul style="list-style-type: none"> We reviewed the importance of all-company risks

	Initiative	FY2021 Project
	Sustainability Promotion Department	
Strategy	<ul style="list-style-type: none"> With regard to the impact of climate change on management strategy, arrangement of items amounting to major risks and opportunities and monitoring of financial impact Development of a strategy to grasp opportunities and incorporation of a strategy to mitigate risks in Medium-term Management Plan 2024 	<ul style="list-style-type: none"> We conducted analysis of 2°C (RCP2.6), 3°C (RCP6.0), and 1.5°C (RCP1.9) scenarios We introduced international carbon pricing (ICP), and accelerated environmental investment (3,000 yen/CO₂-t)
Metrics and targets	<ul style="list-style-type: none"> GHG emissions from business activities (Scope 1 and Scope 2) (compared to FY2019): Reduction of 6% by FY2024 and 30% by FY2030 GHG emissions from product use(Scope 3) (compared to FY2019): Reduction of 6% by FY2024 and 15% by FY2030 <p>Aim to achieve RE100 for all companies by 2040, and become carbon neutral by 2050</p>	<p>[FY2021 Results]</p> <p>Scope 1 and Scope 2: 6% reduction (compared to FY2019)</p> <p>Scope3: 7% reduction (compared to FY2019)</p>

Governance/Risk Management

| Governance

With regard to all aspects of sustainability, including response to climate change, we establish the ESG Management Promotion Committee led by the President, consider strategies and measures for a carbon-free society, and manage progress. We regularly report the content of discussions to the Officers Meeting and Board of Directors.

As the decision-making body with regard to internal environmental activities, the Meiden Group Environmental Committee, which is equal to the ESG Management Promotion Committee chaired by the Executive Officer in charge of production, identifies internal issues, and deliberates concerning environmental targets, action plans, emergency response, etc., as well as promoting and monitoring the implementation of specific environmental management measures.

From FY2022, we have reviewed our structure by splitting the ESG Management Promotion Committee into the Sustainability Management Strategy Committee and the Sustainability Management Promotion Committee with the aim of separating management decisions and monitoring progress. Each committee deliberates concerning climate change-related issues and so on.

Sustainability Management >

Risk Management

As the business environment is changing extremely rapidly and impacts are becoming greater, we are strengthening risk management in times of normal operation. We are increasing the risk management capabilities of each department, and establishing systems to monitor and control major business risks for all companies. The Risk Management Committee oversees all-company risks.

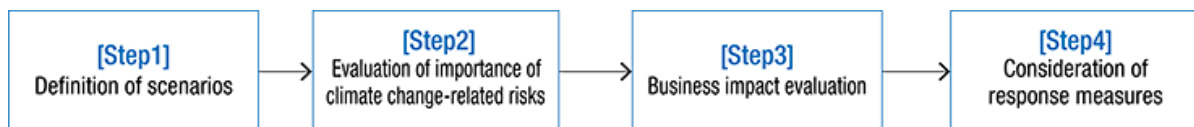
With regard to risks relating to climate change, we identify and manage risks, led by the Internal Control Promotion Department and the Sustainability Promotion Department, and manage a range of risks simultaneously by incorporating them into all-company risks.

Risk Management >

Strategy

Analysis of Climate Change Scenarios

The Sustainability Management Promotion Division conducts analysis of climate change scenarios in conjunction with relevant departments. The scenario analysis process is split into four parts and conducted annually. At the same time, major factors that could impact business are identified, and identified risks, opportunities, and evaluations are reflected in our business strategy.



Step 1: Identification and Materialization of Types of Scenario

As recommended by TCFD, we identified scenarios at multiple levels of warming, including a scenario of less than 2°C, and conducted analysis accordingly. In FY2021, we considered two scenarios, namely a scenario of 2°C (RCP2.6) and a scenario of less than 4°C (RCP6.0). This fiscal year, we added the increasingly likely scenario of 1.5°C (RCP1.9) according to the recent status of discussions, etc., at COP26 held in November 2021.

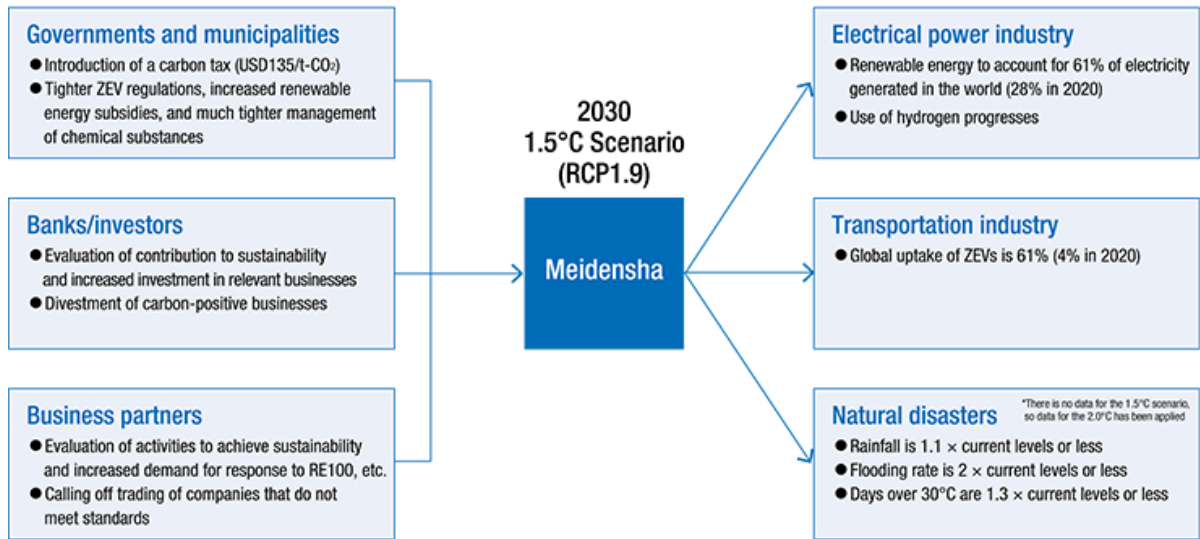
We have also arranged outlooks and scenarios for 2030 based on these scenarios according to management frameworks such as five forces analysis, using international published data from the IEA, IPCC, etc., as well as numerical data published by Japanese government institutions, etc.

	Reference Scenarios	
1.5°C Scenario	Net zero by 2050 (NZE2050)	IEA (2020)
	RCP1.9	IPCC (2021)
2°C Scenario	Sustainable development scenario (SDS)	IEA (2020)
	RCP2.6	IPCC (2014)

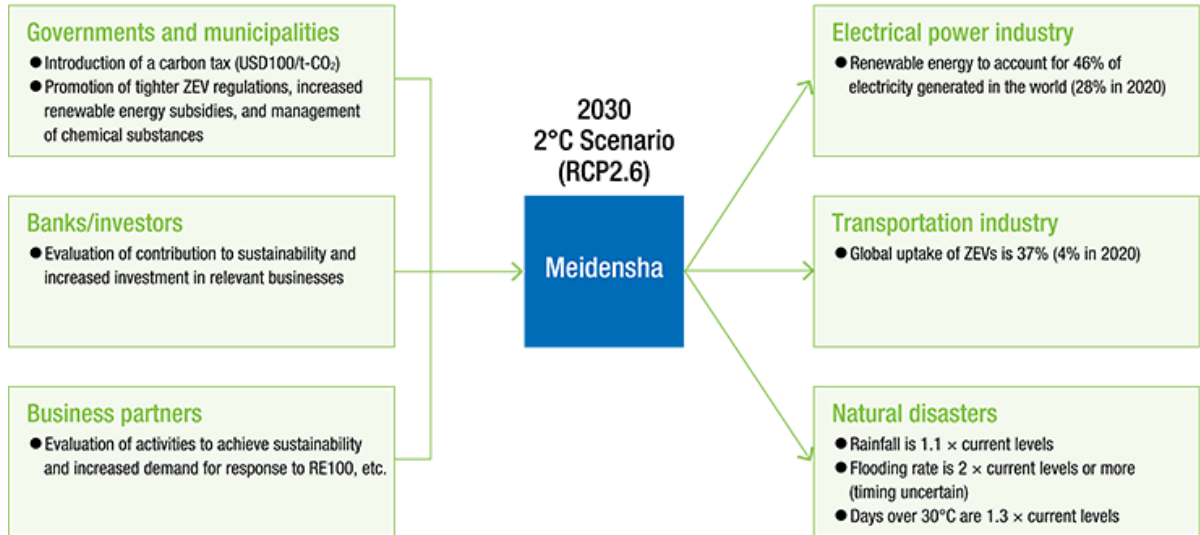
Reference Scenarios		
Less than 4°C Scenario	Stated policy scenario (STEPS)	IEA (2020)
	RCP6.0	IPCC (2014)

Selected scenarios and outlooks are as follows.

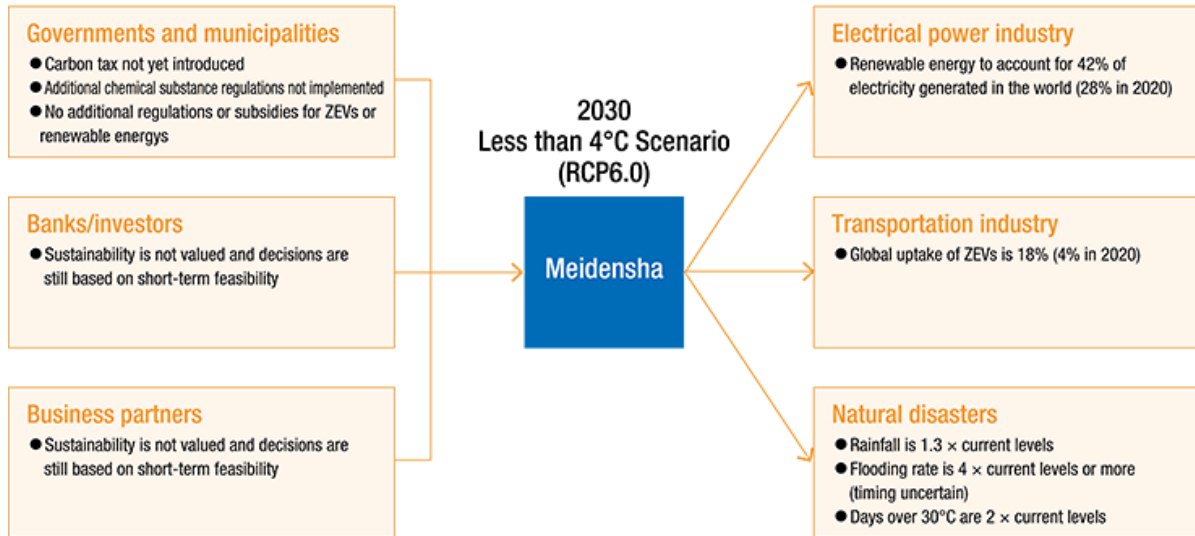
[1.5°C Scenario] The renewable energy and EV markets expand significantly, and hydrogen continues to become more common



[2°C Scenario] Opportunities such as EVs and renewable energy further increase, but business restrictions also increase.



[Less than 4°C Scenario] There is an increase in renewable energy and EVs, but uptake is slow.



Step 2: Evaluation of Importance of Climate Change-related Risks

We have set out factors for climate change risks and opportunities according to the outlook of each scenario, giving reference to the risks and opportunities in the TCFD recommendations.

Factors for Risks and Opportunities	Societal Scenario	Opportunities and Risks for Meiden	Relevant Businesses
Opportunities to reduce GHG emissions Increased government subsidies	The transport industry becomes carbon-free	Expanded EV business	EV business/battery storage-related
Increased government subsidies Accelerated technological development Transition to a decentralized society	Increased proportion of renewable energy	Expanded renewable energy business	Wind/ hydroelectric/ photovoltaic storage/hydrogen-related
Tightening of legal restrictions to reduce GHG emissions Electricity companies	Restrictions on chemical substances such as SF ₆	Expanded Power T&D business	Zero SF ₆ products/environment-friendly-type products

Factors for Risks and Opportunities	Societal Scenario	Opportunities and Risks for Meiden	Relevant Businesses
becoming carbon-free			
Changing mindset of stakeholders	Increased customer demand for being carbon-free	Increased demand for green products	Green products
Opportunities to reduce GHG emissions	Shift to low-carbon transportation	Increased demand for rail business	Rail-related products and services
Opportunities to reduce GHG emissions Tightening of legal restrictions	Introduction of a carbon tax	Increased manufacturing costs Increased procurement costs	All companies
Increased frequency of extreme weather events	Increased flooding	Suspension of operation/supply chain collapse Increased costs to respond to flooding	Production sites
Opportunities to reduce GHG emissions Changing mindset of stakeholder	Increased pressure on carbon-positive businesses	Reduced sales of relevant businesses	Diesel/gas engine generators Ceramic membrane business
Rising average temperature	Worse labor environment	Increased personnel expenses at the site	Manufacturing/maintenance/construction service business units
Increased proportion of renewable energy	Increased cost of electricity for industry	Increased power procurement costs	All companies

*Examples of main scenarios

Step 3: Business Impact Evaluation

We are evaluating business impact through discussions with relevant parties within the Company, such as the Management Planning Headquarters, the Accounting and Finance Headquarters, the Governance Headquarters, and business units, based on the scenarios and outlooks set out in Step 1 and the opportunities and risks set out in Step 2.

In the course of this, we screened matters that have a particularly large impact on businesses by focusing on the two axes of “impact on operating income” and “likelihood of occurrence in a business” in FY2030, and conducted detailed analysis of these matters.

Evaluation axes for selection of risks and opportunities (2030)

Impact on operating income (estimate)	Very large: ±10 billion yen or more Large: ±1 billion yen or more Medium: ±0.1 –1 billion yen Small: ±less than 0.1 billion yen
Likelihood of occurrence in a business in 2030	High: High probability of occurrence Medium: Occurrence is possible, but cannot be predicted with confidence Low: Only occur in the scenarios

We grasped an expected value for each scenario with a large impact, based on market growth rate, its trend and so on. We made quantitative calculations with some assumptions, and used qualitative methods for matters where calculation was not possible.

*The following values are mostly calculated based on market growth rate, and they are not a promise of the Company’s targets.

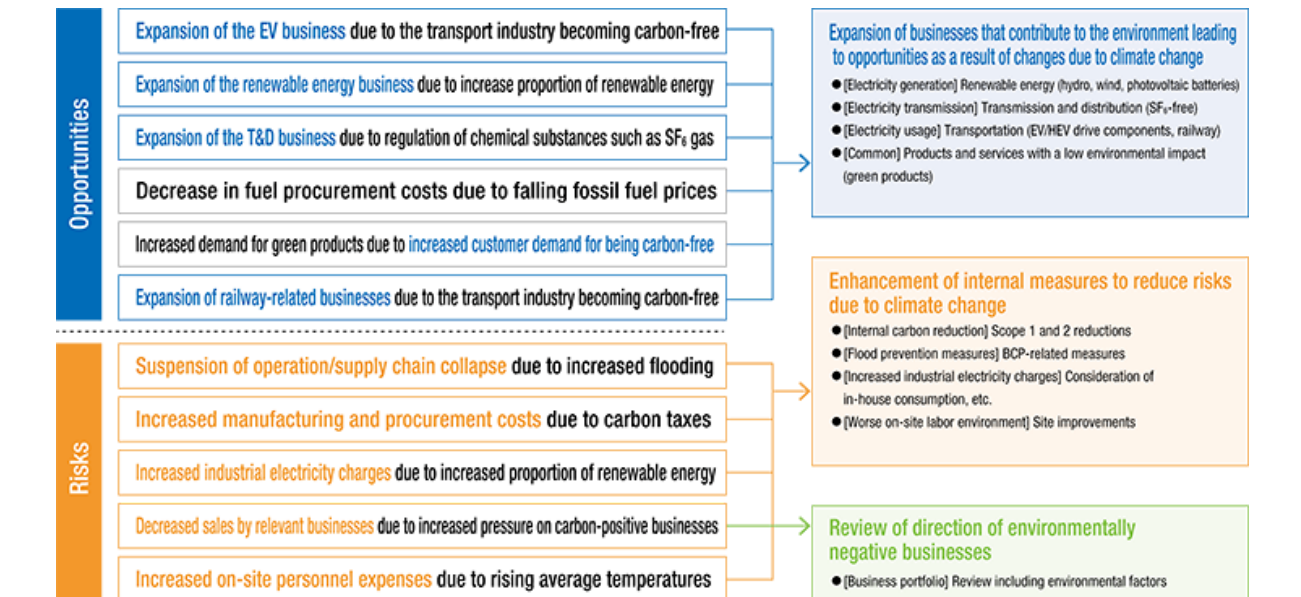
	Opportunities and risks for Meidensha	Relevant businesses	Calculation formula	Impact on 2030 operating income		
				1.5°C	2°C	Less than 4°C
● The transport industry becomes carbon-free	● Expansion of the EV business	● EV Business	● Most recent average net sales x ZEV stock growth rate	Very large	Very large	Large
● Increased proportion of renewable energy	● Expansion of the renewable energy business	● Wind/hydroelectric/photovoltaic storage/hydrogen-related	● Most recent net sales x Japanese renewable power volume growth rate	Medium	Medium	Small
● Regulation of chemical substances such as SF ₆	● Expanded T&O business	● Zero SF ₆ products/environment-friendly-type products	● Most recent net sales of relevant products x VCB market growth rate	Medium	Medium	Small
● Increased customer demand for being carbon-free	● Increased demand for green products	● Green products	*Unable to calculate at present due to revision of the green product standards	—	—	—
● Introduction of a carbon tax	● Increased manufacturing costs ● Increased procurement costs	● All companies	● 2030 Scope 1, 2, and 3 emissions x carbon tax	Very large	Large	N/A
● Increased flooding	● Suspension of operation/supply chain collapse ● Increased costs to respond to flooding	● Production sites	● 2030 damage per instance using tools provided by the cabinet office ● Anticipated sum x rate of occurrence for each scenario, etc.	Very large	Large	Very large
● Increased pressure on carbon-positive businesses	● Reduced sales of relevant businesses	● Diesel/gas engine generators ● Ceramic membrane business	● 2030 net sales of relevant businesses x situation for each scenario	Medium	Medium	N/A
● Worse labor environment	● Increased on-site personnel expenses	● Manufacturing/maintenance/construction service business units	● 2030 on-site personnel x medical treatment/insurance expenses	Small	Small	Medium
● Increased cost of electricity for industry	● Increased power procurement costs	● All companies	● 2030 power consumption x rate of cost increase of industrial electricity	Medium	Small	Small

Impact on operating income
*Difference from 2% growth per annum

Very large: ±10 billion or more
Large: ±1 billion or more
Medium: ±0.1 to 1.0 billion or more
Small: ±less than 0.1 billion

Step 4: Consideration of Response Measures

We considered development of strategies to grasp opportunities and measures to mitigate risks according to the situation of the Company, based on the outcomes calculated in Step 3.



Metrics and Targets

We see changes due to climate change as business opportunities, and are implementing strategies to mitigate risks.

From a business perspective, we will particularly contribute to the creation of a carbon-free society through further expansion of the EV and Renewable Energy businesses. We also released the Second Meiden Environmental Vision as our environmental goals in FY2021, and we have disclosed 2030 GHG reduction targets for scopes 1, 2, and 3 in order to reduce internal risks. These goals have received SBT recognition. We will work with our suppliers to achieve our targets.

In addition, we pledged to reach RE100 by 2040 and carbon neutrality by 2050, in November 2021, as our medium-to long-term targets.

[Environmental metrics and targets]

	FY2021 net sales	FY2028 net sales targets
EV Business	24.7 billion yen	100 billion yen

Second Meiden Environmental Vision	FY2021		FY2024 Target	FY2030 Target
	Target	Record		
Emissions from business activities (Scope 1, 2)	Japan: Emissions Total reduction: -3% (compared to FY2019) Overseas*1: Emissions Total reduction: -1% (compared to FY2019)	Japan: -13% (compared to FY2019) Overseas: +12%*2 (compared to FY2019)	6% reduction (compared to FY2019)	30% reduction (compared to FY2019)
Emissions from product use (Scope 3)	Build a foundation for category 11 reductions (investigate and calculate for main businesses)	Conduct LCA for three business units	6% reduction (compared to FY2019)	15% reduction (compared to FY2019)

→ **FY2040 RE100**
FY2050 Achievement of carbon neutrality

*1 Main overseas production sites

*2 Emissions volume increased as MEIDEN T&D (INDIA) LIMITED was added to the Meiden Group through business expansion in FY2021.

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

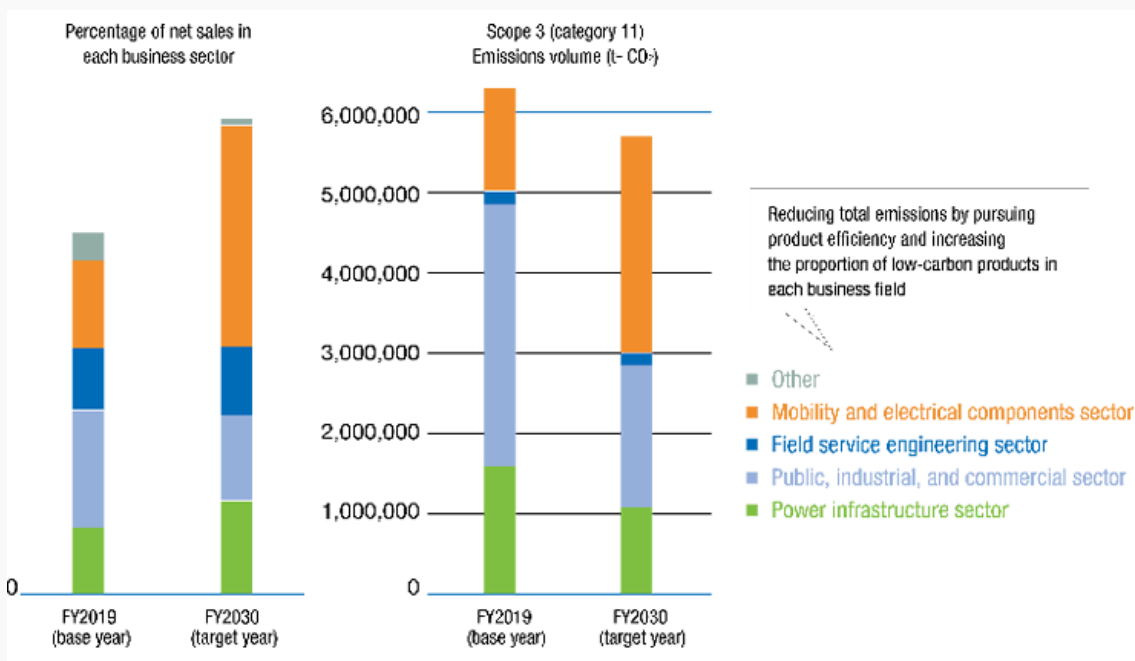
Future Path

Although we have identified the growth opportunities and risks facing the Meiden Group through analysis of scenarios based on the TCFD recommendations, in most instances, calculation of impact is merely a rough estimate, and further precision is needed. Furthermore, we are promoting response to climate-related metric categories across multiple industries in the TCFD recommendations, which require new disclosure. Along with this, we are considering establishing ESG (environment, social, governance) metrics, incorporating them in our standards for calculating officers' remuneration, and further strengthening governance, in order to increase the effectiveness of sustainability management promotion.

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)

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

Targets for Measures to Combat Waste and Pollution

Reduction of single-use plastic packaging

The Meiden Group set a target of 1% reduction (compared to FY2019) as a measure to reduce single-use plastic packaging. Going forward, we will continue to work to reduce plastic usage by promoting the 3Rs for plastic packaging and environmentally considerate design.

Strategies, Initiatives, and Results Data

Targets and Initiatives for Reduction of Raw Material Usage

Promotion of the 3Rs for Product Components and Materials

The Meiden Group is working to design products that conserve and reuse resources.

Raw Material Input

(t)

Raw Material	FY2019	FY2020	FY2021
Iron	6,306	5,140	5,356
Copper	2,778	2,334	2,176
Plastic	778	781	789

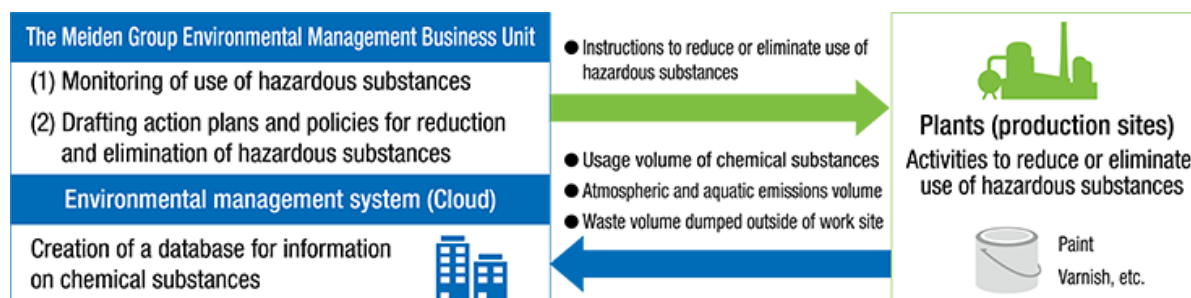
Raw Material	FY2019	FY2020	FY2021
Aluminum	334	226	223
Total	10,196	8,481	8,544

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.

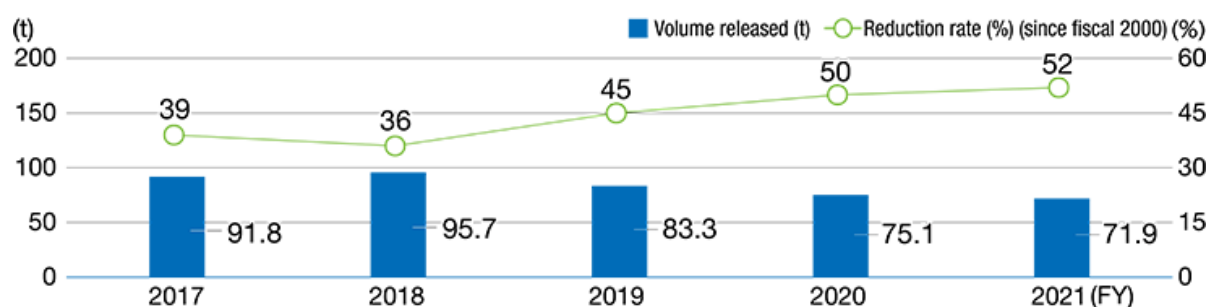
Tightening Management of Chemical Substances



Reduction of Volume of Volatile Organic Compounds (VOC) Released

In FY2021, we promoted reuse of solvents through the introduction of solvent collection devices, and replacement with low-VOC solvents, and we released 71.9 tons of VOC. Going forward, we will promote improvement of varnish impregnation processes, substitution with low VOC paint and solvents, etc., and reduction of VOCs released.

Volume of VOCs Released and Reduction Rate (Japan)



Promotion of Disposal and Processing of Devices that Include PCBs

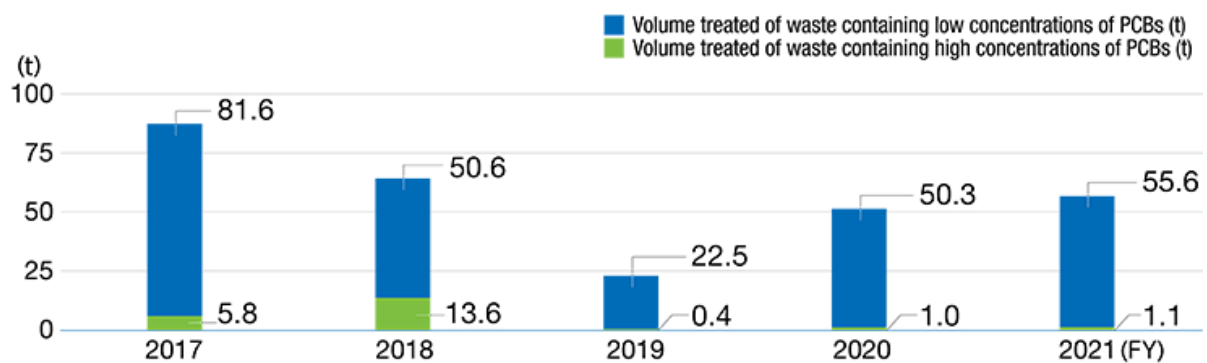
In accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes (PCB Special Measures Act), we are gradually disposing of devices that contain PCBs (polychlorinated biphenyls) such as transformers and condensers that were manufactured in the past and stored for nearly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

In FY2021, we disposed of 1.1 ton of waste containing high concentrations of PCBs and treated 55.6 tons of waste containing low concentrations of PCBs.

Meidensha has been promoting disposal of PCB waste since FY2007, and by FY2021, we had disposed of approximately 105 tons of waste containing high concentrations of PCBs and treated 398 tons of waste containing low concentration of PCBs.

Going forward, we will continue to work to comply with laws and treat PCB waste by the treatment deadline.

Volume Treated of Harmful Waste (Waste Containing PCBs)

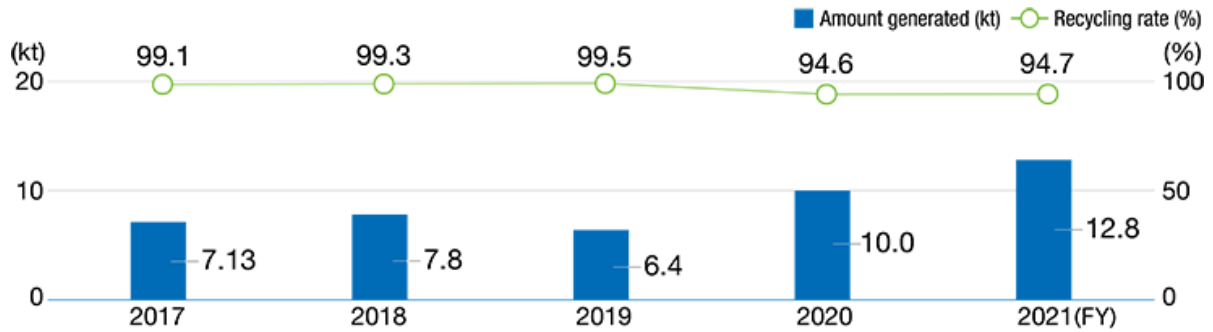


Promoting the 3Rs for Waste (Reduce, Reuse, and Recycle)

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

In FY2021, 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.

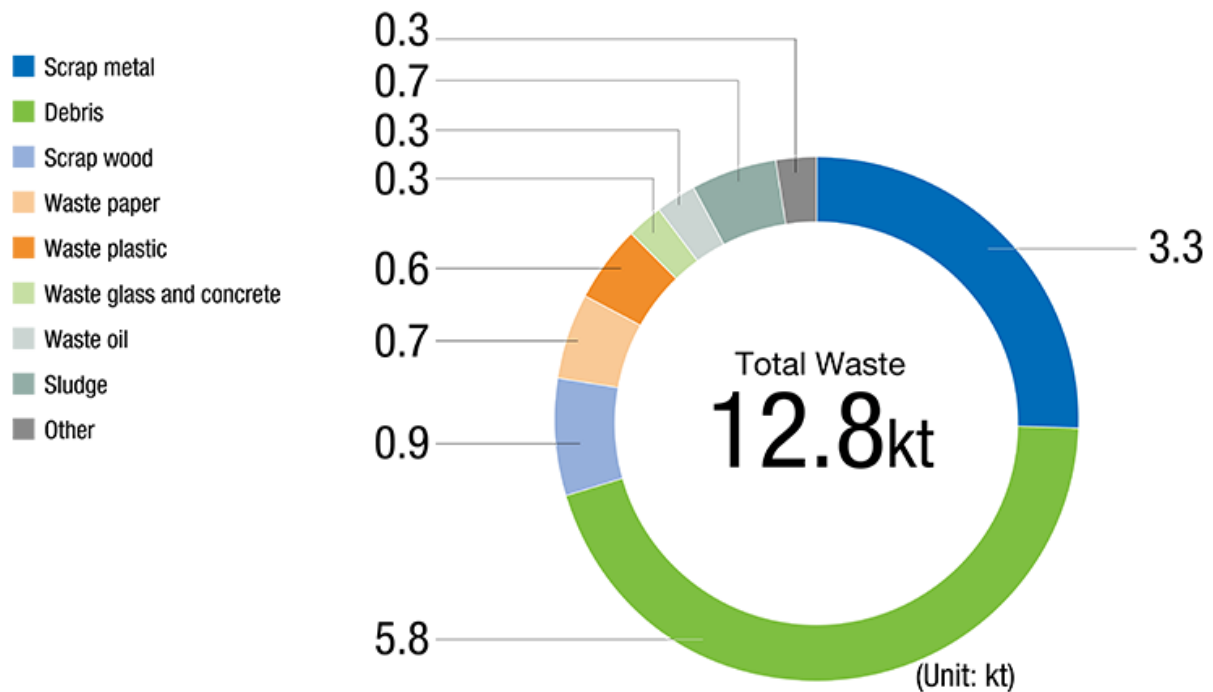
Trends in Generation of Waste, etc., and Recycling Rate (Japan)



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

* Since FY2019, we have revised aggregation methods to improve the precision of recycling rate calculation.

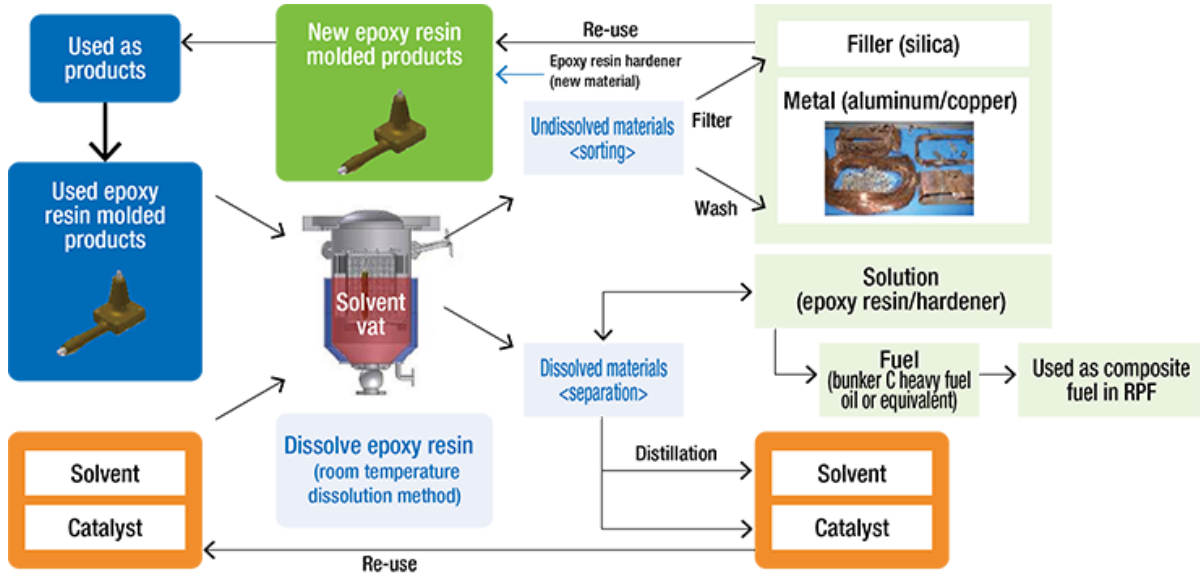
Breakdown of Waste Generated in FY2021 (Japan)



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

Policy

The Meiden Group will work on implementing measures to promote water resource conservation activities by utilizing water resources efficiently and respond to water risk that impacts business activities, as a step toward conservation of the global environment and realization of a sustainable society.

We will contribute to the solution of a range of social issues relating to the conservation of water resources through our businesses.

Plan and Targets

The Meiden Group includes “promotion of water reuse” and “water safety” as part of the medium- to long-term “Environmental Vision.” We will work on promoting activities to preserve water resources through water conservation and effective utilization of rainwater, and implement measures to respond to water risks such as water shortage, flood, and contamination.

Initiatives

Water Infrastructure Revision Plan

In the Meiden Group, we are reporting and checking information concerning intake and discharge of water resources at the Environmental Committee to grasp the condition, with the aim to promote “promotion of water reuse” and “water safety.” We also conducted evaluation of water risks at each manufacturing site in Japan, and status reports were made to the ESG Management Promotion Committee (current the Sustainability Management Promotion Committee).

As a result, we confirmed that the water infrastructure was aging at the Numazu Works, which is the main manufacturing site in Japan, and we plan to review equipment in order of priority, including from the perspective of BCP. Because of this we will conduct revision, including reconstruction of the water supply system and provision of water treatment tanks at the Numazu Works, as a matter of priority. In particular, in FY2022, we will start by designing water treatment tanks that are aimed at the future.

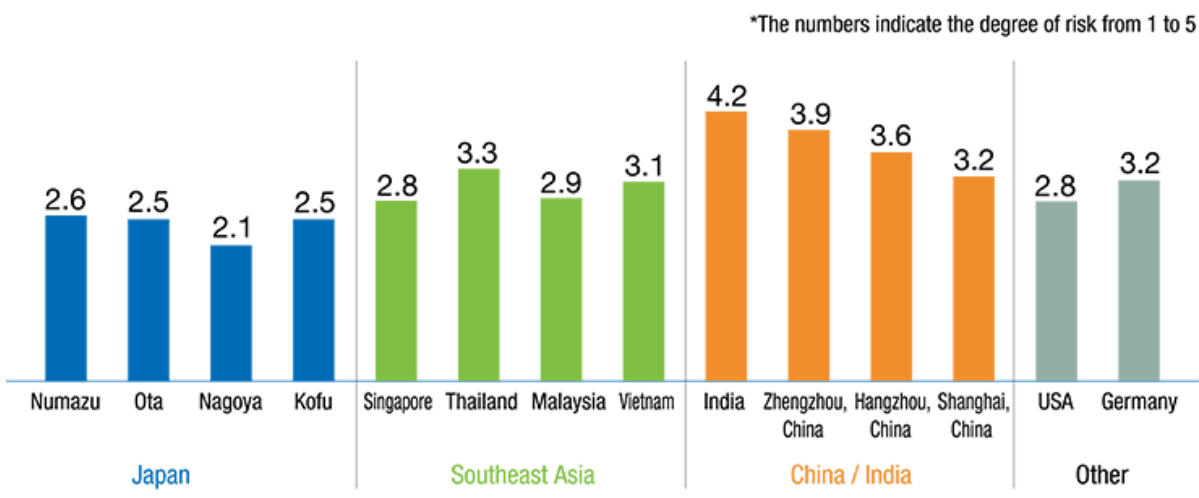
Water Risk Assessments

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 14 production sites in nine 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

Water risk evaluation results



Initiatives and Actual Data

Reducing Water Consumption

There are water temperature management stations 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.

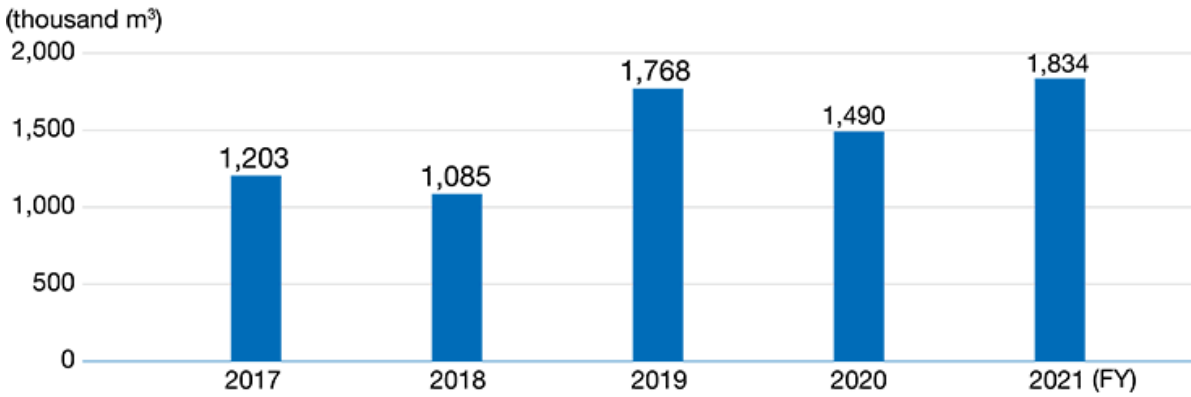


Discharge control valve



Above-ground industrial water pipes at a factory

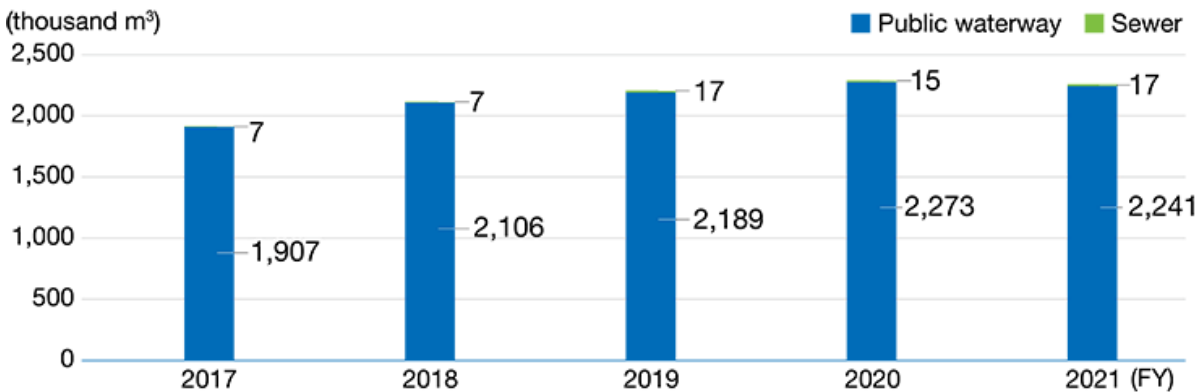
Trends in Water Usage Volume (Japan)



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

* Measurement points were changed in fiscal 2021 in order to increase accuracy, there is no continuity with those in fiscal 2020 and before.

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)

	FY2018	FY2019	FY2020	FY2021
BOD	7,389 kg	4,843 kg	6,424 kg	6,408 kg

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 or water infrastructure systems

business, which is one of our core businesses.

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

Contribution to Local Water Disaster Prevention Through Real-Time Flooding Updates Delivery of Flooding Information System That Uses Smart Flood Level Rods to Saga City

We delivered a flooding information system that uses smart flood level rods (automatic flood level measurement rods) to Saga City. Saga City began using this system to provide a disaster prevention information service concerning flood levels to residents and others on April 25, 2022.

Saga City developed the Saga City Basic Plan on Wastewater Measures (March 2014) to deal with increasing flood risk due to rain inundation as a result of downpours increasing in frequency and severity in recent years due to climate change. The city aims to create a “city and populace that is resilient against flooding” by implementing software measures such as creating and disseminating hazard maps in addition to hardware measures such as installing pump stations, channels, and balancing reservoirs. As one of these measures, the city installed flood level rods in 83 locations in the city, and is actively promoting utilization of information for self, mutual, and public assistance to prevent disasters as part of increasing awareness of flooding.

Until now, flood level rods have been relied on for reading and reporting by citizens and disaster volunteers. Now, real-time disaster prevention information can be used for flood protection activities due to the expand of automatic measurement. Up to FY2021, we have partnered with Saga City to conduct demonstration experiments of real-time monitoring systems using automated flood level rods. The systems were installed in practical use in 29 locations throughout the city.

We received an order from Saga City to build a flood information provision system to notify residents, etc., with the aim of further utilizing disaster prevention information obtained through automated flood level rods (smart flood level rods), and delivered the system in March 2022.

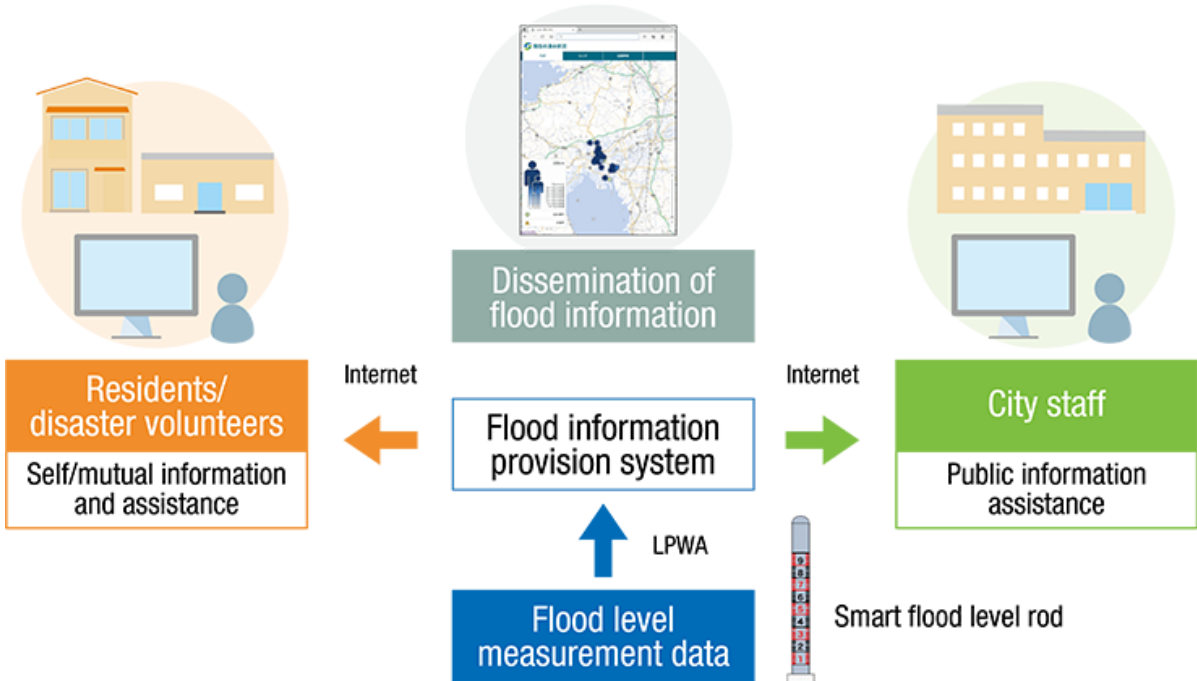
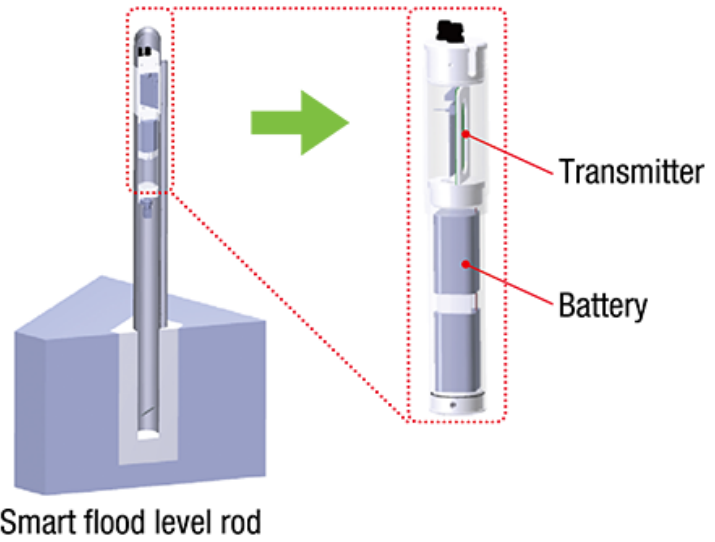
What is a Smart Flood Level Rod?

A smart flood level rod is an IoT device comprising a rod (pole) fitted with a transmitter, an antenna, and a battery. It gathers flood information in real time, and provides it via the cloud computing.

Product Features

- It is possible to wirelessly transmit, gather, and provide information via the cloud computing, using LPWA transmission devices fitted to rods
- It is possible to supply power to sensors and transmission devices from batteries mounted on the rods
- It is possible to monitor flood levels in real time, simply by installing rods on roads

<Diagram of smart flood level rod application>



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

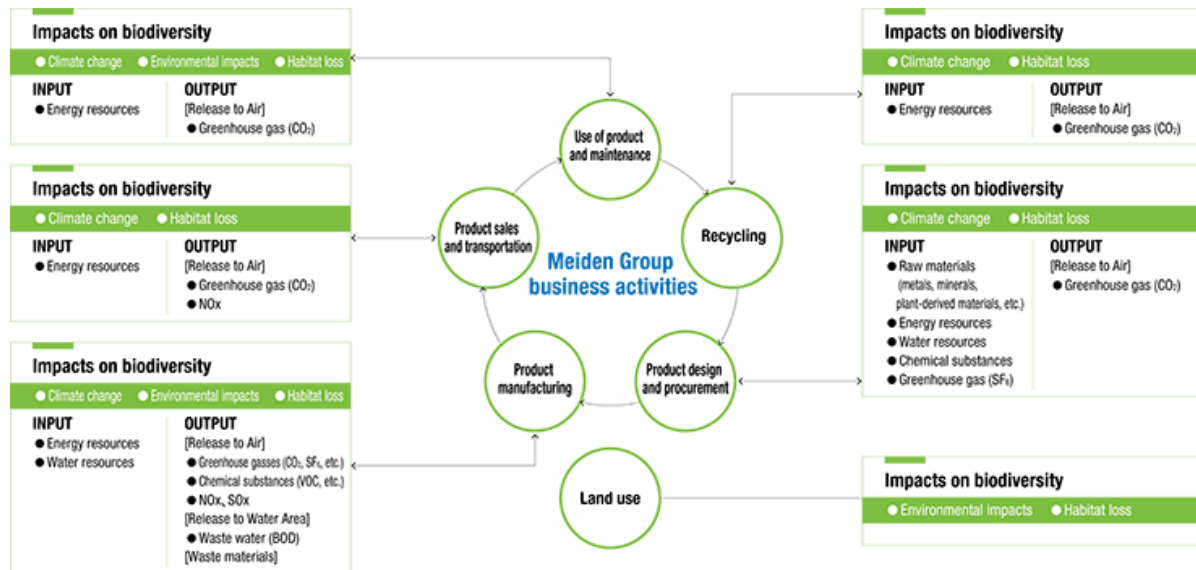
We understand that our business activities benefit from the blessings of nature and at the same time, give various environmental impacts. We will deepen our people's understanding of the importance of "Conserving Biodiversity" and contribute to realizing a sustainable society through our products and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

The Meiden Group is actively conducting protection and conservation activities in conjunction with local residents for nearby creatures, etc., on Meiden property and elsewhere, at each location.

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.





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

いきものログ

[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.

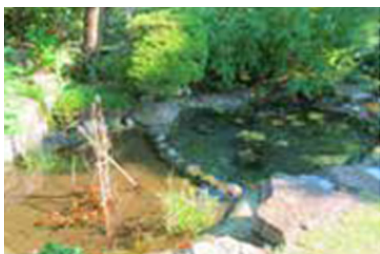


Numazu Works

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.

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.



Donation of Trees to Senbonhama Park

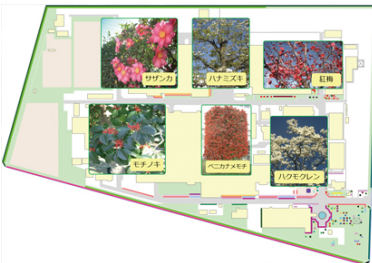
In 2022, we donated 125 black pines to Senbonhama Park in Numazu to commemorate our 125th anniversary. The trees were planted by Meiden Group Employees.



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.



Discontinued Selling PET Bottles at Our Facilities

The problem of marine pollution caused by plastic waste has spread over a wide area, and there are concerns 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 Works and Ota Works. Shops prepare eco-bags instead of using plastic disposable bags at the checkout. We conducted e-learning for all Meiden Group employees concerning the problem of marine plastic waste, and stopped selling PET bottles from all vending machines at Numazu Works in December 2021. We are reducing plastic waste by eliminating the use of PET bottles, which had previously totaled 500,000 bottles per year.



Educational poster concerning the problem of marine plastic waste



Vending machine after cessation of sale of PET bottles

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

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 (JBMIA)

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
Organization Chart



FY2021 Initiatives

Meidensha Participated in the WIPO GREEN Environmental Technology Platform as a Corporate Partner

Meidensha participated in WIPO GREEN, which is an environmental technology platform operated by the United Nations World Intellectual Property Organization (WIPO), as a corporate partner. Meidensha has already started registering its patents for environmental and related technologies with WIPO GREEN, and aims to share environmental technologies throughout the world through WIPO GREEN. We will contribute to the realization of a sustainable society, such as achieving a carbon-free society and addressing climate change, by increasing opportunities for many people to use our environmental technologies.



What is WIPO GREEN?

WIPO GREEN is an online platform that connects intellectual property holders to potential users with registering environmental technologies and needs for such technologies around the world. It was established in 2013 by WIPO for the purpose of the facilitating transfer of environmental technologies.

Since operation commenced in 2013, more than 3,500 technologies have been registered in the WIPO GREEN database, serving more than 1,900 users.

As of March 2022, 137 institutions around the world have participated in the platform, including 40 (25 of which are companies) in Japan.

[WIPO GREEN website \(English only\)](#) 

We have already registered our Ecotank Vacuum Circuit Breaker* as an environmental technology, and we plan to register more technologies in the future.

We have been operating businesses based on the sustainability management as part of Medium-term Management Plan 2024, which started in April 2021, in order to contribute to the realization of a carbon-neutral society through environmentally friendly products and services. Going forward, we will pursue manufacturing that contributes to society through our business operations and achieve sustainable value creation.

At the same time, we will work to promote the use of environmental technologies through the development of such technologies as well as the intellectual property-related activities to contribute to solving social issues, as a WIPO GREEN corporate partner.

* Ecotank Vacuum Circuit Breaker:

In 2004, Meidensha succeeded in developing a 72-kV-class tank type vacuum circuit breaker without using sulfur hexafluoride (SF6) gas at all, which has 20,000 times the greenhouse properties of CO2, and has a record of delivering more than 2,000 units to domestic and overseas electricity companies, etc. In 2020, we developed a 145kV-class model to meet high-voltage requirements. This is the world's first dry air insulation tank type vacuum circuit breaker

of this voltage class. In October 2021, the first unit was shipped to a power company in the U.S. state of Alaska.

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 Meiden Group Staff

Each year, we conduct environmental education for all staff of the Meiden Group, including officers, through e-learning. In FY2021, we conducted environmental education with the theme of "greenhouse gas emissions reduction by the Meiden Group." Of the Meiden Group's staff, 87.3% attended online, and materials were circulated to those who missed it. The attendance rate exceeded the FY2020 rate (83.6%) by 3.7%.

This was an opportunity for all staff of the Meiden Group to think about greenhouse gas emissions reduction, and the attendees shared the following opinions and impressions.

<Examples>

- This was a good opportunity to learn about Meidensha's environmental initiatives.
- I want to learn more about examples of Meiden's products and initiatives.
- I understood greenhouse gas emission reduction targets, but not what specifically needed to be done to meet those targets.

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 FY2021, our pass rate was 87%. We have 841 Eco Test certification holders as of March

2022. We will provide a bonus from FY2022 to FY2024 for people who have acquired qualifications, as part of promoting acquisition of qualifications.

* 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 FY2021, we conducted education concerning LCA (life-cycle assessment) and complying with the revised TSCA* in the US, at factories. We also conducted education for the Sales Business Unit concerning treatment of waste.

* Prohibition and limitation of five PBT substances under Article 6 of the Environmental Protection Agency's (EPA) Toxic Substances Control Act (TSCA)

Education Concerning Environmental Laws

We conduct education of environmental laws and regulations as part of our compliance training. In FY2021, we held lectures concerning Waste Management and Public Cleansing Act (Waste Disposal Act) and the PCB Special Treatment 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
05/26/2022	Latest trends in disclosure of corporate information concerning climate change	Kosuke Terasaki Senior Researcher Sustainability Sec., Risk Management Department 3rd MS&AD InterRisk Research & Consulting, Inc.

Results Data

Environmental Education Results (FY2021)

Content	Times conducted	Number of participants	Outline
Environmental education (e-learning)	1	7,088	<ul style="list-style-type: none"> Reducing greenhouse gas emissions at the Meiden Group
Specialist education	22	—	<ul style="list-style-type: none"> LCA education Education concerning revision of US TSCA Waste treatment education
Education concerning environmental laws	12	1,800	<ul style="list-style-type: none"> Laws relating to the environment Examples and causes of contraventions Meidensha's compliance status Management of chemical substances according to law The PCB Special Treatment Act The Waste Disposal Act

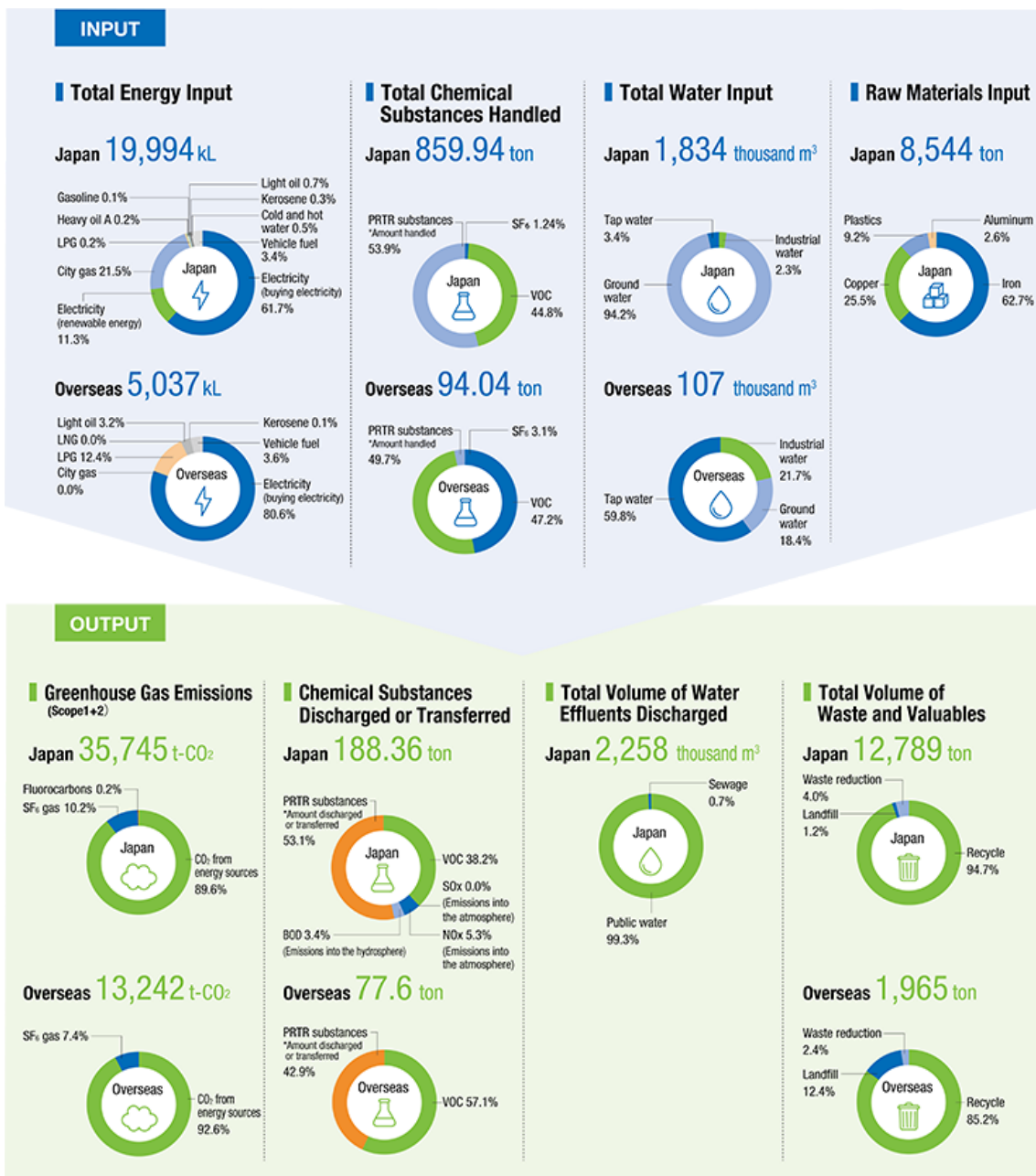
Environment

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 (FY2021)

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



Environment

Environmental Impact Data (FY2021) 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 supervisory control equipment, power conversion equipment, power transformers and distribution panels, motor control equipment(inverters), electronic products, and surge arresters, development of software for integrated control devices and standalone, and on-site installation, and after-sales service for products.

At Numazu Works, we are promoting efficient energy use through capital investment and reform of equipment operation and are advancing replacement of SF6 gas with dry compressed air, as a measure to reduce emissions of SF6 gas, which is a particularly potent greenhouse gas, in the product testing process. In FY2021, we completed the change to an SF6 gas-free test for part of our production line as a measure to reduce SF6 gas emissions. Going forward, we will continue to expand SF6 gas-free testing, and work to stop global warming.

Numazu Works, Environmental Manager, Masanori Fukumoto

Environmental Impact Data (FY2021)

INPUT		
Energy		
Total Energy Input	10,388	kL
Electricity (buying electricity)	7,692	kL
Electricity(renewable energy)	0	kL
City gas	2,610	kL
LPG	13	kL
Heavy oil A	13	kL
Gasoline	17	kL
Light oil	1	kL
Kerosene	4	kL
Cold and hot water	0	kL
Vehicle fuel	39	kL
Chemicals Substances		
SF ₆	10,686	kg
VOC	39.2	t
PRTR substances handled	63.7	t
Water		
Total Water Input	1,743	thousand m ³
Tap water	25.4	thousand m ³
Industrial water	0	thousand m ³
Groundwater	1,717	thousand m ³

OUTPUT		
Greenhouse Gas		
Greenhouse Gas Emissions (Scope1+2)	18,729	t-CO ₂
CO ₂ from energy sources	18,551	t-CO ₂
SF ₆ gas	160.4	kg
Fluorocarbons	17.5	t-CO ₂
Chemical Substances		
VOC (Emissions into the atmosphere)	39.2	t
SOx (Emissions into the atmosphere)	16	kg
NOx (Emissions into the atmosphere)	2,603	kg
BOD (Emissions into the hydrosphere)	6,044	kgBOD
PRTR substances discharged or transferred	22.6	t
Water		
Total Volume of Water Effluents Discharged	2,196	thousand m ³
Sewage	4.7	thousand m ³
Public water	2,192	thousand m ³
Waste		
Total Volume of Waste and Valuables	2670.8	t
Recycle	2432.1	t
Landfill	17.2	t
Waste reduction	221.5	t

Ota Works

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 procured CO₂-free electricity that is produced and consumed within Gunma Prefecture, and achieved zero greenhouse gas emissions from electricity consumption.

Ota Works, Environmental Manager, Manabu Fujikawa

Environmental Impact Data (FY2021)

INPUT		
Energy		
Total Energy Input	2,183	kL
Electricity (buying electricity)	1,662	kL
Electricity (renewable energy)	1,662	kL
City gas	337	kL
LPG	9	kL
Heavy oil A	17	kL
Gasoline	1	kL
Light oil	103	kL
Kerosene	30	kL
Cold and hot water	0	kL
Vehicle fuel	24	kL
Chemicals Substances		
SF ₆	0	kg
VOC	24.63	t
PRTR substances handled	21.19	t
Water		
Total Water Input	56.4	thousand m ³
Tap water	13.4	thousand m ³
Industrial water	43	thousand m ³
Groundwater	0	thousand m ³

OUTPUT		
Greenhouse Gas		
Greenhouse Gas Emissions (Scope1+2)	1,108	t-CO ₂
CO ₂ from energy sources	1,107	t-CO ₂
SF ₆ gas	0	kg
Fluorocarbons	0.615	t-CO ₂
Chemical Substances		
VOC (Emissions into the atmosphere)	12.54	t
SOx (Emissions into the atmosphere)	25	kg
NOx (Emissions into the atmosphere)	438	kg
BOD (Emissions into the hydrosphere)	226.9	kgBOD
PRTR substances discharged or transferred	16.12	t
Water		
Total Volume of Water Effluents Discharged	43	thousand m ³
Sewage	0	thousand m ³
Public water	43	thousand m ³
Waste		
Total Volume of Waste and Valuables	630	t
Recycle	520.1	t
Landfill	4.1	t
Waste reduction	105.8	t

Nagoya Works

Message From the Environmental Manager

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

In FY2021, our factory for integrated motor and inverter units for EVs commenced full operation, and although our emission of greenhouse gases increased due to increased production of ceramic membranes, we worked to achieve efficient operation of equipment, and productivity increased. 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 continue to contribute to society through future automation of automobiles.

Environmental Impact Data (FY2021)

INPUT		
Energy		
Total Energy Input	2,276	kL
Electricity (buying electricity)	1,213	kL
Electricity(renewable energy)	0	kL
City gas	1,057	kL
LPG	0.204	kL
Heavy oil A	0	kL
Gasoline	0	kL
Light oil	0	kL
Kerosene	2	kL
Cold and hot water	0	kL
Vehicle fuel	4	kL
Chemicals Substances		
SF ₆	0	kg
VOC	0.7	t
PRTR substances handled	4.2	t
Water		
Total Water Input	11.7	thousand m ³
Tap water	4.7	thousand m ³
Industrial water	0	thousand m ³
Groundwater	7	thousand m ³

OUTPUT		
Greenhouse Gas		
Greenhouse Gas Emissions (Scope1+2)	4,017	t-CO ₂
CO ₂ from energy sources	4,017	t-CO ₂
SF ₆ gas	0	kg
Fluorocarbons	0	t-CO ₂
Chemical Substances		
VOC (Emissions into the atmosphere)	0.2	t
SOx (Emissions into the atmosphere)	0	kg
NOx (Emissions into the atmosphere)	0	kg
BOD (Emissions into the hydrosphere)	0.1	kgBOD
PRTR substances discharged or transferred	0	t
Water		
Total Volume of Water Effluents Discharged	6.9	thousand m ³
Sewage	0	thousand m ³
Public water	6.9	thousand m ³
Waste		
Total Volume of Waste and Valuables	292.6	t
Recycle	275.2	t
Landfill	9.3	t
Waste reduction	8.1	t

| KOFU MEIDENSHA ELECTRIC MFG. CO., LTD.

| 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 FY2021, our new factory for EV motors commenced full operation, and although our emission of greenhouse gases increased, we worked to achieve efficient operation of equipment, and productivity increased. In FY2022 we will procure renewable energy for some of our electricity usage, and reduce our emissions of greenhouse gases.

Environmental Impact Data (FY2021)

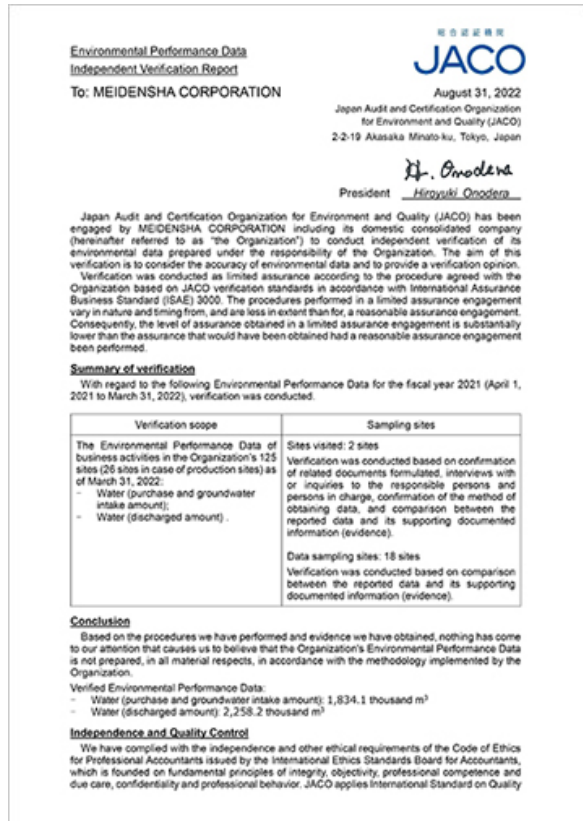
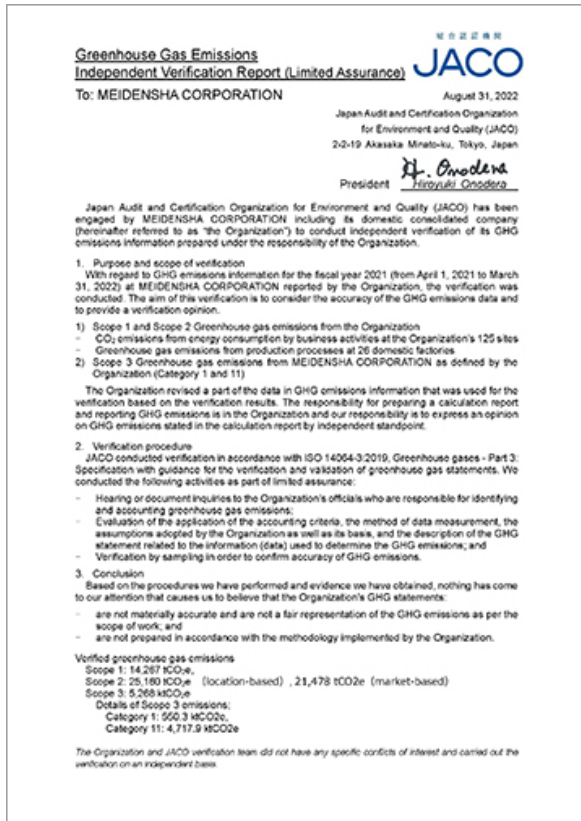
INPUT		
Energy		
Total Energy Input	2,066	kL
Electricity (buying electricity)	1,774	kL
Electricity (renewable energy)	0	kL
City gas	286	kL
LPG	0	kL
Heavy oil A	0	kL
Gasoline	0	kL
Light oil	0	kL
Kerosene	0	kL
Cold and hot water	0	kL
Vehicle fuel	5	kL
Chemicals Substances		
SF ₆	0	kg
VOC	49.2	t
PRTR substances handled	46.2	t
Water		
Total Water Input	8.1	thousand m ³
Tap water	3.9	thousand m ³
Industrial water	0	thousand m ³
Groundwater	4.2	thousand m ³

OUTPUT		
Greenhouse Gas		
Greenhouse Gas Emissions (Scope1+2)	3,659	t-CO ₂
CO ₂ from energy sources	3,659	t-CO ₂
SF ₆ gas	0	kg
Fluorocarbons	0	t-CO ₂
Chemical Substances		
VOC (Emissions into the atmosphere)	19.5	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	14.4	t
Water		
Total Volume of Water Effluents Discharged	8	thousand m ³
Sewage	8	thousand m ³
Public water	0	thousand m ³
Waste		
Total Volume of Waste and Valuables	688.1	t
Recycle	673.7	t
Landfill	0	t
Waste reduction	14.4	t

Environment

Third-Party Verification

In order to ensure the release of more accurate and reliable environmental performance data for FY2021, we have been examined by the Japan Audit and Certification Organization for Environment and Quality.



Click pics to enlarge.

Target Items

Amount of greenhouse gas emissions [t-CO ₂ e]		Scope of calculation	
Scope 1		14,267 t-CO ₂ e	Scope 1 and 2 greenhouse gas emissions from the business activities of Meidensha and domestic Group companies during the period from April 1, 2021 to March 31, 2022.
Scope 2		25,160 t-CO ₂ e (location basis)	
		21,478 t-CO ₂ e (market basis)	
Scope 3	(Category 1)	550.3 kt-CO ₂ e	Category 1 emissions (scope of calculation is based on Meidensha's determination) from the business activities of Meidensha during the period from April 1, 2021 to March 31, 2022.
	(Category 11)	4,717.9 kt-CO ₂ e	Category 11 emissions (scope of calculation is based on Meidensha's determination) from the products and services of Meidensha during the period from April 1, 2021 to March 31, 2022.
Water	Usage volume(Amount of water purchased and water intake)	1.8341 million m ³	Water usage volume (amount purchased and amount collected) from the business activities of Meidensha and domestic Group companies during the period from April 1, 2021 to March 31, 2022.
	Discharged water volume	2.2582 million m ³	Discharged water volume from the business activities of Meidensha and domestic Group companies during the period from April 1, 2021 to March 31, 2022.

Assessment Standards

JACO certification standards based on ISO 14064-3 and ISAE3000

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

Social

Product Responsibility



Supply Chain Management



Human Rights



Labor Practices



HR Development



Occupational Safety and Health



Community



Social

Product Responsibility

Policy

“Illuminating a more affluent tomorrow”

“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, help our customers to solve issues, focus on activities to eliminate defects, and ensure that we produce results through priority measures.

Quality Policy

Basic Policy

“Illuminating a more affluent tomorrow”

“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, help our customers to solve issues, focus on activities to eliminate defects, and ensure that we produce results through priority measures.

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, Hiroshi Takahata) oversees quality management for the whole Meiden Group. The quality assurance (QA) promotion system comprises the General Manager of the Quality Control Management Division, and members including the quality assurance managers of each business unit. We engage in activities such as sharing quality information and roll-out of policies to other business

units at Company-Wide QA Promotion Committee and each business unit's QA Promotion Committee, etc.

Quality Assurance System



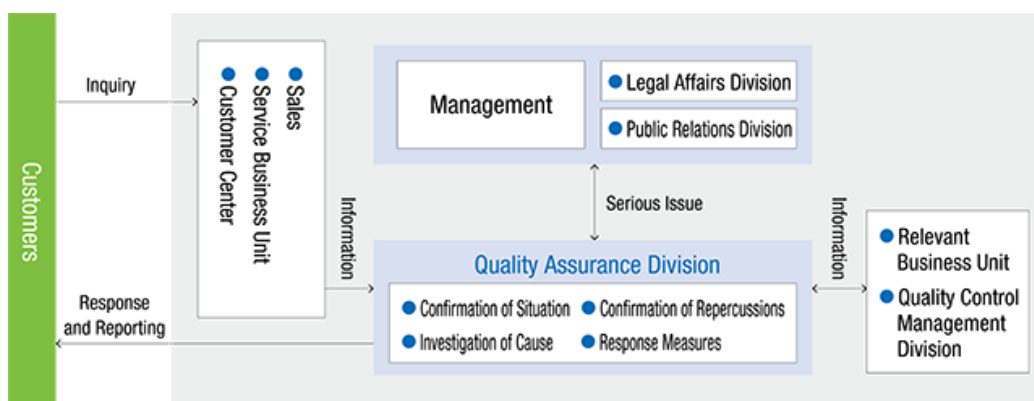
Quality Assurance Activities and Quality Risk Management

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



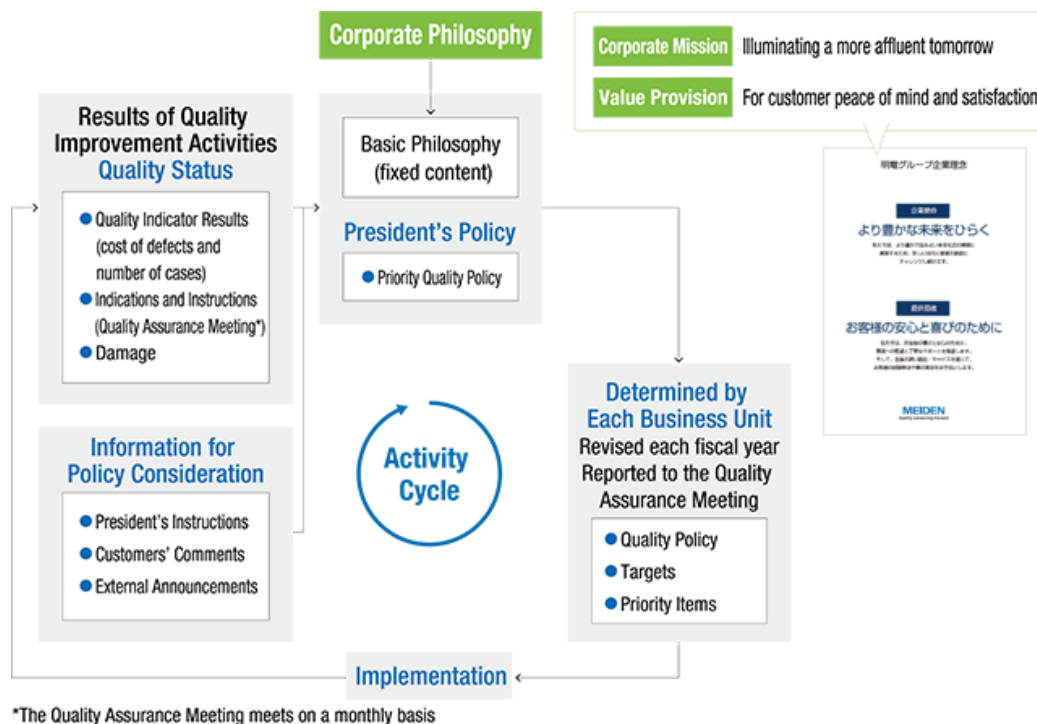
ISO 9001 Acquisition Record (as of FY2021)

	Eligible sites	Certified sites	Rate of acquisition
Meiden Group (Japan)	22	21	95.5%
Meiden Group (International)	12	10	83.3%
Whole Meiden Group	34	31	91.2%

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

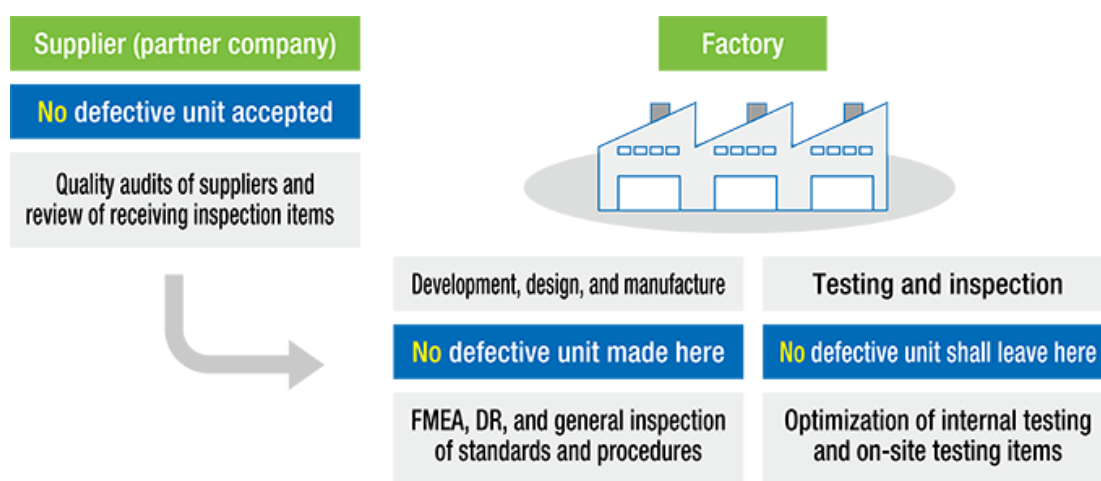
Reducing defects from inattention: Review QR maps, procedures, and standards, analyze background factors, and implement response measures

(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 limit 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

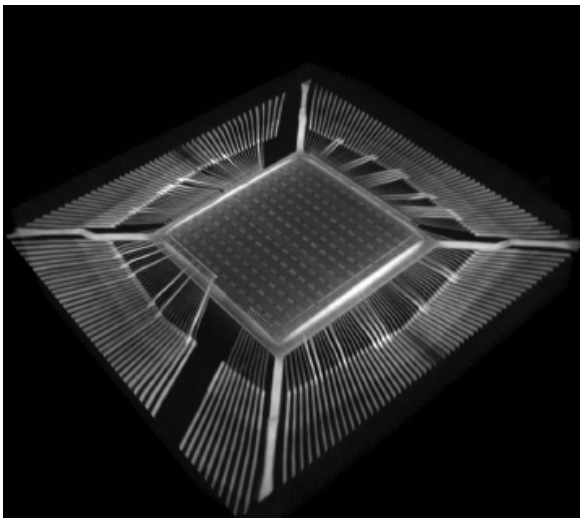
tests in-house. Therefore, we clearly differentiate tests that should be conducted in-house and tests that should be conducted on-site, and make sure we conduct them accordingly.

Analysis Technology to Prevent Defects for Parts and Materials

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 acquired laboratory accreditation (ISO/IEC 17025) for RoHS restricted substances in response to the tendency to revise RoHS directives for environmental regulations, in order to provide products for customers to use.



X ray transmission observation of electronic components

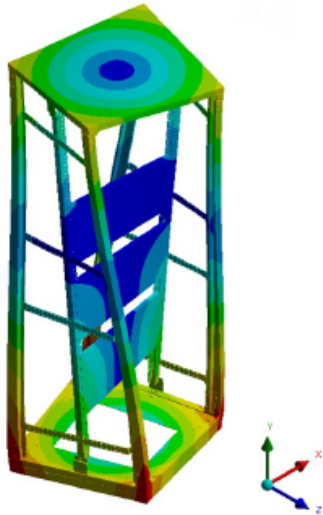


Evaluation of electrical characteristics of semiconductor devices (power device analyzer)

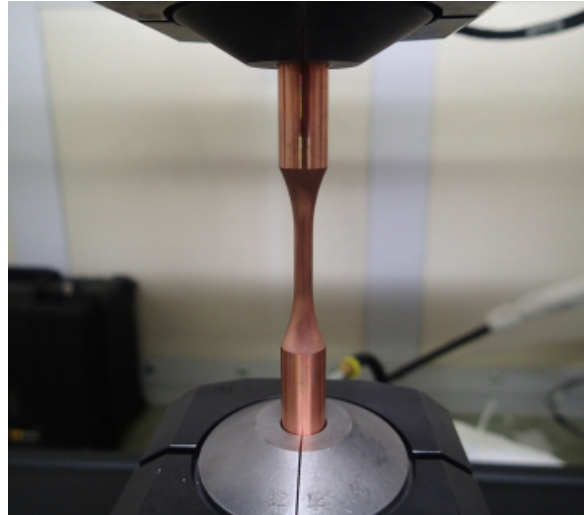
Coexistence of Limit State Design and Product Quality

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 review conditions such as the amount of coating and time spent polishing and washing, optimize coating processes, reduce cost, and shorten time, using coating accumulated evaluation data.



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.

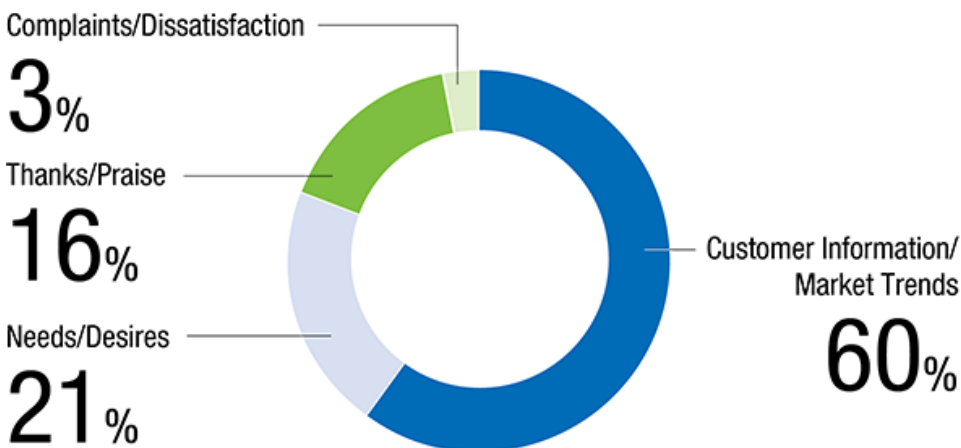
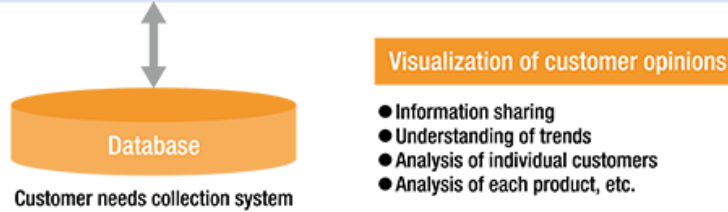
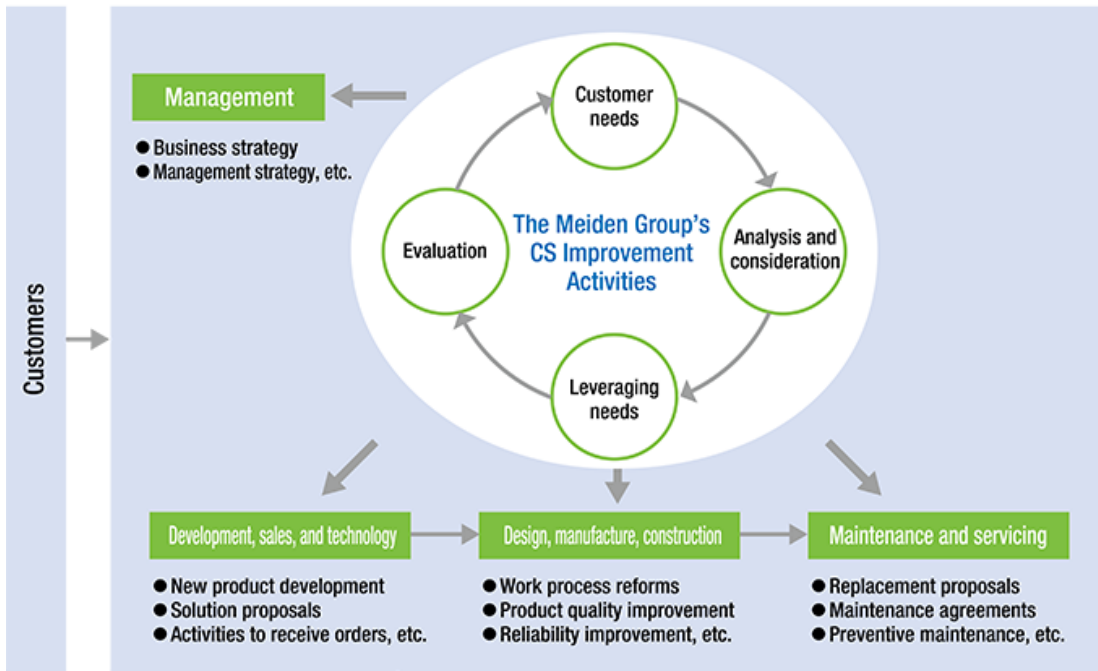
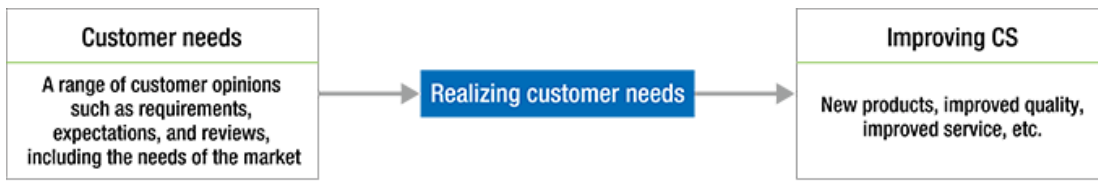
Initiatives

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



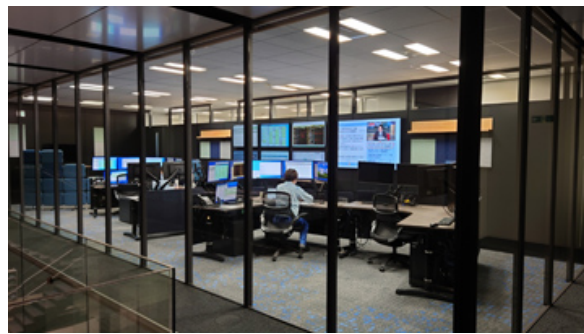
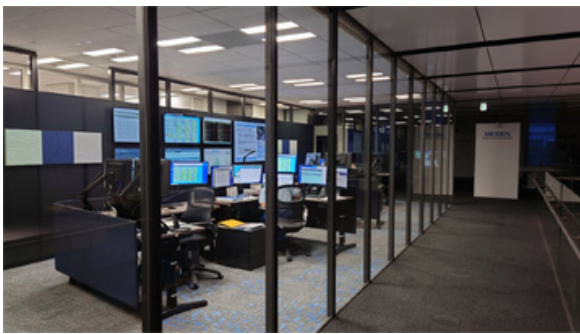
24 Hour Support for Customers' Facilities

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

Initiatives

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 technical training 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.



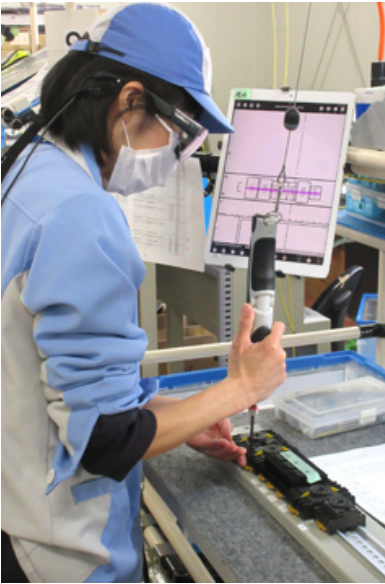
Thai university student internships (product observation)



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

Number of Legal Violations Relating to Quality (as of FY2021)

	FY2019	FY2020	FY2021
Meiden Group (consolidated)	0	0	0

Quality Management Education and Training Results FY2021 Results

	Times conducted	Participants	Outline
Group leader training	1	17	Training to develop quality management and workplace reform technique required of group leaders
ISO 9001 Internal Auditor Development Course	5	139	Training to develop the knowledge required of internal auditors for continuous improvement of the ISO 9001 quality management system
Quality defect prevention training (e-learning)	2	5,443	Education activities to prevent quality defects

Social

Supply Chain Management

Policy

The Meiden Group promotes sustainable procurement in conjunction with business partners, in order to contribute to the realization of a sustainable society.

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

| The Meiden Group Basic Procurement Policy

All of our procurement activities are based on the Meiden Group Corporate Code of Conduct.

Actively Promoting Responsible Corporate Conduct

- (1) Embody our procurement principles along with our suppliers, and build a sustainable supply chain
- (2) Promote environmentally considerate procurement activities, and contribute to global environmental conservation along with our suppliers
- (3) Eliminate use of conflict minerals, which are a source of funds for armed groups that repeatedly engage in inhumane acts such as slavery, forced labor, child labor, and abuse.

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 sustainability further while strengthening partnerships to help business partners understand the importance of promoting sustainability 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 sustainability 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.

Promotion of Sustainability that Involves the Entire Supply Chain

Co-creation with Sustainability Partners

We defined the term “sustainability partner” to specifically articulate the Meiden Group’s ideal form. A sustainability partner fulfils the role of achieving the Meiden Group’s goals of creating personal happiness and a sustainable global environment. Fulfilling the role of a sustainability partner through business activities will lead to the realization of our ideal society.

When procuring materials, we issue the Meiden Group Sustainable Procurement Guidelines to suppliers who are sustainability partners, in accordance with recent international societal demands. In order for them to understand our approach to supply chain management, we have distributed it to approximately 1,600 of our domestic suppliers.

The Meiden Group Sustainable Procurement Guidelines were drafted with reference to the Japan Electronics and Information Technology Industries Association (JEITA)’s Responsible Business Conduct Guidelines (March 2020 edition).

Dissemination and Explanation of the Procurement Policy to Business Partners

We supply the Meiden Group Sustainable Procurement Guidelines 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 for our Business Partners to comply with both the Meiden Group Basic Procurement Policy and the Meiden Group Sustainable Procurement Guidelines at the production plan explanatory meetings held at each of our production site.



The Meiden Group Sustainable Procurement Guidelines 

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.

* In fiscal 2022, this was revised and renamed as the Meiden Group Sustainable Procurement Guidelines.

| Policy on Conflict Minerals Issue

In order to fulfill its corporate social responsibility through procurement activities, the Meiden Group promotes initiatives to prevent 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, etc., or inhumane acts, etc.

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 2021*, we conducted a survey of materials that we had purchased from 380 major suppliers in the previous year and received acceptable responses from 360 companies (94%). 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 2021, we conducted 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 corporate philosophy of “contribute to people, society, and the global environment to make a world a better place to live,” we are proceeding with environmental 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 sustainability 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 domestic business partners and we request all new business partners (100%) to disseminate and apply at the time of the first transaction.

Furthermore, by issuing sustainability surveys (environmental activities surveys), we are able to understand our business partners’ CSR promotion activities and environmental activities, conduct risk assessment, and receive assistance with our sustainable procurement activities, including green procurement.

In fiscal 2021, we 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 July 2021) for details.

Risk Evaluation

Evaluation of Suppliers

We convey the importance of sustainability and our philosophy to our business partners, including legal compliance, environmental protection, and community contribution, which are the basic policies of the Meiden 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 sustainability promotion and environmental conservation activities at the time of the first transaction.

(FY2021 survey record: 1,430 companies) 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 2021)

Survey relating to sustainability activities and environmental conservation activities

2021年度 資材調達スコアカード

評価項目	目的	評価項目	得点	配点
企業評価	企業の経営理念を評価	財務、一般情報、認証、CSR	16.5	/30点
企業実績評価	企業の実行力を評価	品質、コスト、納期、サービス	24.0	/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、運搬力、経営基盤	13.4	/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	17.0	/20点
合計			70.9	/100点

Materials procurement score card (example)

Building a Sustainable 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.

In the Green Procurement Guidelines, 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 this, 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 EMS certification such as ISO14001 and EcoAction 21.

Promoting and Supporting EcoAction 21 Certification and Registration for SMEs

The Meiden Group is providing support for the environmental management system EcoAction 21 certification promoted by the Ministry of the Environment, and registration activities of our business partners, and aim to spread environmental management systems and environmental improvements throughout the entire value chain.

Fiscal 2021 was the seventh year we have been doing this, and in addition to acquiring certification through individual guidance, a total of 132 business partners have received EcoAction 21 certification.

We postponed the following as a result of restraints on activities due to COVID-19 prevention and the state of emergency declaration.

- EcoAction21 study group (greening program) held for business partners
- Conducting follow-up education and individual visits for the 90 companies that had received certification up to 2018, and provision of opportunities for exchange of opinions and sharing of information that include educators

We will continue providing support for our business partners in relation to EcoAction 21 certification and registration activities, and aim to spread environmental management systems and environmental improvements throughout the entire value chain.



Certification ceremony in Numazu



Follow-up education in Numazu

Communication with Business Partners

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

We are directly confirming the challenges and requirements of our partners and pursuing support activities.

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. 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.

3. Using the Supplier Portal (web)

We regularly post information about subsidies (grants, etc.) for SMEs on our supplier portal (web), and supply information so that opportunities to update equipment, etc., are not missed. We also contribute to the business efficiency of our business partners by creating efficiency in operations from submission of quotations to ordering, ATP, and delivery, using paperless electronic information, conducting conflict minerals surveys using a questionnaire, and confirmation of BCP implementation and damage caused by earthquakes and typhoons, etc.

4. 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).

Initiatives

Increasing Business Partners Engagement

We aim to build sustainable relationships with our business partners as business partners, and work to increase engagement with business partners with the basic philosophy of collaboration and co-creation. We believe that it is important to appropriately understand and respond to demands and expectations of the Group.

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 appreciates them face-to-face, and rewards exceptional activities and results. Since fiscal 2019, 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

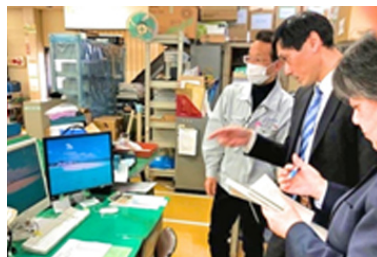
Holding Various Seminars, etc.

We hold seminars on process improvement and information security measures at our suppliers' manufacturing sites as needed to improve their capabilities. In fiscal 2020, 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.

In fiscal 2021, we have decided not to conduct some face-to-face activities in order to prevent the spread of COVID-19.



Product exchange meeting



Information security instruction



Project to Support Safety & Health

Record of Seminars Held (FY2021)

Theme	Number of seminars held	Number of participating companies	Number of participants
Production plan explanatory meetings (Ota, Numazu, Nagoya)	6 seminars held twice yearly in 3 locations	First half: 87 companies Second half: 83 companies	First half: 111 participants Second half: 103 participants
Hands-on safety experience truck education	2 seminars	4 companies	13 participants
Safety support diagnostics and education	33 seminars	33 companies	Approx. 250 participants

Record of Monitoring Suppliers (FY2021)

Theme	Content	Times conducted (number of companies)	Outline
Environment	Environmental audits	10 companies	Participation in FY2022 EA21 (EMS) by 2 companies that required correction
Health and safety	Checking suppliers' sites using the health and safety support business	15 companies	Numazu area: 8 companies Ota area: 7 companies
Information security	Submission of self-diagnoses using the information security self-diagnosis card	2,154 companies	Site evaluations to be conducted in FY2022 based on diagnosis results
BCP implementation	Investigation of impacts of natural disasters, major accidents, and misconduct, etc.	5 times (the number of companies investigate depends on the scope of the investigation)	Earthquake off the coast of Fukushima, localized downpours, etc.

Enhancing Group Procurement Systems (education of procurement managers)

Thoroughness of Absolute Compliance and Prohibited Matters of the Procurement Headquarters

In order for the member of Procurement 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 sustainable procurement
- Enhance risk management (BCP and internal control)
- Enhance professional development

Education and Professional Development for Procurement Managers (as of FY2021)

Certified Procurement Professional qualification system	Attainment: 77%
Eco Test	Attainment: 71%
Education for new staff and reassigned personnel, etc. (FY2021)	100% attendance

Social

Human Rights

Policy

The Meiden Group Human Rights Policy

Since it was founded, the Meiden Group has created and supplied a variety of technologies, products, and services, with a focus on electrical equipment that supports social infrastructure, and contributed to the sustainable development of society.

Respect for human rights is the foundation of our business activities to realize our corporate philosophies of “illuminating a more affluent tomorrow” and “for customer peace of mind and satisfaction.” Through its business activities, the Meiden Group will create a joyful and sustainable society for everyone, and comply with international human rights norms as indicated by the Meiden Group Corporate Code of Conduct.

We will also identify, prevent, and mitigate risks and impacts relating to human rights throughout our activities, including in the supply chain, and endeavor to disclose our responses on an ongoing basis.

[The Meiden Group Human Rights Policy \(347KB\) PDF !\[\]\(e1d6102fe77919492c04879c8450f1f5_img.jpg\)](#)

Relief and Remedy

Establishment of a Compliance Hotline

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 external Public Whistleblower System.

All stakeholders (including individuals, local residents, etc.) can make inquiries from outside the company using our external helpline. The Compliance Committee investigates information that is brought to the above points of contact, and, having confirmed the content, consults lawyers before resolving issues if necessary.

Furthermore, our system effectively manages information concerning whistleblowers’ names, etc., protects whistleblowers, and enables anonymous consultation, in accordance with national guidelines. We work to ensure that whistleblowers experience no disadvantage and improve the dependability of our whistleblower system.

[Compliance Whistleblower System >](#)

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 Corporate Code of Conduct. 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 as educational activities to achieve respect for fundamental human rights.

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 have also expanded anger management training for managers to include all employees. Through the training, we raise awareness to respect the personalities and ideas of others.

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.

In fiscal 2022, we invited external instructors to conduct training concerning “business and human rights” required by companies for all officers of executive officer level or above and presidents of Japanese subsidiaries.

Content of Human Rights Training (FY2021)

Training type	Targets	Human rights themes dealt with
Workplace discussions relating to human rights	All Group employees	Link between business and human rights
Harassment education	All Group employees	Prevention of various types of harassment
Compliance manager training	Compliance managers	Responses to consultations regarding harassment, etc.
Anger management training	All Group employees	Understanding and controlling anger, which can lead to harassment
Mental health training	Conducted in each region	Correct understanding and prevention of mental illness, and prohibition of discrimination

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 >

Interaction with employee representatives

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.

Support for a living wage

We provide a family allowance to support the lifestyles of employees who satisfy certain conditions such as carrying spouses and children to provide for. 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.

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 values diversity and we are promoting diversity and inclusion so that each employee is able to maximize their abilities irrespective of gender (gender identity and sexual orientation), nationality, age, etc.

Promoting diversity and inclusion will lead to mutual respect for each employee's background and values, increased capacity for co-creation, and innovation.

In FY2022, we newly established the Diversity Promotion Office to take over of the Professional Development & Diversity Promotion Project launched in FY2021. We will further promote diversity and inclusion such as by raising consciousness, flexible work styles, and more complete education, leading to increased employee productivity and creativity, and fostering a more fulfilling workplace culture.

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 accelerate measures to actively recruit, train, and promote female technical employees.



Eruboshi



Platinum Kurumin

Action Plan and System to Balance Work and Childcare Based on the Act on the Promotion of Women's Participation and Advancement in the Workplace

■ Increasing the proportion of female new graduates hired

Issues for the Company	Enhanced hiring of female new graduates to foster the next generation of managers
Targets	Proportion of female new graduates hired <ul style="list-style-type: none"> • Continuation of 50% of general administrative hires • Achievement of 20% of general technical hires
Content of initiatives	We will endeavor to provide more media contents and hold seminars for women, in order to enable women to form a clear career plan at the Company.
Time of initiatives	April 1, 2022 to March 31, 2025

■ Promoting utilization of childcare leave by employees

Issues for the Company	Increased rate of utilization of childcare leave by male employees
Targets	Achievement of childcare leave utilization rate of 100% by both men and women
Content of initiatives	We will notify employees of systems and promote understanding of superiors in the workplace in order to increase the childcare leave utilization rate.
Time of initiatives	April 1, 2022 to March 31, 2025

Work-Life Balance Support System

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

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

FY2021 Initiatives

| Unconscious Bias Seminar

In February 2022, we held a seminar presented by an outside lecturer on unconscious bias, about which there were many opinions expressed in our employee survey on impediments to diversity, in order to realize the wellbeing that is the goal of the Meiden Group. On the day, there were approximately 200 participants, including general managers of business units, factory superintendents, and presidents of Group companies. Participants learned about how knowing about, noticing, and responding to unconscious bias results in organizations where each individual is able to participate with enthusiasm.

We are conducting various seminars in order to create systems and foster environments that are accepting of diverse personnel and allow them to participate.

| Improved Work Environment at Plant Construction Sites by Female Employees

The Plant Construction & Engineering Business Group is promoting the creation of environments where on-site female staff can work comfortably.

Women share their opinions on points where improvements are anticipated in their daily work, and work to improve workplace environments.

<Examples of Improvements>

- Female-only lockers have been installed, and lockers in changerooms have been changed from the previous two-level type to a long type, so that long coats and dresses can be hung up.
- Signs that indicate who is using changerooms at a glance have been created for sites where office space is limited and it is not possible to separate male and female changerooms.
- Safety was increased by making helmets easier to access by placing them at a lower height.
- Placement of screens to reduce visibility has eliminated the need to worry about others when entering and leaving restrooms. This also led to securing larger areas and creating cooler environments away from direct sunlight.



Helmets are placed in a lower location than before.



A screen in front of a restroom

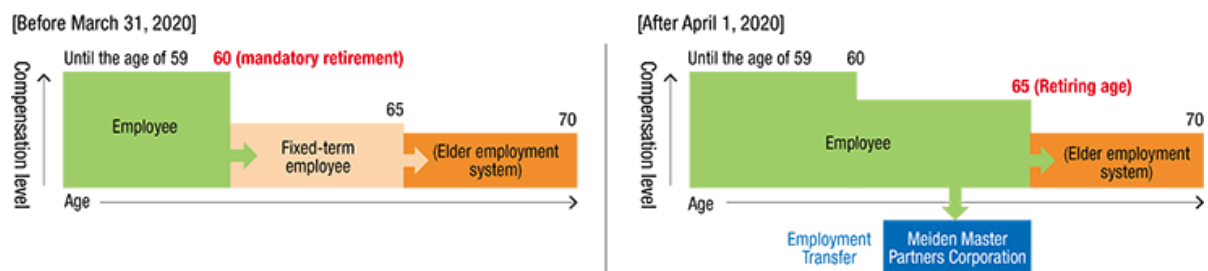
Introduction of Mandatory Retirement at Age of 65 and System to Extend Employment to Age of 75

In April 2020, Meidensha raised the mandatory retirement age from 60 to 65 years of age for all employees. 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. In addition, we have established a dispatch company (MEIDEN MASTER PARTNERS CORPORATION) to promote 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 employees at our office. 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.

In January 2017, we introduced an “Elder System” that allows employees to work from the age of 65 to a maximum of 70, and in 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 develop a workplace environment where seniors can play an active role without 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, 2017	June, 2018	June, 2019	June, 2020	June, 2021
Ratio of Employees with Disabilities (%)	2.24	2.24	2.42	2.50	2.46
Statutory Employment Rate (%)	2.0	2.2	2.2	2.2	2.3

Initiative to promote understanding of LGBTQ

The Meiden Group includes correctly understanding LGBTQ people as part of the basic policy on the promotion of understanding of sexual minorities (LGBTQ), and is promoting the creation of an environment in which the sexuality and individuality of all people is respected, and each employee is able to maximize their abilities and participate.

As an initiative to promote understanding of LGBTQ people, we are establishing systems and workplaces that provide correct knowledge and understanding of diverse sexualities, ensure that prejudice, discrimination, and harassment based on sexual orientation and gender identity are prevented, and enable enthusiasm and maximization of abilities, irrespective of sexual orientation and gender identity.

FY2022 Initiatives

- Releasing the Meiden Group Human Rights Policy
- Removing the gender column from the hiring entry sheet

- Conducting training (e-Learning) concerning prevention of harassment, including prevention of SOGI harassment
- Conducting training (e-Learning) focusing on fundamental knowledge concerning LGBTQ people
- Establishing an LGBTQ consultation desk
- Posting the basic policy on the promotion of understanding of LGBTQ people on the Company's website
- Participating in the OUT JAPAN LGBT-Ally project
We participated in a project aimed at increasing the number of allies, even if only by one, with the theme of “anyone can be an ally.” We are introducing the content of LGBTQ initiatives and sponsoring local pride event banners.

Promotion of Participation by Foreign Employees

As an aspect of our effort to promote diversity, the Meiden Group employs people irrespective of nationality, and these workers 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 improved work efficiency and productivity —

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.

In FY2021, we considered the creation of a comfortable working environment for employees, and promoted communication through a hybrid office/remote work model, and the introduction of a flex-time system and shared offices, etc., based on the opinions of the employee survey and the working group, as part of the Professional Development & Diversity Promotion Project. Furthermore, we created an internal systems environment and promoted improved work efficiency and productivity in order to enable performance of the same functions as in the office through remote work. We also introduced a system for shortened working hours, in order to enable both treatment of illness and work, and reviewed our HR system to enable all employees to work for a long time with peace of mind, rather than just those engaged in childcare or nursing care. Going forward, we will continue to realize improved work efficiency and productivity by promoting flexible work-styles and digital transformation for all companies.

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 actual working hours per year
FY2024 targets	Achieved Zero	19 hours/person-month	Under 1,800 hours/person

*Average overtime hours, and total actual working hours per year are the average figure per person at Meidensha and Meiden Engineering

<Reference>Total actual working hours per year

	FY2018	FY2019	FY2020	FY2021
Total actual working hours per year	2,027 hours/year	1,985 hours/year	1,990 hours/year	1,977 hours/year

*Average figure 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, 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 R&D Center Relaffice: Available for an even greater range of uses than before.

In FY2021 we renovated the satellite office at Nagoya Works, and created a new community space. In addition to use for internal and external meetings and as a satellite office for employees on business trips, it is useful for taking a break or a change of scenery.



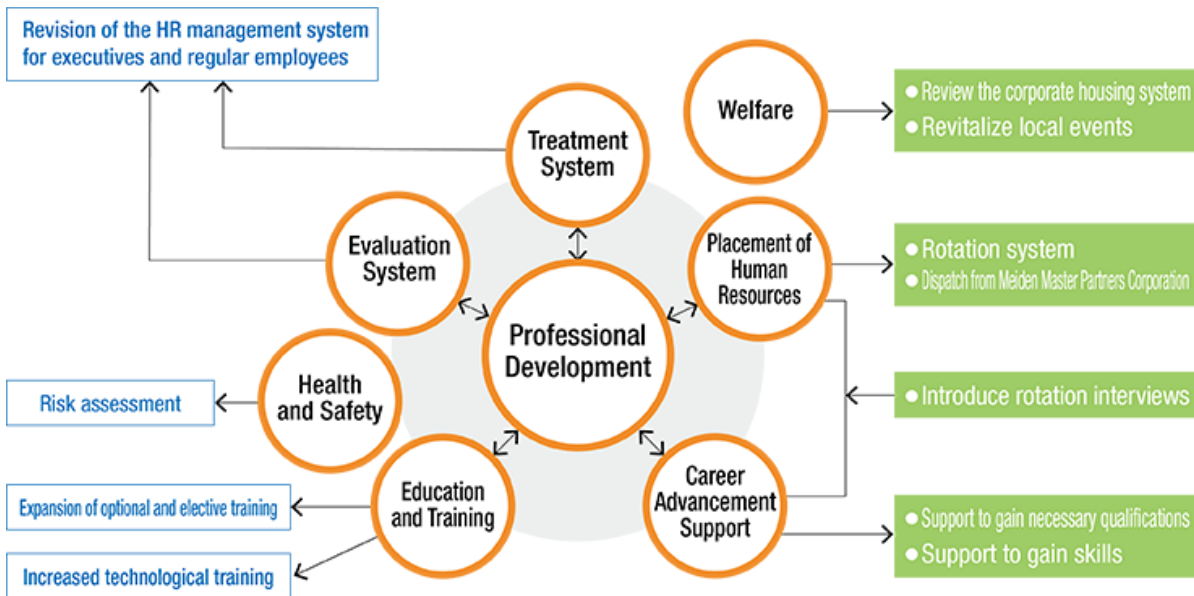
Nagoya Works Satellite Office. The interior is colorful and there are various types of seats available.

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 23 certified personnel as Meisters from 2008 to 2021.</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. In FY2020 and FY2021, in the midst of the COVID-19 pandemic, we held a remote riddle-solving event and an online sports festival as events for employees to have a good time together and cooperate.

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.

HR Data

Basic Data

Employees (only Meidensha)

		Units	FY2019	FY2020	FY2021
Number of employees (non-consolidated)	Male	People	3,367	3,371	3,431
	Female	People	557	571	596
	Total	People	3,924	3,942	4,027
Domestic subsidiaries	Male	People		3,056	3,242
	Female	People		469	484
	Total	People	0	3,525	3,726
Overseas subsidiaries	Male	People		1,642	1,733
	Female	People		358	437
	Total	People	0	2,000	2,170
Number of consolidated employees*1	Male	People		8,069	8,406
	Female	People		1,398	1,517
	Total	People	9,599	9,467	9,923
Number of foreign employees (non-consolidated)	Male	People	17	21	19
	Female	People	8	11	10
	Total	People	25	32	29
Domestic subsidiaries Number of foreign employees	Male	People		6	10
	Female	People		2	2
	Total	People	0	8	12
Overseas subsidiaries Number of foreign employees	Male	People		1,510	1,597
	Female	People		354	434
	Total	People	0	1,864	2,031

		Units	FY2019	FY2020	FY2021
Number of foreign consolidated employees*1	Male	People		1,537	1,626
	Female	People		367	446
	Total	People	1,974	1,904	2,072
Proportion of all employees accounted for by contractors and temporary workers		%	13.7	13.8	14.3
Average age	Male	Age	41.7	42.9	43.8
	Female	Age	43.1	43.4	43.6
	Total	Age	41.9	43.0	43.8
Years of employment	Male	Years	17.6	18.7	18.4
	Female	Years	19.6	20.0	19.1
	Total	Years	17.9	18.9	18.5
Number of managers*2	Male	People	932	973	985
	Female	People	36	40	45
	Foreigners	People	4	6	5
Managers of level of general manager or above*2	Male	People	192	214	215
	Female	People	3	5	4
	Foreigners	People	0	0	0
Officers*2	Male	People	34	35	34
	Female	People	0	1	1
	Foreigners	People	0	0	0
Executive officers*2	Male	People	24	24	25
	Female	People	0	0	0
	Foreigners	People	0	0	0

		Units	FY2019	FY2020	FY2021
Proportion of women*2 *3	Managers	%	3.70	3.95	4.37
	Managers of level of general manager or above	%	1.54	2.28	1.83
	Officers	%	0	2.78	2.86
	Executive officers	%	0	0	0
Number of people with disabilities employed*4 *5		People	103	108	107
Rate of employment of people with disabilities*4 *5		%	2.42	2.50	2.46
Number of employees leaving the company (voluntary)	Male	People	65	75	69
	Female	People	11	5	11
	Total	People	76	80	80
Rate of employees leaving the company (voluntary)*6 *7	Male	%		1.9	1.7
	Female	%		0.1	0.3
	Total	%		2.0	2.0
Rate of union membership		%	64.7	65.1	65.2
Annual average salary*8		Yen	7,528,871	7,508,585	7,368,835

*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 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, 2022)

	Male	Female	Total
Under 30	605	121	726
30-39	695	67	762
40-49	689	173	862
50-59	1,157	209	1,366
60 or over	285	26	311

Graduate Recruits (only Meidensha)

	University graduate			Junior/technical college graduates	High school graduates/other	Total
	Male	Female	Total			
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
Joined April 2022	0	0	0	0	0	0

* 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	
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
2021.4 – 2022.3	0	0	0	0	0	0

Work Style-Related (only Meidensha)

		Units	FY2019	FY2020	FY2021
People taking maternity leave		People	12	6	12
Male employees whose spouses gave birth during the current fiscal year*1	Male	People	104	76	76
Female employees who gave birth during the current fiscal year	Female	People	11	5	11
	Total	People	115	81	101
People who took parental leave	Male (within 1 week)	People	1	4	7
			43	32	29
	Female	People	9	5	11
	Total	People	53	41	47
Rate of People who took parental leave	Male	%		47	40
	Female	%		100	100
	Total	%		51	47
Rate of return after leave of absence for child care purposes	Male	%	100	100	100
	Female	%	100	100	100
	Total	%	100	100	100

	Units	FY2019	FY2020	FY2021
People taking family care leave	People	4	3	0
Average days of paid leave allocated	Days	23	23	23
Average days of paid leave taken	Days	16	15	17
Rate of taking paid leave	%	68	64	72
Average total hours worked per year*2	hours/year/person	1,978	1,980	1,970

*1 The number for men includes special leave (not legally required) for spousal maternity.

*2 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	FY2019	FY2020	FY2021
Proportion of employees that receive feedback interviews	Male	%	93.7	94.9	93.9
	Female	%	95.6	97.5	94.7
	Total	%	94.0	95.3	94.0
	Managers	%	92.3	94.6	95.6
	Regular employees	%	94.7	95.5	93.5
	Total	%	94.0	95.3	94.0

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.

The Medium-Term Management Plan 2024 aims to strengthen human capital in conjunction with sustainability management, and will focus on further human resource development so that diverse human resources can accept each other's individuality and make the most of their abilities. As part of this, we are promoting growth through opportunities to work with diverse personnel, such as our system of offering staff placements in Japan for employees of overseas subsidiaries, the foreign trainee system, and the overseas assignment system.

We are also enhancing our innovation education so that employees have the creativity and drive to try new things without being trapped by conventional ideas and methods, and fostering an environment conducive to innovation.

Training system

Age	20s	30s	40s	50s	60s
Career Path System (job experience)		Job Rotation	CDM (new professional development program)		
Level-Dependent Program	New Employee Training		New Leader Training		
	Second-Year Training		New Managers and Class 1 High-Level Roles Management Training		
			Management Training	Career Design Seminar for workers in their 40s and 50s	
Education and Training System		Self-Development (distance education, language training, TOEIC test)			
	Overseas Trainee System Overseas Internship		Next-Generation Executive Candidate Training		
				Executive Candidate Training	
				Top Management Training	
Elective Program		South-East Asia Technology Training			
			South-East Asia Management Training		
			China Management Training		
Optional Program		Voluntary Training (young employees and mid-level employees)			
Technical Education	Meiden Youth Academy				
	Product Technology Education	Level Up Academy	Technical Leadership Training		

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.

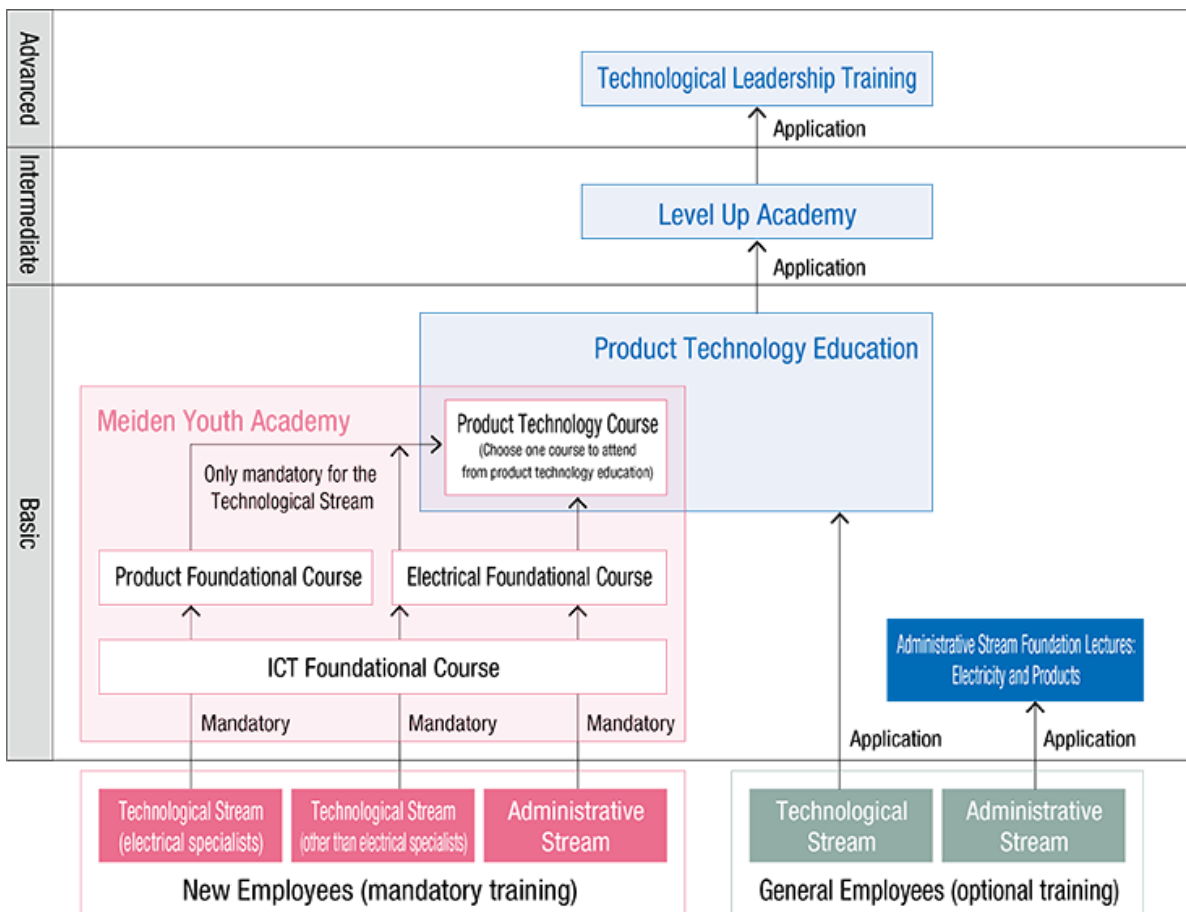
We provide incentives for acquiring prescribed public qualifications at the time of acquisition.

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 conduct education regarding electricity, which is essential to understand Meidensha’s technologies and products, for both technical and administrative employees. In fiscal 2019, we launched the ICT Fundamentals Course, and we are working to conduct ICT fundamentals education and design mindset education, which are essential to achieve digital transformation.

In fiscal 2022, we will conduct education to further promote fundamental knowledge of electricity, and education to enhance skills as digitally-literate personnel, such as drills for operation of actual equipment through programming and data analysis drills.



Acquisition and Transmission of Techniques and Skills

At the technical training center, Manabi-ya, which was established at Numazu Works, we provide technical and skills education with instruction by coaches led by experienced employees, and systematically train and improve the level of engineers, in order to rapidly train them and to pass on techniques and skills. In particular, maintenance engineers spend one year learning at this technical training center to acquire maintenance techniques. In fiscal 2021,

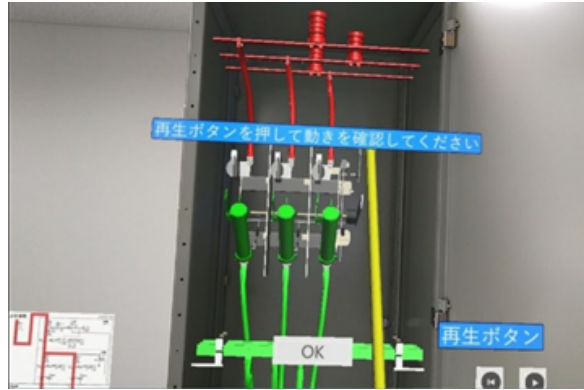
maintenance engineers who had completed their one-year training period transitioned to work experience at a factory.

We also increased our experiential education content using VR (virtual reality), AR (augmented reality), and MR (mixed reality) and we are expanding its utilization for safety and technical education.

This facility is also open to customers and local residents, and has been visited by over 1,000 people in the course of a year.



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



Blackout procedure training using MR

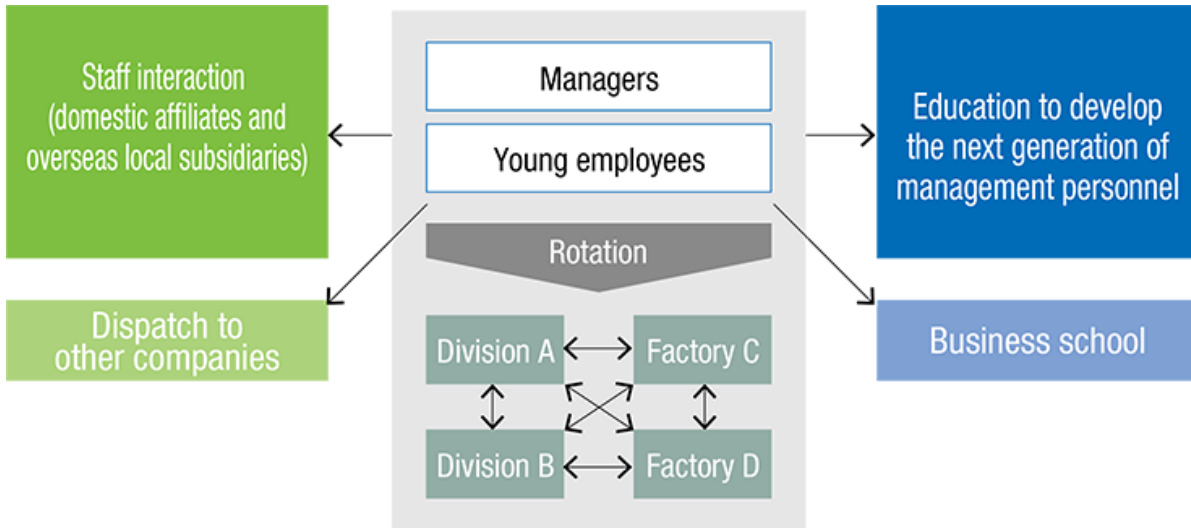
Developing the Next Generation of Group Personnel

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



We are working to improve the management capabilities of general managers of each business by conducting training concerning the knowledge and skills necessary to operate in the current management environment, such as finance and accounting training, which is necessary for accurate decision-making, and presentation training for the purpose of improving communication abilities, as well as sending managers to outside seminars, etc.

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

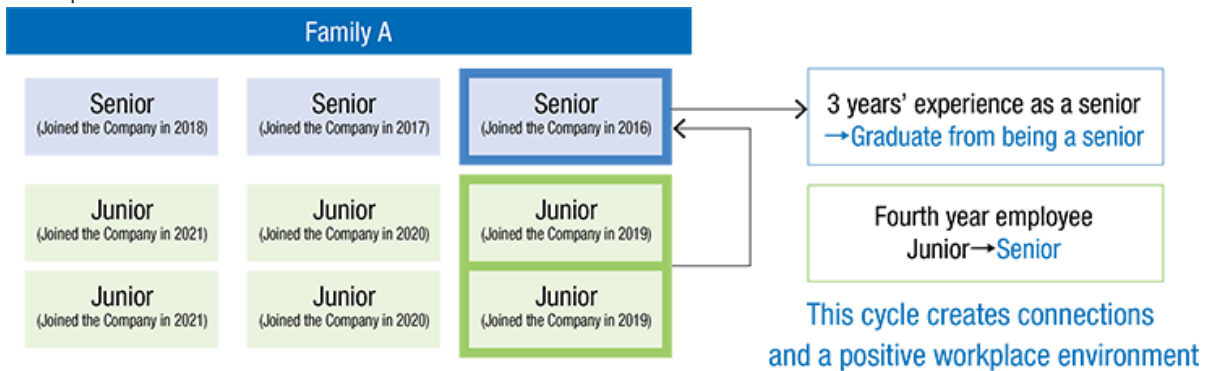
We conduct a rotation system to systematically develop young employees. Based on a rotation model, individuals share their career plans with their workplaces and the HR Department, and we implement rotation through regular interviews, etc. Having young employees experience a

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	FY2018	FY2019	FY2020	FY2021
Hierarchical program	2,802	2,181	2,463	2,569
Selective program	67	123	130	135
Optional program	85	57	55	40
Technical training	657	934	1,090	1,603
Total	3,611	3,295	3,738	4,347

Data Concerning Professional Development

Item	FY2018	FY2019	FY2020	FY2021
Total expenses of education and training*1	97,940,000 yen	95,432,000 yen	71,664,000 yen	78,010,000 yen
Total hours of education and training*2	43,332 hours	48,385 hours	51,583 hours	56,050 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).

Occupational Safety and Health

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 & Productivity Management Policy" 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) Ensure thorough risk assessment to identify and evaluate safety and health risks, 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.

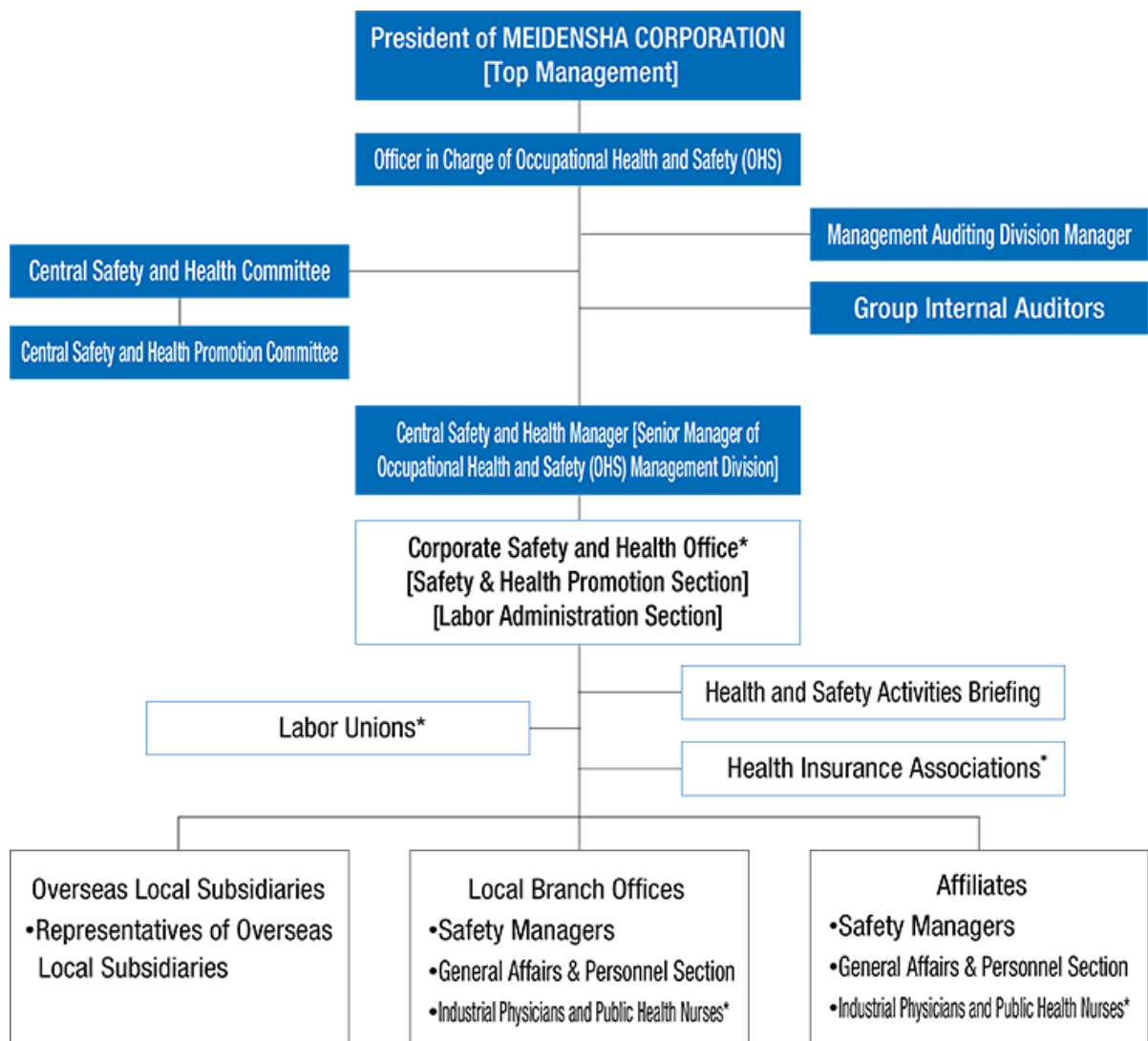
(8) Enhance mental health promotion systems and promotion of workplaces that do not result in mental illness.

(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.

Organization

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



* [Health and Productivity Management] : forming a collaborative health committee

Supervision of Safety and Health Led by Top Management

In Japan, we comply with laws and regulations, hold monthly meetings of the Safety and Health Committee at each site, where we encourage participation by unions and employees, and conduct consultation and information sharing relating to matters such as causes of and responses to industrial accidents, the status of employees that have taken leave due to illness, and other matters that require attention. The Central Safety and Health Committee, chaired by the President, discusses and makes decisions on matters relating to Group-wide policies and targets.

Results, Plan, and Targets

FY2021 Results

● Results of Occupational Safety and Health Initiatives

| Certification status of the occupational safety and health management system

1) Acquired ISO 45001

Area	Scope
Ota area	Meidensha (factories, Research and Development Business Unit, Staff Business Unit, Gunma Branch), on-site affiliates* * On-site affiliates: MEIDEN KIDEN KOGYO CO., LTD. / MEIDEN KOHSAN CO., LTD., Ota Branch / MEIDEN FACILITY SERVICE CORPORATION / MEIDEN SYSTEM SOLUTIONS CORPORATION, Ota Branch / MEIDEN UNIVERSAL SERVICE LTD., Headquarters
Numazu area	Meidensha (factories, Research and Development Business Unit, Staff Business Unit), on-site affiliates* * On-site affiliates: MEIDEN SYSTEM MANUFACTURING CORPORATION / MEIDEN KOHSAN CO., LTD., Numazu Branch / MEIDEN SHOJI CO., LTD., Numazu Branch / MEIDEN SYSTEM SOLUTIONS CORPORATION, Headquarters / MEIDEN UNIVERSAL SERVICE LTD., Numazu Branch / MEIDEN TECHNO SYSTEMS CO., LTD., Headquarters / MEIDEN PLANT SYSTEMS CORPORATION, Equipment Factory / MEIDEN FACILITY SERVICE CORPORATION / MEIDEN CHEMICAL CO., LTD., Headquarters
Kofu area	KOFU MEIDENSHA ELECTRIC MFG. CO., LTD. / MEIDENSHA CORPORATION (EV Components Business Unit in Kofu and Motor Drive Solutions Business Unit)
Nagoya area	Meidensha (factories, Research and Development Business Unit, Staff Business Unit), on-site affiliates*

Area	Scope
	* 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, MEIDEN AQUA BUSINESS COMPANY, M WINDS CO., LTD., MEIDEN MASTER PARTNERS CORPORATION, MEIDEN NANOPROCESS INNOVATIONS, INC.
Plant Construction & Engineering Business Group	Planning & Administration Division, Construction Work Policy & Administration Division / Northern Japan Construction Department / Kansai & Chubu Areas Construction Department / Plant Construction Projects Support Department / Western Japan Construction Department
Domestic affiliates	MEIDEN PLANT SYSTEMS CORPORATION Headquarters and Western Japan Branch
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 Office / Kansai Branch Office / Shikoku Branch / Chugoku Branch / Kyushu Branch
Overseas subsidiaries	SHANGHAI MEIDENSHA CHANGCHENG SWITCHGEAR CO., LTD. / MEIDEN ZHENGZHOU ELECTRIC CO., LTD. / MEIDEN SINGAPORE PTE.LTD. / P.T. MEIDEN ENGINEERING INDONESIA / MEIDEN T&D (INDIA) LIMITED

As shown above, we have obtained external certification (ISO 45001) for each domestic region and overseas subsidiaries, and 72% of the Group has obtained certification on a per-employee basis (as of March 31, 2022).

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 MEIDEN T&D (INDIA) LIMITED obtained certification in FY 2017. 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. (MEIDEN PLANT SYSTEMS CORPORATION, MEIDEN AQUA BUSINESS COMPANY, M WINDS CO., LTD., and MEIDEN NANOPROCESS INNOVATIONS, INC.)

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

Rate of ISO 45001 Acquisition (as of March 31, 2022)

Japan

	Total number of sites	Number of sites that have acquired certification	Proportion (%)
OHS Management ISO45001 acquisition	100 sites	95 sites	95%

Overseas

	Total number of sites	Number of sites that have acquired certification	Proportion (%)
OHS Management ISO45001 acquisition	10 sites	5 sites	50%

Safety and Health Indicators

Occupational Safety and Health Indicators (Meiden Group)

Meiden Group	Occupational accidents (cases)		Traffic accidents (cases)	Occupational diseases (cases)	People with absences due to illness of at least one month (rate of absence)*1	
	Lost time accidents	No lost time accidents	Accident during work		Total (including mental)	Mental
FY2021 (target values)	2 (33% reduction compared with the previous fiscal year)	7 (14% reduction compared with the previous fiscal year)	29 (10% reduction compared with the previous fiscal year)	0	19 people (0.5%) (10% reduction compared with the previous fiscal year)	16 people (0.4%) (10% reduction compared with the previous fiscal year)
FY2021 (established values)	3	11	126	0	35 people (0.44%)	20 people (0.50%)
FY2022 (target values)	2 (33% reduction compared with the previous fiscal year)	6 (45% reduction compared with the previous fiscal year)	88 (30% reduction compared with the previous fiscal year)	0	31 people (0.38%) (10% reduction compared with the previous fiscal year)	18 people (0.4%) (10% reduction compared with the previous fiscal year)

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

Occupational Safety and Health Data (only Meidensha)

Item	2018*1	2019	2020	2021
Lost time accidents rate*2	1.42	0.60	0.76	0.44
Severity rate of lost time accidents*3	1.28	0.00	0.00	0.00

Item	2018*1	2019	2020	2021
Number of fatalities (cases)	1	0	0	0
Number of lost time accidents (cases)*4	6	1	1	2
Number of no lost time accidents (cases)	3	3	4	6

*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.

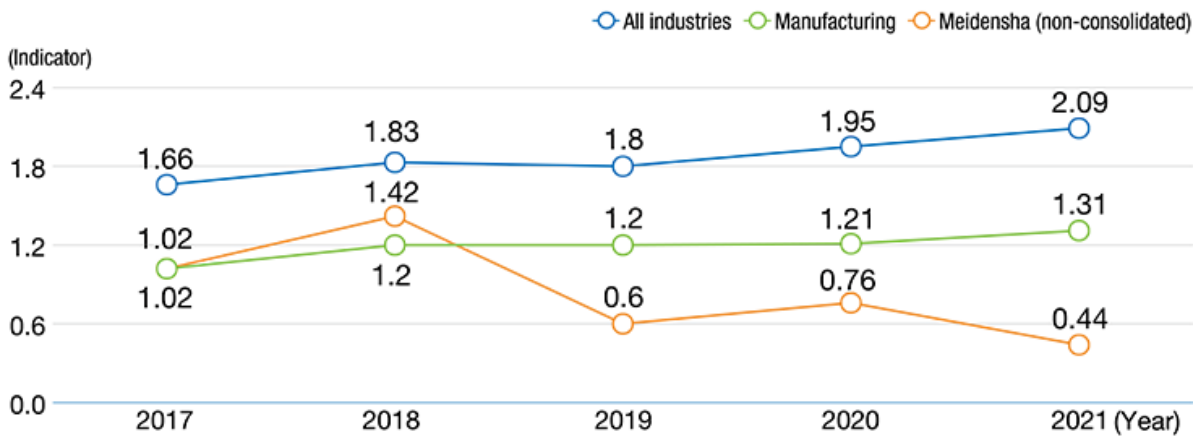
If the same person was damaged more than once, the number of casualties is calculated as the number of accidents.

*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)

Frequency rate of Industrial Accidents



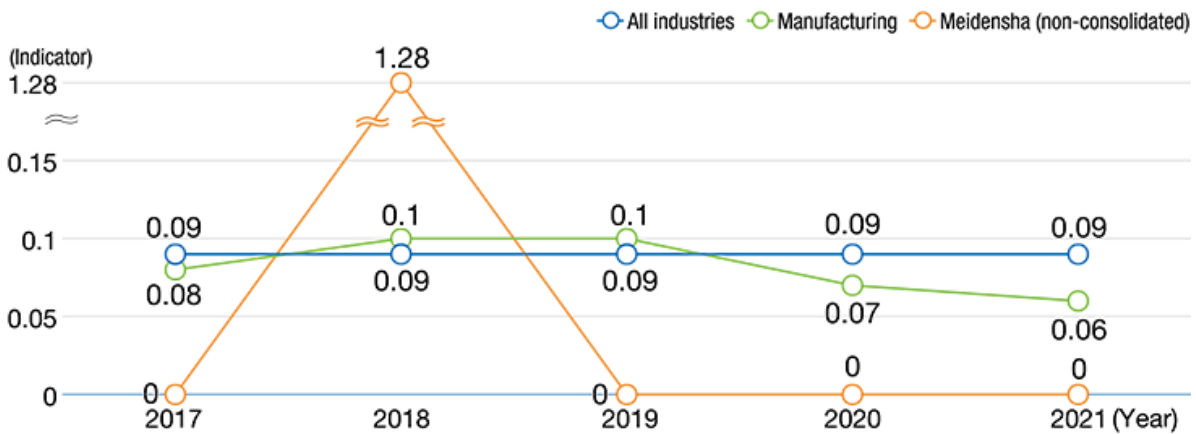
*Supplementary

Frequency rate is an indicator of the frequency of industrial accidents that result in casualty.

While severity rate indicates the intensity of industrial accidents, frequency rate expresses the number of casualties per million actual working hours.

Frequency rate = (number of casualties/total number of actual working hours) x 1,000,000

Severity rate of Industrial Accidents



*Supplementary

Severity rate is an indicator of the intensity of industrial accidents.

While frequency rate indicates the frequency of casualties, severity rate expresses the intensity of industrial accidents by using the number of days of labor loss per 1,000 total working hours.

Severity rate = (total number of days of lost work/total number of actual working hours) x 1,000

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

Item	FY2020	FY2021
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	0.77% (26 delegates/3,363 people)	0.77% (24 delegates/x4,027 people)

Health and Safety Initiatives

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 Remote Safety Patrols

As movement has been restricted due to the impact of the COVID-19 pandemic, we have been conducting remote patrols since FY2021 by using remote communication tools to connect one (patrol location) to many (sites and subsidiaries). We were able to gain many hints to improve site health and safety based on new realizations from being seen by many people and advice from many remote participants.

In FY2022, we also plan to promote remote patrols for overseas sites.

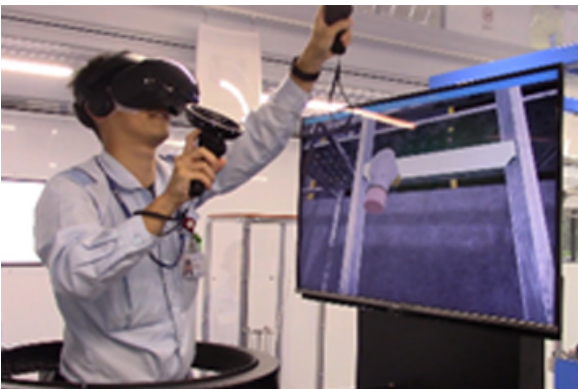


Promoting Safety Experience Education

In November 2019, we created hands-on safety experience truck no. 2 to conduct safety experience education for employees, and conducted safety experience education for production sites (Numazu, Ota, Nagoya, and Kofu). Safety experience trucks are fitted with a VR system combined with a 3 axis simulator to enable a more realistic experience of industrial accidents.

VR can also be provided outside the Company through a subscription service.

In March 2021, we newly developed Metaverse Safety Experience Education. Instructors and attendees participate as avatars (characters that indicate your presence), allowing us to recreate an education environment that is close to safety experience education conducted in real life, using the Metaverse (a virtual environment that allows free activity via the Internet by using an avatar).



Provision of a Health and Safety Portal

In October 2021, we began providing subscription services for our Safety Information Portal that utilizes the health and safety management know-how accumulated through our internal operations. It is currently possible to centrally manage and analyze health and safety information from functions such as near miss, industrial accident reports, safety patrols, risk assessment sheets, and e-Learning. By using a cloud environment, the system can be used anywhere there is an internet environment, with low initial costs by utilizing a cloud environment.

We believe that we can encourage increased safety awareness and promotion of activities by

conducting health and safety management through this service. We plan to expand the functions in the future.



Opening of the Safety Promotion Center

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.

Occupational Health and Safety Training Attendees (Only Meidensha)

Occupational Health and Safety Education Results (FY2021)

	Training outline	Number of times conducted	Number of participants
Safety experience education	Training for the purpose of increasing sensitivity to danger	As required	921
General health and safety education	Foreman education, ability development education, etc.	99	1,390

	Training outline	Number of times conducted	Number of participants
Traffic safety education	In principle, held twice each fiscal year. Held at each site	14	2,731
Danger Experience Seminars through collaboration with the Japan Industrial Safety & Health Association	Training for the purpose of increasing sensitivity to danger	11	270

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 achieve our ideal state of being "work to build a new society through integrity to the earth, society, and people, and through the power of co-creation". 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

Social Contribution expenditure

	FY2018	FY2019	FY2020	FY2021
Social Contribution Expenditure (yen)	38,000,000	60,000,000	35,000,000	27,000,000

* Social Contribution 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, conduct learning activities, etc., and maintain connections with teachers and the local community through activities with students.



Social Contribution Activities (Examples and Results of FY2021 initiatives)

Meidensha Manufacturing Classes: Teaching Children about the Joy of Manufacturing

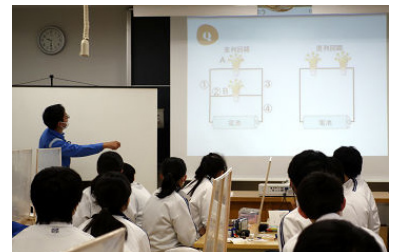
Since fiscal 2007, which was our 110th anniversary, we have held Meidensha Manufacturing Classes at elementary schools located nearby each of our sites, including Hosui Elementary School. Through these Manufacturing Classes, we will enable children to experience the joy of manufacturing by having them 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 2021, we held the classes at Iwakuni Municipal Elementary, Shinagawa Municipal Hosui Elementary school, and two municipal elementary schools in Ota City, with a total of 60 Meiden Group employees and 393 children participating in the classes.

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 2021, we conducted visiting science lectures for 277 second and third-year students at Shinagawa Municipal Osaki Junior High School and Ota Municipal Junior High School. A total of 17 Meiden Group employees served as instructors and assistants.



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 observation 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 will 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 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.

Cherry Blossom Festival at Mikawashima Water Reclamation Center

The Plant Construction & Engineering Business Group holds an event for local children, at facilities owned by a customer that is conducting construction work to install our products, as part of its local contribution activities. We will actively engage in activities that lead to regional revitalization and local exchange.



Development of Wind Generator Maintenance Personnel Through Visiting Lectures at High Schools in Akita

M WINDS Co., Ltd., which conducts operation and maintenance services for wind farms, conducted visiting lectures about maintenance of wind power generation system and the job of a chief electrical engineer at three high schools in Akita Prefecture in December 2021. These lectures were conducted for high school students as part of the Akita Prefecture Wind Generator Maintenance Personnel Education Project, with the aim of training engineers and

retaining young people in the prefecture.

During the lecture, an instructor appealed to the high school students about the attractiveness of the job, saying, "It is responsible for the safety of both engineers on site and electrical equipment. It is hard work, but very rewarding," and encouraged them to "start studying while you are in high school and aim to obtain a chief electrical engineer's license." As the movement to introduce renewable energy progresses in order to work toward the realization of a carbon-free society, there are even higher expectations for the wind power sector, and going forward, it will be important to secure and train maintenance personnel.

The M WINDS Akita Sales Office is involved with the maintenance of 18 wind turbines at the Hachiryu Wind Farm, which is owned by the Company, and eight wind turbines owned by other companies in the area. We are enhancing employing from within Akita Prefecture, and focusing on training engineers. Going forward, we will continue to contribute to the spread and stable supply of renewable energy rooted in local areas by focusing on coexistence and co-creation with local communities for business expansion.



| Creating Safety Experience Education VR Content in academic-industrial partnerships

As part of our social contribution activities through academic-industrial partnerships, MEIDEN SYSTEM SOLUTIONS CORPORATION held a curriculum to develop VR (virtual reality) content to be used in safety experience education along with students majoring in game programming at Shizuoka Institute of Technology and Industry. We proposed the project to the institute and this partnership was realized, based on the idea that there is a wide range of needs in the world for VR development, not only in the video game field, as in this safety experience education, and that we hope students learn about the concept of manufacturing in a company. On the final day of the lecture, a content developed by four students that included examples of the dangers associated with "texting while walking" was reported as a result of the project.

The Meiden Group has conducted safety experience education since 2008 to improve employees' sensitivity to danger, and since then, we have also conducted education on commission by visiting factories, worksites, etc., in response to external demand. We plan to add the content created by the students of Shizuoka Institute of Technology and Industry, where we gave the lecture, to our new VR safety experience education menu during FY2022.



Sustainability

Corporate Governance

Corporate Governance >

Risk Management >

Compliance >

Dialogues with Shareholders and Investors >

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. In addition, we revised said basic policy at the regular Board of Directors’ meeting held in July 2022, as a result of a review of the officer system to further clarify the division of roles between executive functions (executive officers) and so-called supervisory functions (directors and the Board of Directors).

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.

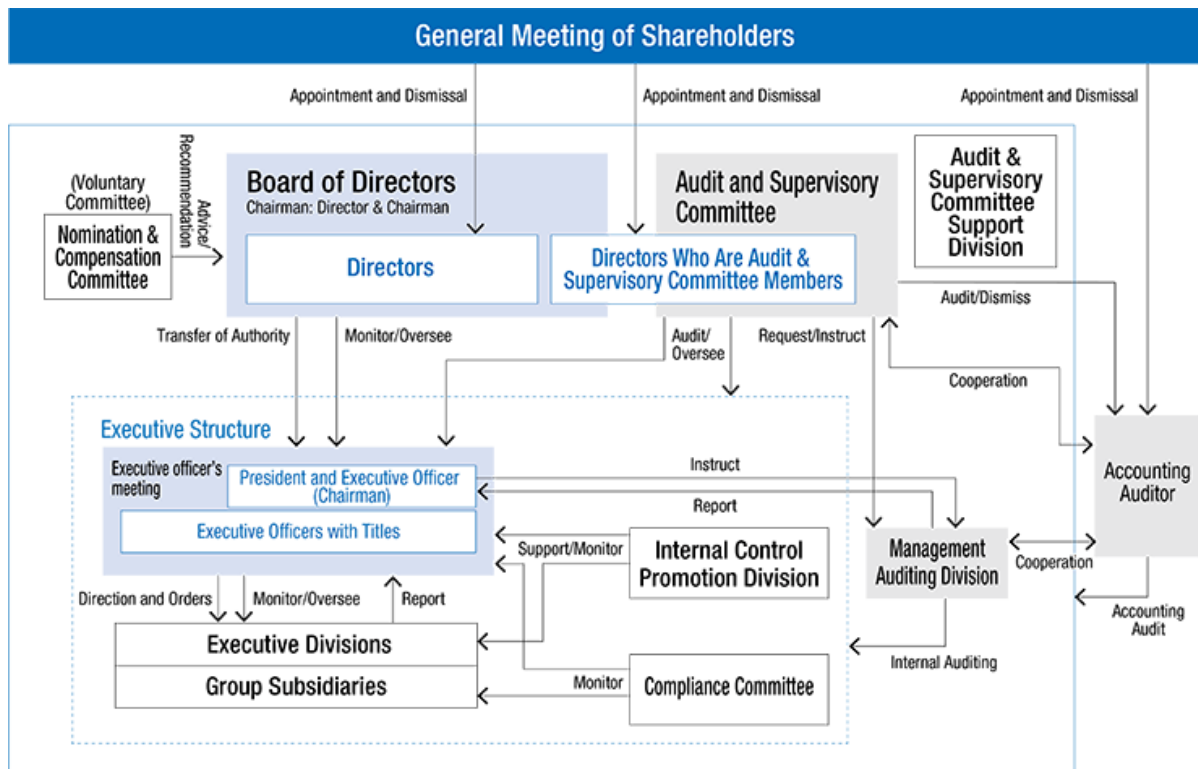
Organization and Initiatives

Corporate Governance Structure and Initiatives

We are a company with an Audit and Supervisory Committee, and we aim to further strengthen corporate governance in the following areas.

- (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 Director & President and Executive Officer (Executive Officers’ Meeting).
- (c) We aim to further promote separation of supervisory and executive functions by making changes to increase legitimacy in June 2022, and combining it with the transfer of authority mentioned in (b) through the introduction of an executive officer system in June 2003, and a system for election of executive officers who are responsible for a flexible and agile business execution system by the Board of Directors, based on the Articles of Incorporation.

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): 7 (3)
Directors (Audit & Supervisory Committee Members)	Number of directors (outside directors): 4 (3)
Number of Independent Officers	6 (3 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 2021, the Board of Directors held 13 meetings, and the attendance rate was 100% for all directors.

① Composition of Board of Directors

The Company's Board of Directors consists of 11 Directors, including four directors who are Audit & Supervisory Committee members, and six Outside Directors, including three Audit & Supervisory Committee members.

We have introduced a system to ensure that independent outside directors account for the majority of the Board of Directors since they meet the standards of the Company's Criteria for Determining the Independence of Outside Directors, ensure the effectiveness of the supervisory functions of the Board of Directors, and fully incorporate objective and independent opinions into the Company's management.

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 the Company's 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 create a directors' skill matrix, nominate 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 & 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 & 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 & Compensation Committee. The Nomination & Compensation Committee is chaired by an independent outside director and is comprised of three outside directors and five other directors who are executive officers, including the Director & Chairman and Executive Officer. Independent outside directors account for the majority of the committee.

Meidensha Report 2022 – Board of Directors & Executive Officers 

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.

Based on the Articles of Incorporation, 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 Executive Officer, 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 Officers with Titles, 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, 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 2021, 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 2022, in order to revitalize deliberations by the Board of Directors.

i Items Evaluated

Composition (scale and diversity, etc.) and operation (means of resolution, reporting, and discussion, etc.) of the Board of Directors, self-evaluations concerning effectiveness of the Board of Directors, and other issues and opinions, etc., relating to the future effectiveness of the Board of Directors

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 the course of the evaluation, we reaffirmed our intention to further increase the provision of information to outside directors with a view to strengthen the supervisory function of the Board of Directors as a monitoring-type Board of Directors, through further increased level of the agenda of the Board of Directors and promotion of separation of supervisory and executive functions.

Going forward, we will promote initiatives to further improve the effectiveness of the Board of Directors.

Composition of the Board of Directors, Nomination & Compensation Committee, and Audit & Supervisory Committee and FY2021 Attendance (Period: April 1, 2021 to March 31, 2022)

Name	Position (as of March 31, 2021)	Board of Directors	Nomination & Compensation Committee	Audit and Supervisory Committee
Yuji Hamasaki	Chairman Member of Nomination & Compensation Committee	(13 / 13) ○	(10 / 10)	—
Takeshi Miida	Representative Director, President Member of Nomination & Compensation Committee	(13 / 13)	(10 / 10)	—
Shosuke Mori	Representative Director, Executive Vice President	(13 / 13)	—	—
Norio Takekawa	Director, Senior Managing Executive Officer	(13 / 13)	—	—
Nobuaki Tamaki	Director, Senior Managing Executive Officer	(13 / 13)	—	—
Masayuki Iwao	Director, Senior Managing Executive Officer	(10 / 10)	—	—
Tatsuki Mochizuki	Director, Senior Managing Executive Officer	(10 / 10)	—	—
Hiroyuki Takenaka	Outside Director Member of Nomination & Compensation Committee	(13 / 13)	(10 / 10) ○	—

Junji Yasui	Outside Director Member of Nomination & Compensation Committee	(13 / 13)	(2 / 2)	—
Tadayoshi Machimura	Director (Standing Audit & Supervisory Committee Member)	(13 / 13)	—	(17 / 17) ○
Michihiko Kato	Director (Standing Audit & Supervisory Committee Member)	(10 / 10)	—	(14 / 14)
Yoshiaki Shin	Outside Director (Audit & Supervisory Committee Member) Member of Nomination & Compensation Committee	(13 / 13)	(8 / 8)	(17 / 17)
Mitsuru Nawata	Outside Director (Audit & Supervisory Committee Member)	(13 / 13)	—	(17 / 17)
Keiko Hayashi	Outside Director (Audit & Supervisory Committee Member)	(13 / 13)	—	(17 / 17)

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 2021, we conducted training by outside instructors, relating to caution concerning entertainment of public servants, 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 hold explanatory meetings for outside directors, presented by Executive Officers with Titles, 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 Beyond the Board of Directors' Agenda

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

(4) Participation of Outside Directors in Board of Directors' Meetings

i Participation in the agenda

Our outside directors have diverse management experience and areas of specialization, understand the content of the proposals put before the Board of Directors from a variety of perspectives when said matters are explained in advance, and attend Board of Directors' meetings having checked any unclear points in advance.

At Board of Directors' meetings, multifaceted discussion occurs, based on the broad perspective of managers, the knowledge of technicians, and the high-level specialization of experts, etc. Outside directors participate in deliberations by actively making statements, etc., in particular concerning policies and measures to deal with risks, and cautions when monitoring, etc.

Outside directors also contribute to strengthening of the supervisory function of the Board of

Directors, such as by participating in matters concerning medium-term management plans from the consideration stage, making resolutions as part of the Board of Directors having shared the Company's goal and issues, and making statements concerning said plans at Board of Directors' meetings at any time.

ii Participation in management

In the course of evaluating deliberations and effectiveness of the Board of Directors, outside directors' opinions are heard with regard to matters that require priority monitoring by the Board of Directors and matters that require strengthening of systems, etc., which improves the agenda-setting and operation of the Board of Directors.

As we change our institutional design to that of a company with an Audit & Supervisory Committee, and transition to a monitoring-type Board of Directors, outside directors determine matters that should be discussed and resolved by the Board of Directors, as well as authority that should be transferred to the Executive Officers' Meeting and executive officers, and promote separation of supervisory and executive functions. They express opinions concerning matters that require priority monitoring in the course of business execution based on their diverse experience and knowledge.

Based on these opinions, they create a yearly schedule for the Board of Directors, create a cycle to systematically monitor the entire company, and contribute to the drafting of the Board of Directors Rules and improvement of operations.

(5) 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 four 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 at the Annual General Meeting of Shareholders. 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(Executive Officers' Meeting) and the status of the governance that guarantees it, in addition to auditing activities, and by further strengthening cooperation with outside directors, etc.

(6) Internal Auditing System

i Organization

We have established the Internal Auditing Division (14 members as of March 31, 2022). The Internal Auditing Division is independent from other executive lines, and 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 as an organization under the direct jurisdiction of the Director & President and Executive Officer.

With regard to internal control, the Internal Control Promotion Division is the specialized division that establishes risk management systems that integrate the entire group, promotes enhancement of internal control systems, and ensures complete internal control functions through joint monitoring of internal control systems by the Audit & Supervisory Committee and the Internal Auditing Division.

ii Method of audits

In FY2021, internal audits were mainly conducted by two methods. Meidensha is transitioning from our previous rotating audits to a risk-based approach. We conducted risk-based audits at 17 business units, which comprehensively covered risks based on major risks facing all companies confirmed by the Risk Management Committee, and prioritized high-risk areas. In FY2022, in addition to major risks facing all companies, the Internal Auditing Division will evaluate risks from multiple perspectives, select and audit auditing targets in consideration of this.

At subsidiaries, we conducted new standardized audits using audit standardization tools at one Japanese subsidiary and 14 overseas subsidiaries to improve the comprehensiveness of risks in audits.

(7) 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) Our Board of Directors has established the Corporate Policy Planning Group, the Integrated Sales Group, and the Internal Control Promotion Division as group-wide management organizations, and created a system for each Group company to report to the Company.
- (2) There is a system to dispatch general officers or non-standing officers from the Company to Group companies to oversee the operations of said Group companies.
- (3) The Company 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 2021

The Group Company Internal Control Committee meets twice yearly. It shared the top risks facing the Group and the progress of each company's risk management, and started conducting risk management education and instruction for each business unit of overseas subsidiaries.

At the settlement and business plan reporting sessions in Japan and the overseas strategy meetings overseas, we worked to continue to establish the discussion and reporting system for subsidiaries, which requires reporting of business issues, etc., and based on this, provides an opportunity to share the main risks faced by each subsidiary, and consider and thoroughly implement measures. In addition, at the Internal Auditing Department we incorporated standardized audits that comprehensively evaluate standard tasks, and conducted internal audits at one Japanese subsidiary and 14 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 & 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 & 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.

FY2021 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)	285	195	89	9
Outside directors (excluding Audit & Supervisory Committee members)	19	19	-	2
Directors who are Audit and Supervisory Committee	53	53	-	3

members (excluding Outside Directors)				
Outside directors who are Audit & Supervisory Committee members	25	25	-	3
Total	383	293	89	17

Note 1. The above number of people entitled to compensation includes two directors who retired at the conclusion of the 157th Annual General Meeting of Shareholders held on June 24, 2021 (excluding Audit & Supervisory Committee members), and one director who is an Audit & Supervisory Committee member.

Board of Directors & Executive Officers as of July, 2022

Directors

Directors



Yuji Hamasaki

Director & Chairman and Executive Officer
Nomination & Compensation Committee Member

Reason for Selection and Expected Role

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.

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.

Career Summary

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
June 2019 – Outside director of JVCKENWOOD Corporation
June 2022 to present – Chairman and executive officer of Meidensha



Takeshi Miida

Representative Director & President and Executive Officer
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

June 2022 to present – President and executive officer



Norio Takekawa

Representative Director & Executive Vice President and 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 is responsible for integrating all technology and production.

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

April 2022 – Director & executive vice president

June 2022 to present – Executive vice president and executive officer



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 is responsible for all corporate governance, and promotion of digital transformation, diversity, and inclusion 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
April 2022 to present – Senior managing executive officer in charge of the HR
and General Affairs Headquarters



Hiroyuki Takenaka

Outside Director

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 & 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 – Outside Director of Meidensha



Yoshiaki Shin

Director (outside director)
Nomination & Compensation Committee Member

Reason for Selection and Expected Role

To this point, Yoshiaki Shin has used his extensive management experience and wide-ranging knowledge to make solid contributions to auditing and supervisory functions as a director who is an Audit & Supervisory Committee member. 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

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 Audit & Supervisory Board Member of Meidensha

June 2012 – Director of DSB Co., Ltd.

April 2014 to present – Senior advisor to Mitsui Sumitomo Insurance Co., Ltd.

June 2020 – Director (Audit & Supervisory Committee member) of Meidensha

April 2021 to present – Honorary consultant at Mitsui Sumitomo Insurance Co., Ltd.

June 2022 to present – Outside director of Meidensha



Hiroji Adachi

Outside director

Reason for Selection and Expected Role

Hiroji Adachi possesses extensive management experience, broad insight, and wide-ranging views and knowledge gained through initiatives to promote digital transformation, etc. 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 reflecting the aforementioned experience and knowledge at meetings of Meidensha's Board of Directors.

Career Summary

April 2008 – Executive officer of Nippon Oil Corporation

June 2012 – Managing executive officer of JX Holdings, Inc. (currently ENEOS Holdings, Inc.)

June 2014 – Outside director of Toho Titanium Co., Ltd.
June 2015 – Director and managing executive officer of JX Holdings, Inc.
Outside director of INPEX Corporation
Outside director of Maruwn Corporation
April 2020 – Director, managing executive officer, and chief digital officer of ENEOS Holdings, Inc.
June 2020 – Director, executive vice president, executive officer, and chief digital officer of ENEOS Holdings, Inc.
Director, executive vice president, executive officer, chief digital officer, and assistant president of ENEOS Corporation
June 2021 –Trustee of ENEOS Holdings, Inc.
June 2022 to present – Outside director of 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.

He has been selected 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)



Keiko Hayashi

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

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

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

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

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

June 2019 - Deloitte Tohmatsu Group D&I committee advisor

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

June 2020 – Outside director of Lifenet Insurance Company

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

July 2020 to present – Principal of Keiko Hayashi Accounting Office

February 2021 to present – Outside auditor of Nippon Filcon Co., Ltd.

March 2021 to present – Supervising officer of Nippon Building Fund Inc.

June 2021 to present – Outside director (Audit & Supervisory Committee member) of Lifenet Insurance Company



Takashi Kuroda

Director and Audit & Supervisory Committee Member (Outside Director)

Reason for Selection and Expected Role

Takashi Kuroda has extensive management experience and broad insight spanning many years, and has gained wide-ranging views and knowledge through marketing. 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 2009 – Executive officer and general manager of the Chubu Headquarters of Mitsui Sumitomo Insurance Co., Ltd.

April 2011 – Managing executive officer and general manager of the Tokyo Corporate Headquarters of Mitsui Sumitomo Insurance Co., Ltd.

April 2014 – Senior managing executive officer and general manager in charge of the Tokyo Stock Exchange First Division of Mitsui Sumitomo Insurance Co., Ltd.

April 2015 – Director, senior managing executive officer, and general manager in charge loss support of Mitsui Sumitomo Insurance Co., Ltd.

April 2018 – Director and executive vice president of Mitsui Sumitomo Insurance Co., Ltd. Director and executive officer of MS & AD Insurance Group Holdings, Inc.

April 2020 – Director of MS & AD Insurance Group Holdings, Inc.

Representative director and president of Mitsui Sumitomo Agency Service Co., Ltd.

April 2021 to present – Outside Audit & Supervisory Board member of Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

April 2022 to present – Outside director (Audit & Supervisory Committee member) of Meidensha



Hideki Hiraki

Director and Audit & Supervisory Committee Member (outside director)

Reason for Selection and Expected Role

Hideki Hiraki has extensive management experience and broad insight spanning many years, and has gained wide-ranging views and knowledge through CSR and ESG. 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

	<p>June 2009 – Executive officer and general manager of the integrated risk division of The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)</p> <p>April 2011 – Executive Managing Officer of The Sumitomo Trust and Banking Co., Ltd.</p> <p>April 2015 – Senior managing executive officer of Sumitomo Mitsui Trust Bank, Limited</p> <p>April 2017 – Director and president of Sumitomo Mitsui Trust Asset Management Co., Ltd.</p> <p>October 2018 – Director and chairman of Sumitomo Mitsui Trust Asset Management Co., Ltd.</p> <p>April 2020 – Audit & Supervisory Board member of Sumitomo Mitsui Trust Guarantee Co., Ltd.</p> <p>April 2022 to present – Outside director (Audit & Supervisory Committee member) of Meidensha</p>
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Executive Officers

Chairman and Senior Officer	Yuji Hamasaki
President and Executive Officer	Takeshi Miida
Executive Vice President and Executive Officer	Norio Takekawa
Senior Managing Executive Officer	<p>Masayuki Iwao</p> <p>Nobuaki Tamaki</p> <p>Tatsuki Mochizuki</p> <p>Masahiko Suzuki</p> <p>Akio Inoue</p>
Managing Executive Officer	<p>Hiroshi Toke</p> <p>Satoshi Momenya</p> <p>Hideki Miyazawa</p> <p>Akio Ikemori</p> <p>Katsuyuki Watanabe</p> <p>Koji Niikura</p>

**Executive
Officer**

Noritaka Matsushita
Hisahiro Murashima
Norio Mizutani
Takeo Suzuki
Katsunori Suzuki
Munekazu Shiratori
Kuniteru Yamaoka
Seiji Kato
Kazuhiro Yamada
Nobuya Ono
Hiroshi Takahata
Katsumi Shimamura
Takehisa Koganezawa
Ko Yamamoto
Yasuhiro Yoshino
Masami Ogawa

Risk Management

Policy

Basic Approach

As global conditions change on a daily basis, geopolitical complexity and uncertainty are increasing. In these conditions, we must broadly and precisely understand various business risks that may manifest in the future and ensure that we address them in order to guide our business strategy to success and increase corporate value.

The Meiden Group believes that it is necessary to understand major business risks faced by the whole group, and build a system to control risks for all companies in an integrated manner, through discussion by management (ERM = Enterprise Risk Management).

In addition to regular risk management, we also have an integrated system for managing and responding to business continuity risks due to accidents or disasters, etc., (BCM = Business Continuity Management) and aim for a system that is able to respond to constantly changing risks during regular operation and emergencies.

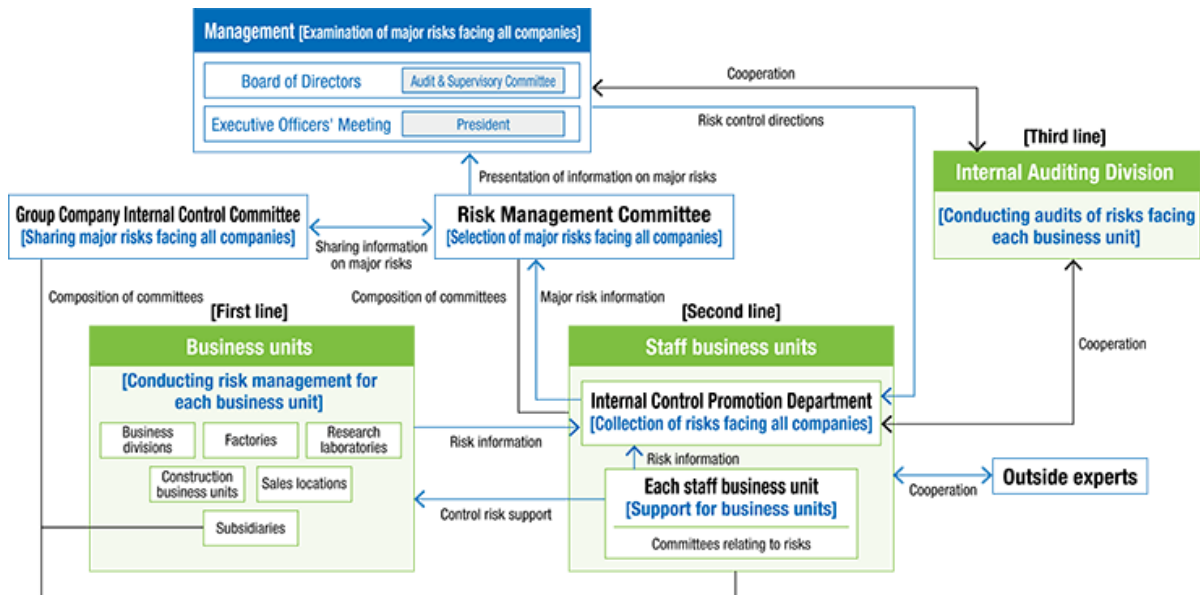
Risk Management Structure

The Meiden Group is building a risk management system using the following three-line model. Business units, including factories and subsidiaries (Line 1) are introducing a risk control self-assessment (CSA) system for each business unit to identify, assess, and control, risks facing their own business unit, while staff business units (Line 2) support the risk control of Line 1. The Internal Auditing Department (Line 3) conducts regular audits, and verifies that the Line 1 CSA cycle and the Line 2 support functions are operating effectively.

The status of CSA ascertained through these internal audits is reported to the Executive officer's meeting, the Board of Directors, and responsible managers, as appropriate.

The Internal Control Promotion Department, collects risk information gathered through CSA and risk information for which Line 2 is responsible, collates major all-company risks to be discussed by management, and presents such to management after deliberation by the Risk Management Committee. Management is involved in the deliberation and determination of major all-company risks through this system.

The Group Governance Internal Control Committee convenes twice each year to improve Group governance. It receives reports of the CSA status of each company and shares information concerning major risks faced by the entire Group.



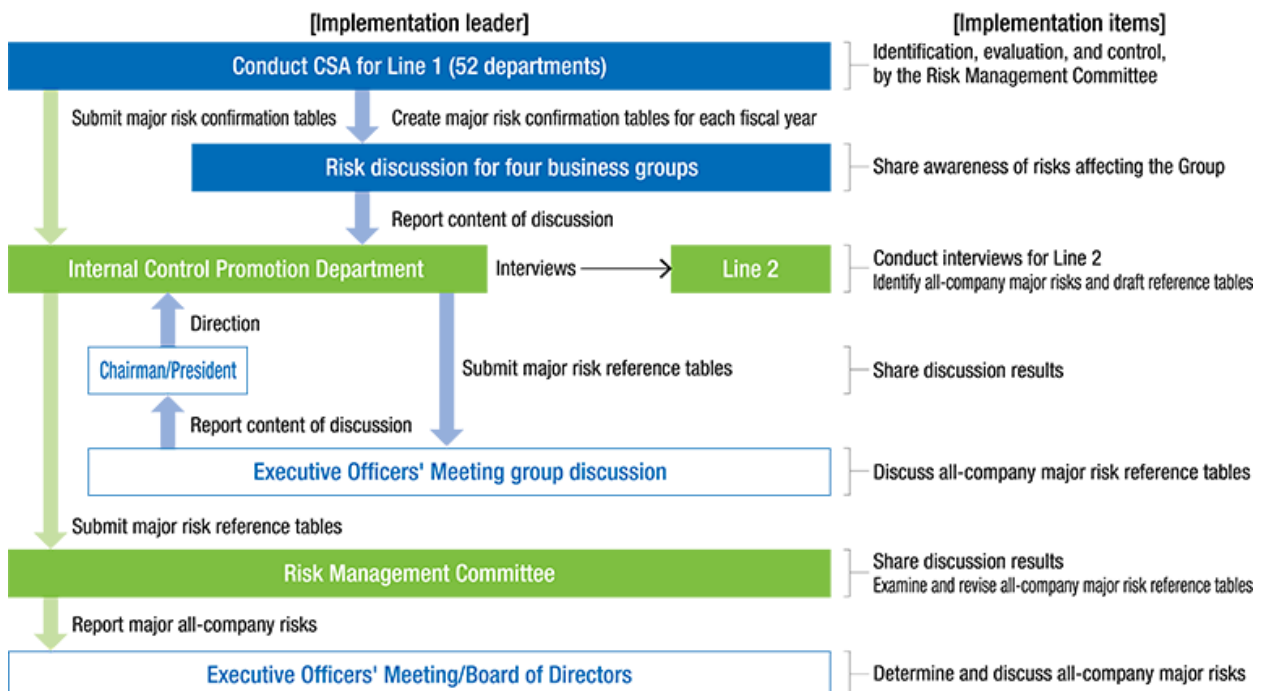
Operation of the Risk Management Committee

The Risk Management Committee is chaired by the Director, Senior Managing Executive Officer. Key members of the Headquarters Staff Business Unit scrutinize the Meiden Group's major business risks that have been identified by the Internal Control Promotion Department and debate response policies each half.

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

The Risk Management Committee is clearly independent from the Audit and Supervisory Committee.

Risk Management Structure



Major Risks from Business Activities

The Meiden Group stipulates major business risks to the entire Meiden Group, including in relation to ESG, through regular discussion among managers according to systems such as those listed above. As a result of the above discussion among managers, risks that could have a serious impact on the decisions of investors are as follows.

Major Risks Facing the Group

Ranking	Risk	Risk assessment					Comparison with previous year's assessment
		Impact	Likelihood	Speed of materialization	Effectiveness of response	Likelihood of harm to brand	
1	Environmental regulations/climate change	Large	High	Normal	Effective	High	➡
2	Inadequate procurement management	Large	High	Somewhat fast	Somewhat effective	Somewhat high	➡
3	Inadequate labor management	Large	Medium	Normal	Somewhat effective	High	➡
4	Occurrence of industrial accident	Large	Medium	Extremely fast	Somewhat effective	Somewhat high	➡
5	Reduced quality	Large	High	Fast	Somewhat effective	Normal	➡
6	Insufficient internal information management	Large	Medium	Extremely fast	Effective	Somewhat high	➡
7	Outbreak of a pandemic	Large	High	Somewhat fast	Effective	Normal	➡
8	Insufficient awareness or responsiveness to changes in market conditions	Large	High	Normal	Effective	Normal	➡
9	Occurrence of a natural disaster	Large	Medium	Extremely fast	Somewhat effective	Normal	➡
10	Insufficient personnel	Large	High	Somewhat slow	Somewhat effective	Normal	➡
11	Disguising quality or iniquitous inspection	Large	Low	Fast	Somewhat effective	High	➡
12	Inadequate cyber measures	Large	Medium	Extremely fast	Effective	Normal	➡
13	Breach of Antimonopoly Act or	Large	Low	Extremely fast	Effective	High	➡

	bribery						
14	Falsified financial reports	Large	Low	Somewhat fast	Somewhat effective	High	➡
15	Breach of Construction Business Act	Large	Low	Somewhat fast	Somewhat effective	High	➡
16	Changes in the global economy, politics, society	Large	Low	Extremely fast	Normal	Somewhat high	➡
17	Incomplete control of overseas subsidiaries	Large	Low	Extremely fast	Somewhat effective	Somewhat high	➡
18	Reduced ability to cater to customers	Large	Low	Extremely fast	Normal	Normal	➡
19	Incomplete control of Japanese subsidiaries	Large	Low	Somewhat slow	Somewhat effective	Somewhat high	➡
20	Loss of investment	Large	Low	Somewhat fast	Normal	Normal	➡

Note: Risk assessment is an independent analysis of the various risks faced by the Group rather than a general risk assessment.

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 officer's 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.

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.

- (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 2024 Initiatives

We will promote the Medium-term Management Plan 2024, 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

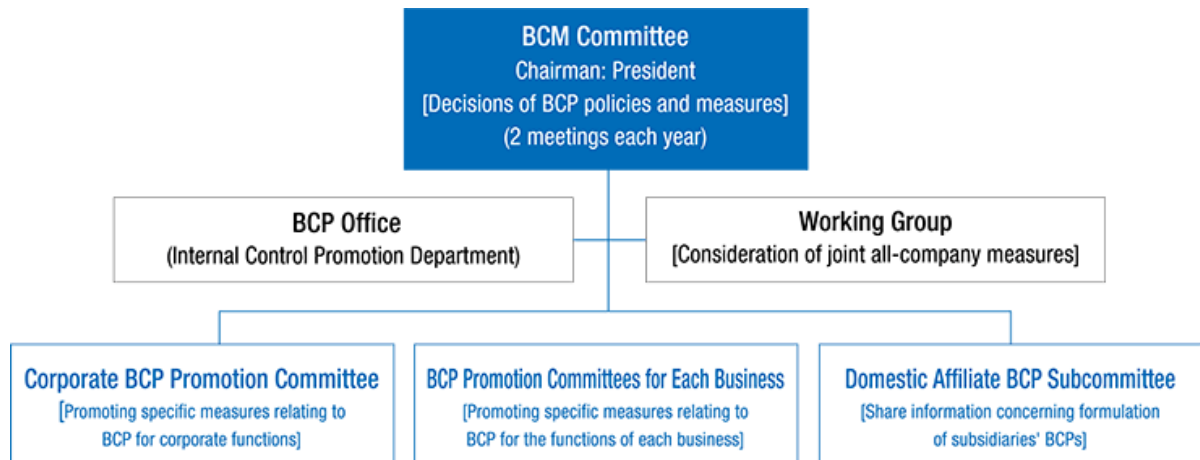
● Improving corporate and organizational resilience

- 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.

Second Natural Disaster Response Headquarters Training

On February 14, 2022, we conducted natural disaster response headquarters training in order to verify the effectiveness of BCPs that have been created. The training checked cooperation between members of business units, responding business units, and remote sites, focusing on the initial response after an earthquake directly under Tokyo. Some staff were requested to participate in the training remotely in consideration of measures to combat COVID-19 and people working from home due to future work-style reform, it was conducted with a hybrid in-person and remote model.

We will revise BCPs in light of the various issues identified during the training.



Training in progress (headquarters)



Training in progress (Osaki R&D Center and Numazu Works)

Establishment of Resilience Lab Co., Ltd.

In August 2021, we established Resilience Lab Co., Ltd. as a new startup company, with the aim of using our disaster prevention and BCP initiatives to give back to society and local communities and strengthen all of society's resilience to disasters. Resilience Lab Co., Ltd. was selected by the Ministry of Economy, Trade and Industry for the 2021 Temporary-Secondment Start-Ups Businesses, etc., and this initiative has been watched and admired by public institutions that aim to promote self-sufficiency, mutual reliance, and public assistance. Although only one year has passed since Resilience Lab Co., Ltd. was established, it was awarded "excellent" by the Japan Resilience Award 2022, granted by the Association for Resilience Japan, which was established to implement national resilience policies, and the 2022 Disaster Prevention and Mitigation x Sustainability Award and Disaster Prevention and Mitigation x SDGs Award Solution Category Community Award, granted by the Society for Sustainable Mitigation and Related Technologies Against Catastrophic Events.



Resilience Lab Co., Ltd. website



Japan Resilience Award 2022 Award Ceremony

[Resilience Lab Co., Ltd.](#) 

Employee Education on Disaster Prevention and BCP

We conduct ongoing employee education in disaster prevention and BCP for each level of employment. In fiscal 2021, we conducted education for new employees and mid-career hires. We also conducted video education concerning disaster response tools and conducted wide-ranging education such as education for BCP managers of Group companies. Every year, we conduct disaster prevention drills at each works. We conducted BCP education for all employees working in the Numazu area at the disaster prevention drills held at Numazu Works in December 2021.



Video education concerning disaster response tools held at Numazu Works



New employee education (held online)

External Communication of Information

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

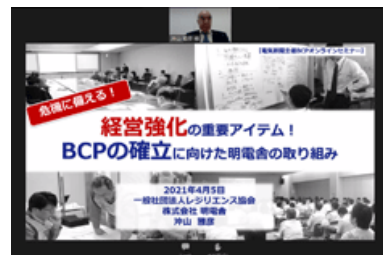
At presentations, we mainly introduce examples of our actual initiatives, and try to make presentations useful for participating companies to their implement activities.



Presentation at Numazu Chamber of Commerce and Industry



Presentation at Mishima Chamber of Commerce and Industry



BCP online seminar held by The Denki Shimbun

Exhibit at Bosai Kokutai 2021

Meidensha and Resilience Lab Co., Ltd. jointly presented an exhibit at Bosai Kokutai 2021, held by the Cabinet Office in Kamaishi City, Iwate Prefecture on November 6 and 7, 2021. The booth introduced Meidensha's BCP products and Resilience Lab Co., Ltd.'s initiatives, and we were able to promote ourselves to more than 120 visitors over the two days.



Venue: Kamaishi Civic Hall TETTO



Exhibition booth

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 encouraging awareness of preventing infection (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 has reduced the impact on business activities by continuing operation of all factories in Japan in accordance with the guidelines.

Furthermore, we 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. As COVID-19 remains a difficult issue, we will promote new work styles through greater use of Internet communication tools.

Corresponding to COVID-19 infection >

Policy

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

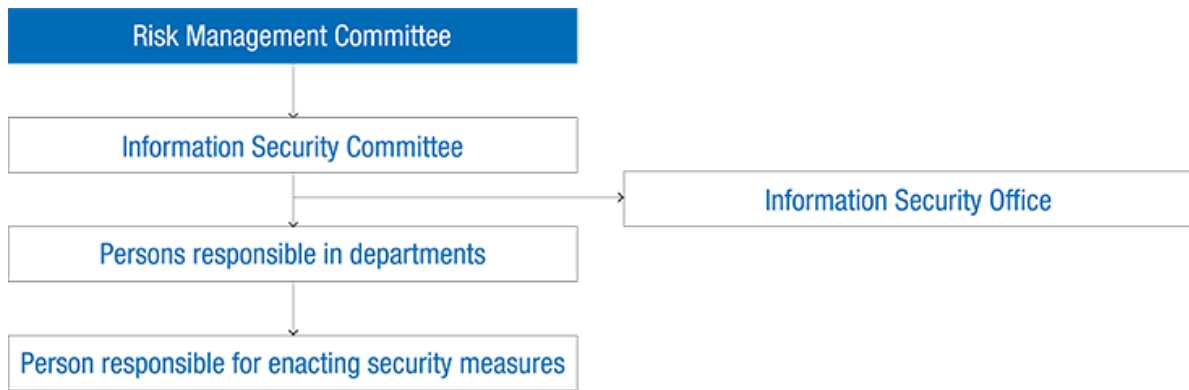
by laws and regulations, obligations imposed by agreements, this policy, and internal management regulations relating to information security.

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 2021, 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 2021, we conducted e-learning concerning “information security threats based on examples.” The e-learning was attended by 90% of employees with materials sent to those who were unable to attend online.

We continue to conduct suspicious email drills as education about cyber attacks such as targeted email attacks.

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 will continue to roll 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. Since fiscal 2021, we have utilized IPA’s Security Action, encouraged business partners(suppliers)to obtain stars (logo) to indicate levels of information security measures, and commenced activities to visualize evaluations.

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

Meidensha has enhanced and constructed a compliance promotion framework that is an important pillar of risk management, by integrating the Legal Affairs Division and the Enterprise Risk Management Division into the Governance Headquarters in April 2022. The Legal Affairs Division is the office responsible for the Compliance Committee, which is chaired by the member responsible for compliance, and convenes twice each year to determine compliance action plans.

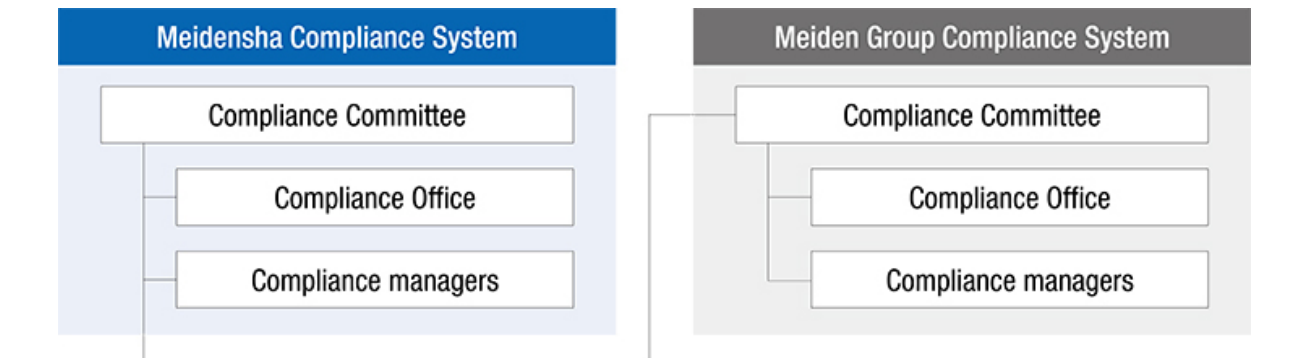
Based on these action plans, staff business units conduct compliance education for all Group companies, led by the Legal Affairs Division, and work to deal with matters relating to compliance notices, and resolve the various legal issues that may arise. These compliance-related activities are reported to the standing Compliance Committee, and the content is reported to management.

Each workplace has a compliance manager, who reports matters being discussed at the workplace and issues that have been discovered that relate to compliance, to the Legal Affairs Division. The Compliance Committee shares information reported to it with compliance managers through compliance training, etc. This strengthens communication and reporting systems.

Each Japanese company in the Meiden Group has a similar compliance committee and compliance manager system to Meidensha. In fiscal 2021, the Meidensha Legal Affairs Division re-assured each company to be thorough in compliance with the Antimonopoly Act, and conducted focused education relating to preventing corruption. We also started conducting a survey of overseas Group companies and promoted ongoing implementation of internal control

initiatives such as promoting understanding of on-the-ground conditions of compliance systems at each company.

Compliance System



Whistleblower System on Compliance

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

The internal whistleblower system includes the internal reporting system (Compliance Hotline) dealing with a broad range of compliance issues including breaches of laws such as the Antimonopoly Act, breaches of general anti-corruption regulations such as those dealing with bribery, other breaches of internal or external rules, and labor problems and the Harassment Consultation Hotline, which is specifically designed to deal with harassment. The External Hotline is a hotline operated by outside lawyers for early detection and rectification of unlawful acts, etc. Furthermore, we have also established a supplier-specific whistleblower hotline in fiscal 2018.

In fiscal 2021, we proceeded with revision and reform of regulations and systems, such as making our whistleblower systems clearer and further strengthening protection of whistleblowers, in line with the enforcement of the amended Whistleblower Protection Act. The external hotline (Compliance Hotline) enables employees to lodge reports using a dedicated email address. The external hotline is handled by a law firm, and may be used by employees of the Meiden Group (including retirees), temporary staff and subcontractors, and suppliers.

These internal and external systems can both be used anonymously, and accept a wide range of reports.

The Legal Affairs Division works with relevant departments to investigate reports that are brought to the external hotline 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 2021, the Meiden Group received 52 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. Compliance breaches that are detected internally, such as illegal or inappropriate activities, 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 cases 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 Meiden Group conducts compliance training every year, in order to maintain and improve awareness of compliance and internal control systems while collecting opinions from workplaces. In fiscal 2021, we conducted individual training online for locations around Japan, and there were a total 1,711 participants in the Group. At this training, in addition to making reports concerning the status of compliance activities to employees of each company in the Meiden Group, such as compliance managers, we conducted education concerning the Antimonopoly Act, the Subcontract Act, harassment, and environmental laws.

We also conducted individual presentations on compliance as part of training for each level of new staff, leaders, and managers of each Group company.



Compliance Training

Human rights education for officers and employees >

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, which includes bribery. The principles were revised in 2020. 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 revised the Meiden Group Corporate Code of Conduct in 2022 in consideration of sustainability management, and is increasing awareness of employees with regard to compliance with laws and other social norms and contributing to the realization of a sustainable society. We are educating Meiden Group employees around the world by compiling this code of conduct in addition to the corporate philosophy system and guidance into a booklet in three languages (Japanese, English and Chinese). Furthermore, we are broadly expanding our compliance education activities such as by releasing the Meiden Group Bribery Prevention Policy and the Guidelines for the Meiden Group Bribery Prevention Policy in the same three languages. These regulations and policies are available on the Group-common web portal.

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

[Bribery Prevention Policy \(PDF:440KB\) !\[\]\(c694a3ff3b077d76910920a6a1593ab4_img.jpg\)](#)

| Officer Training

Meidensha conducts training for officers of the executive officer level or above, with a focus on compliance with the Antimonopoly Act. In fiscal 2021, we conducted training administered by outside instructors with the theme of “preventing corruption in Japan.”

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.

* OECD : Organization for Economic Co-operation and Development

Compliance Data

| FY2021 Breaches of the Law, etc., in Japan and Overseas (Whole Meiden Group)

- Incidents concerning Japanese laws, etc., such as an order to cease and desist from the Fair Trade Commission, etc.: NA
- Incidents concerning foreign laws, etc., such as exposure of pricing cartels, etc.: NA
- Incidents concerning corruption, such as acceptance of bribes: NA

| Consultations and Reports Through the Compliance Hotline

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

	Unit	FY2019	FY2020	FY2021
Number of consultations and reports	Cases	47	53	52

* Includes incidents at subsidiaries referred through the Meidensha Hotline.

Compliance-Related Training

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

		Unit	FY2019	FY2020	FY2021
Compliance Training		Times	30	11	11
		Participants	—	1,338	1,711
Education by level (compliance presentations)	New staff education	Participants	—	213	275
	Leader training	Participants	—	110	110
	New manager training level 1	Participants	—	90	92
Training for overseas management candidates (compliance presentations)		Participants	—	10	10

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

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.

Initiatives

Results Briefings

We hold results briefings twice a year in May and October. In fiscal 2021, 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 business day, instead of holding in-person briefings, in order to prevent the spread of Novel Coronavirus disease (COVID-19).

ESG Briefing

We held our first ESG briefing in November 2021. Our first briefing was titled "Initiatives to become a sustainability partner," and broadly introduced our vision and initiatives relating to ESG, as well as our newly established non-financial indicators, etc. We are pleased that 68 analysts and institutional investors participated. It was an opportunity to deepen understanding of Meidensha's ESG vision and initiatives through Q&A sessions with President Miida.

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 January 2022, we conducted a briefing by President Miida with the

theme of “strategy and outlook of the Field Engineering Business.” The meeting was attended by 10 analysts.

Main IR Activities in Fiscal 2021

Individual Sessions	Number
Domestic Investors	127
Overseas Investors	31
Total	158

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.

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 2021 are as follows.

- Impact of increase in cost of materials, parts, and logistics, and impact of geopolitical risks
- Positive situation and sustainability of the Water Infrastructure Business
- View of the future outlook and capital investment of the EV Business
- Measures for improved profitability of overseas businesses and a timeline for achievement
- Policies relating to cross-shareholdings and anti-takeover 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.

Corresponding to COVID-19 infection

We express our deepest sympathy to all those who have been affected by COVID-19. We would also like to express our deepest respect and heartfelt gratitude to all those involved, including the medical community and government agencies, who are working on the front lines to prevent the spread of the disease around the world.

The Meiden Group places the highest priority on the health and safety of our employees, their families, local residents, customers and our business partners, and is implementing infectious disease countermeasures based on government policy. We will also strive to provide products and services that support new working styles and lifestyles.

Policy

The Meiden Group Policy on Countermeasures Against COVID-19

Aiming at the transition to “new normal” that balances infection prevention and economic activities, we will continue to contribute to society by maintaining the health of our employees and enhancing corporate value, in order to provide safety and joy to our customers and irreplaceable days for people beyond.

1. Towards the establishment of a style in line with new normal

- In addition to COVID-19 measures, selection of work styles that increase efficiency for each sector by considering efficiency
- Construction of offices and production lines that avoids three Cs (Closed spaces, Crowded places and Close-contact settings)
- Promotion of environmental improvements for new work styles

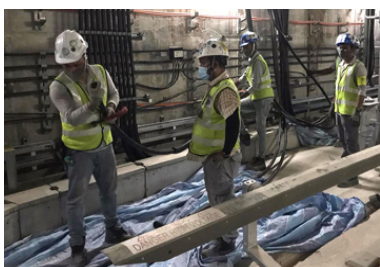
2. Improving the “Ability to Connect” and “Ability to Communicate” in Our Way

- In addition to in-person communication, promoting remote business negotiations and meetings to increase productivity
- Create new business opportunities by utilizing the time created by reduced travel

Initiatives to Business Continuity

Corresponding to Production, Services, and Headquarters Functions

Amidst declared states of emergency and lockdowns conditions, we have continued our efforts to give full consideration to the health and safety of our employees in accordance with the directions and requirements of government in each country. At each of our locations, we utilize remote work from home, and strive to meet the new needs of our customers, such as: For operations such as production, plant construction, maintenance and service that require employees to come to the work site, we promoted construction work thoroughly implementing infection control measures in accordance with domestic and international standards, conducted remote technical supports and safety patrols, and conducted pre-shipment product inspections remotely, which used to require clients to come to our factory.



Construction progress with infection control measures in place



Remote pre-shipment product inspection



Management of physical condition of workers entering the site (temperature check)

Initiatives to Corresponding Rapidly to Changes in Client Needs

May 24, 2022

Achievement of non-contact, hands-on safety education through development of Metaverse hands-on safety education 

September 29, 2021

Centralized management of industrial safety information via the cloud: Provision of the subscription-basis safety information portal site 

May 19, 2021

Commencement of Research and Development of a Real-Time Sewerage Monitoring System to Realize a Society Adapted to Infectious Diseases: Adopted by MLIT as applied research in fiscal 2021 (Only available in Japanese) 

March 9, 2021

Meiden System Solutions starts operation of Japan's first online bidding system at wholesale flower market in Osaka amid coronavirus pandemic >

February 25, 2021

Online Seminar: Third Meiden Group Safety Initiative (Measures to Control the COVID-19 infection)(Only available in japanese) >

January 21, 2021

Commenced Sales of VR Safety Experiential Training Content on a Subscription Basis(Only available in japanese) >

November 4, 2020

An approach to preventing novel coronavirus infections Free-address seat reservation system introduced to Meiden offices >

Sustainability

Evaluations from External Bodies

Status of incorporation of the ESG Index* (as of September 2022)

* 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.



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.



FTSE Blossom Japan

FTSE Blossom Japan Sector Relative Index

The FTSE Blossom Japan Sector Relative Index is an index that reflects the performance of Japanese companies with relatively higher environmental, social and governance (ESG) responses in each sector and is designed to be sector-neutral. This index has been highly rated for its stance relating to business risks and opportunities relating to climate change focusing on ESG evaluation, and its ESG metrics are employed by the Government Pension Investment Fund (GPIF). Meidensha has been part of this index since March 2022.

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. Meidensha received a rating of B for climate change and B for water security from CDP in 2021.



MSCI ESG Ratings

The MSCI ESG Ratings are ESG ratings by the US-based MSCI. MSCI analyzes companies' ESG risk management capabilities and gives one of 7 ratings from AAA to CCC. In 2022, 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.



Establishment of the Second Meiden Environmental Vision as a medium-to-long-term environmental goal >

2022 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 44th out of 113 companies in the electrical machinery industry in the 16th CSR Company Ranking (in 2022).

The 5th 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 fifth survey, Meidensha was recognized as a 3.5-star company.

NIKKEI Smart Work

★★★★ 2022

The 3rd 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 3rd survey, Meidensha was recognized as a 3.5-star company.

NIKKEI SDGs

Management Survey 2021

★★★★

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.



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 "Certified Health & Productivity Management Outstanding Organizations Recognition Program - 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 Stock Selection

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.



[Results of health management initiatives >](#)

[DRIVEROBOT TYPE-i RBT-2020 Received the FY2021 Good Design Award and the 2022 Red Dot Design Award](#)

DRIVEROBOT TYPE-i RBT-2020, an automatic vehicle driving system, received the FY2021 Good Design Award (organized by the Japan Institute of Design Promotion) and the 2022 Red Dot Award (organized by Design Zentrum Nordrhein Westfalen). Meidensha delivers automotive testing equipment to automotive manufacturers, automotive parts manufacturers, etc., in Japan and overseas, and the DRIVEROBOT is a form of equipment that is used for development of automobiles. For this drive robot, we have achieved a dramatic weight reduction, achieving a total weight of 23.5 kg, and the development concept of relieving the burden on workers, such as by allowing anyone to fit it, has been well-received.



Sustainability

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.

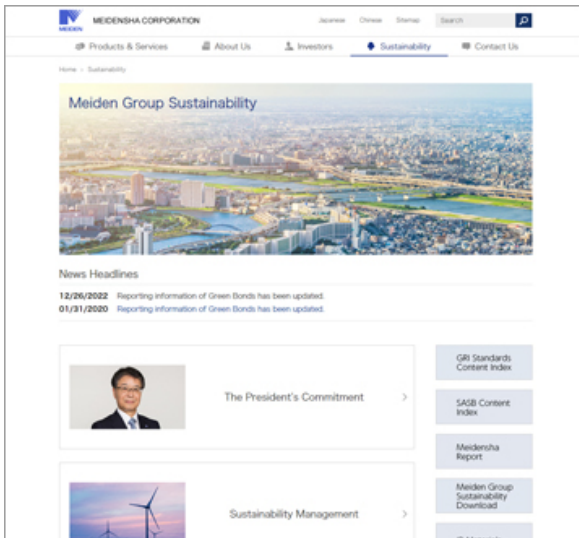


1. Booklet, PDF

[Meidensha Report >](#)

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

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



2. WEB edition

Reporting Period

This report mainly covers initiatives taken in fiscal 2021 (April 1, 2021 - March 31, 2022). It also includes some information from prior to fiscal 2020 and until July 2022.

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 2022
- Next scheduled publication: September 2023

Guidelines Used as References

- IFRS Foundation International Integrated Reporting Framework
- IFRS Foundation SASB Standards
- 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	▸ Sustainability Management > External Support Initiatives
102-13	The Meiden Group's ESG Management > Group Membership Credentials	▸ Sustainability Management > Group Membership Credentials
Strategy		
102-14	Statement from senior decision-maker	▸ The President's Commitment
102-15	Key impacts, risks, and opportunities	▸ The President's Commitment

		<ul style="list-style-type: none"> ▸ Identification of Materialities ▸ Medium-term Management Plan
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	▸ Corporate Philosophy
102-17	Mechanisms for advice and concerns about ethics	▸ Compliance
Governance		
102-18	Governance structure	▸ Corporate Governance
102-19	Delegating authority	▸ Corporate Governance
102-20	Executive-level responsibility for economic, environmental, and social topics	<ul style="list-style-type: none"> ▸ Sustainability Management ▸ Environmental Management ▸ Disclosure based on TCFD Recommendations ▸ Product Responsibility ▸ Occupational Safety and Health Management ▸ Health & Productivity Management ▸ Risk Management
102-21	Consulting stakeholders on economic, environmental, and social topics	—
102-22	Composition of the highest governance body and its committees	▸ Corporate Governance
102-23	Chair of the highest governance body	▸ Board of Directors & Executive Officers
102-24	Nominating and selecting the highest governance body	—
102-	Conflicts of interest	—

25		
102-26	Role of highest governance body in setting purpose, values, and strategy	<ul style="list-style-type: none"> ▸ Environmental Management ▸ Climate Change ▸ Corporate Governance
102-27	Collective knowledge of highest governance body	<ul style="list-style-type: none"> ▸ The Approach to SDGs ▸ Corporate Governance
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
102-31	Review of economic, environmental, and social topics	<ul style="list-style-type: none"> ▸ Sustainability Management
102-32	Highest governance body's role in sustainability reporting	<ul style="list-style-type: none"> ▸ Sustainability Management
102-33	Communicating critical concerns	<ul style="list-style-type: none"> ▸ Compliance
102-34	Nature and total number of critical concerns	—
102-35	Remuneration policies	<ul style="list-style-type: none"> ▸ Corporate Governance
102-36	Process for determining remuneration	<ul style="list-style-type: none"> ▸ Corporate Governance
102-37	Stakeholders' involvement in remuneration	—

102-38	Annual total compensation ratio	Reason for omission:Confidentiality constraints
102-39	Percentage increase in annual total compensation ratio	Reason for omission:Confidentiality constraints
Stakeholder engagement		
102-40	List of stakeholder groups	<ul style="list-style-type: none"> ▸ Meiden Group Value Creation Process ▸ Environmental Communication
102-41	Collective bargaining agreements	▸ Labor Practices
102-42	Identifying and selecting stakeholders	▸ Meiden Group Value Creation Process
102-43	Approach to stakeholder engagement	<ul style="list-style-type: none"> ▸ Corporate Governance > Dialogues with Shareholders and Investors ▸ Product Responsibility ▸ Supply Chain Management ▸ Human Rights ▸ Labor Practices ▸ Community ▸ Dialogues with Shareholders and Investors
102-44	Key topics and concerns raised	▸ Labor Practices > Communication Revitalization Initiatives
Reporting practice		
102-45	Entities included in the consolidated financial statements	—
102-46	Defining report content and topic Boundaries	▸ Editorial Policy

102-47	List of material topics	▸ Sustainability Management
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	Not applicable
102-50	Reporting period	▸ Editorial Policy
102-51	Date of most recent report	▸ Editorial Policy
102-52	Reporting cycle	▸ Editorial Policy
102-53	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	▸ Identification of Materialities ▸ Promotion of Strategic Environment Management

103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ Identification of Materialities ▸ Promotion of Strategic Environment Management
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> ▸ Disclosure based on TCFD Recommendations
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> ▸ Policies to Support Local Communities ▸ Company Profile
201-2	Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none"> ▸ Environmental Management ▸ 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	<ul style="list-style-type: none"> ▸ Community
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ 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	<ul style="list-style-type: none"> ▸ Identification of Materialities ▸ Community
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ Identification of Materialities ▸ 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	▸ Identification of Materialities ▸ Supply Chain Management
103-2	The management approach and its components	▸ Identification of Materialities ▸ Supply Chain Management ▸ Compliance
103-3	Evaluation of the management approach	▸ Promotion of Strategic Environmental Management
204-1	Proportion of spending on local suppliers	–
GRI 205: Anti-corruption 2016		
103-1	Explanation of the material topic and its Boundary	▸ Corporate Code of Conduct ▸ Sustainability Management ▸ Identification of Materialities ▸ Compliance
103-2	The management approach and its components	▸ Corporate Code of Conduct ▸ Identification of Materialities ▸ 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 ▸ Identification of Materialities ▸ Compliance ▸ Sustainability Management
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ Corporate Code of Conduct ▸ Identification of Materialities ▸ 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 components	▸ Compliance > Tax
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	<ul style="list-style-type: none"> ▸ Overview of Environmental Impacts by Our Business Activities
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	<ul style="list-style-type: none"> ▸ Identification of Materialities ▸ Promotion of Strategic Environment Management ▸ Climate Change ▸ Disclosure based on TCFD recommendations
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ Identification of Materialities ▸ Promotion of Strategic Environment Management ▸ Climate Change ▸ Disclosure based on TCFD recommendations
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> ▸ Identification of Materialities ▸ Promotion of Strategic Environment Management
302-1	Energy consumption within the organization	<ul style="list-style-type: none"> ▸ Climate Change ▸ Overview of Environmental Impacts by Our Business Activities ▸ Environmental Impact Data (Fiscal 2021) 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 FY2021)
GRI 303: Water and Effluents 2018		
103-1	Explanation of the material topic and its Boundary	—
103-2	The management approach and its components	▸ Promotion of Strategic Environment Management ▸ Environmental Management
103-3	Evaluation of the management approach	▸ Promotion of Strategic Environment Management ▸ Water Resources
303-1	Interactions with water as a shared resource	▸ Water Resources ▸ Overview of Environmental Impacts by Our Business Activities ▸ Environmental Impact Data (FY2021) 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 ▸ Overview of Environmental Impacts by Our Business Activities ▸ Environmental Impact Data (FY2021) from the Four Main Manufacturing Sites (Domestic Manufacturing Sites)
303-4	Water discharge	▸ Water Resources

		<ul style="list-style-type: none"> ▸ Overview of Environmental Impacts by Our Business Activities ▸ Environmental Impact Data (FY2021) 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 Environment Management ▸ Biodiversity
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ Promotion of Strategic Environment Management ▸ Environmental Management ▸ Biodiversity
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> ▸ Promotion of Strategic Environment Management
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<ul style="list-style-type: none"> ▸ Biodiversity
304-2	Significant impacts of activities, products, and services on biodiversity	<ul style="list-style-type: none"> ▸ Biodiversity
304-3	Habitats protected or restored	<ul style="list-style-type: none"> ▸ Biodiversity
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<ul style="list-style-type: none"> ▸ Biodiversity
GRI 305: Emissions 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> ▸ Identification of Materialities ▸ Promotion of Strategic Environment Management ▸ Climate Change

		<ul style="list-style-type: none"> ▸ Disclosure based on TCFD recommendations
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ Identification of Materialities ▸ Promotion of Strategic Environment 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 Environment 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 (FY2021) 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 ▸ Environmental Impact Data (FY2021) 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

		<ul style="list-style-type: none"> ▸ 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 (FY2021) 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 Environment Management ▸ Biodiversity
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ Promotion of Strategic Environment 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 Environment Management
306-1	Water discharge by quality and destination	<ul style="list-style-type: none"> ▸ Prevention of Pollution and Effective Utilization of Resources ▸ Overview of Environmental Impacts by Our Business Activities

		<ul style="list-style-type: none"> ▸ Environmental Impact Data (FY2021) 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 (FY2021) 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 (FY2021) 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 ▸ Overview of Environmental Impacts by Our Business Activities ▸ Environmental Impact Data (FY2021) 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 Environment Management
103-2	The management approach and its components	▸ Promotion of Strategic Environment 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	▸ Identification of Materialities ▸ Supply Chain Management
103-2	The management approach and its components	▸ Identification of Materialities ▸ 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	▸ Climate Change ▸ Supply Chain Management
400 series (Social topics)		
GRI 401: Employment 2016		
103-1	Explanation of the material topic and its Boundary	▸ Identification of Materialities ▸ Labor Practices
103-2	The management approach and its components	▸ Identification of Materialities ▸ 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	▸ Identification of Materialities ▸ Occupational Safety and Health and Health Management
103-2	The management approach and its components	▸ Identification of Materialities ▸ 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	<ul style="list-style-type: none"> ▸ Identification of Materialities ▸ Labor Practices
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ Identification of Materialities ▸ Labor Practices
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> ▸ HR Development
404-1	Average hours of training per year per employee	<ul style="list-style-type: none"> ▸ HR Development
404-2	Programs for upgrading employee skills and transition assistance programs	<ul style="list-style-type: none"> ▸ Product Responsibility > Developing Human Resources to Support the Supply of High-quality Products ▸ Labor Practices ▸ HR Development
404-3	Percentage of employees receiving regular performance and career development reviews	<ul style="list-style-type: none"> ▸ Labor Practices > HR Data
GRI 405: Diversity and Equal Opportunity 2016		
103-1	Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> ▸ Identification of Materialities ▸ Labor Practices
103-2	The management approach and its components	<ul style="list-style-type: none"> ▸ Identification of Materialities ▸ Labor Practices
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> ▸ Labor Practices
405-1	Diversity of governance bodies and employees	<ul style="list-style-type: none"> ▸ Labor Practices
405-2	Ratio of basic salary and remuneration of women to men	<ul style="list-style-type: none"> ▸ 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	<ul style="list-style-type: none"> ▸ 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	▸ Identification of Materialities ▸ Community
103-2	The management approach and its components	▸ Identification of Materialities

		▸ 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	▸ Identification of Materialities ▸ Supply Chain Management
103-2	The management approach and its components	▸ Identification of Materialities ▸ 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	▸ Identification of Materialities ▸ Product Responsibility
103-2	The management approach and its components	▸ Identification of Materialities ▸ 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

SASB Content Index

Major Sustainability Disclosure Topics & Accounting Metrics

					Content of Disclosure			
Disclosure Topics	Accounting Metrics	Category	Unit of Measure	Code	FY2018 (2018/4/1~ 2019/3/31)	FY2019 (2019/4/1~ 2020/3/31)	FY2020 (2020/4/1~ 2021/3/31)	FY2021 (2021/4/1~ 2022/3/31)
Energy Management	(1) Total energy consumption	Quantitative	Gigajoules (GJ)	RT-EE-130a.1	885,122 *Breakdown: Japan - 724,207GJ / overseas - 160,915GJ	895,217 *Breakdown: Japan - 736,446GJ / overseas - 158,771GJ	918,457 *Breakdown: Japan - 733,204GJ / overseas - 185,253GJ	970,661 *Breakdown: Japan - 774,887GJ / overseas - 195774GJ
	(2) Percentage grid electricity (out of (1))		Percentage (%)		—	—	72.4 *Breakdown: Japan - 70.5% / overseas - 80.1%	65.4 *Breakdown: Japan - 61.7% / overseas - 80.6%
	(3) Percentage renewable		Percentage (%)		—	—	2.0 *Breakdown: Japan - 2.6% / overseas - 0.0%	9.0 *Breakdown: Japan - 11.3% / overseas - 0.0%
Hazardous Waste Management	Amount of hazardous waste generated	Quantitative	Metric tons (t)	RT-EE-150a.1	64.2 *Breakdown: Trace amount processing volume - 50.6t / high concentration processing volume - 13.6t	22.9 *Breakdown: Trace amount processing volume - 22.5t / high concentration processing volume - 0.4t	51.3 *Breakdown: Trace amount processing volume - 50.3t / high concentration processing volume - 1.0t	56.7 *Breakdown: Trace amount processing volume - 55.6t / high concentration processing volume - 1.1t
	Percentage of hazardous waste recycled		Percentage (%)		—	—	—	—
	(Optional) Percentage of incinerated hazardous waste for the purpose of energy recovery (%)		Percentage (%)		—	—	—	—
	Supplemental information		—		<ul style="list-style-type: none"> Meidensha discontinued manufacturing equipment using PCBs in September 1972. As directed by the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes (PCB Special Measures Act), we are gradually disposing of devices containing PCBs (polychlorinated biphenyls), such as transformers and capacitors that we manufactured in the past and stored for nearly 40 years. 			

Total number of reportable spills	Quantitative	Number	RT-EE-150a.2	—	—	0	0
Aggregate quantity of reportable spills		Kilograms (kg)		—	—	—	—
(Ref) Total number of spills according to internal standards		Number		—	—	2	1
(Ref) Aggregate quantity of spills according to internal standards		Kilograms (kg)		—	—	—	—
Supplemental information		—		—	—	<ul style="list-style-type: none"> In fiscal 2020, 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). The discharged substances have been recovered and improvement measures have been implemented for both incidents that breached our standards. 	<ul style="list-style-type: none"> In fiscal 2021, there was a single incident 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). Improvement measures have been implemented for the incident that breached our standards.

Product Safety	Number of recalls	Quantative	Number	RT-EE-250a.1	—	—	—	—
	Total units recalled				—	—	—	—
	(Optional) (1) Percentage of voluntary recalls				—	—	—	—
	(Optional) (2) Percentage of involuntary recalls				—	—	—	—
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantative	Yen	RT-EE-250a.2	—	—	0	0

Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantative	Percentage by revenue (%)	RT-EE-410a.1	—	—	—	—
	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria	Quantative	Percentage by revenue (%)	RT-EE-410a.2	—	—	—	—
	(If applicable) If the products certified to a previous version of an ENERGY STAR® standard, disclose information including the version of the standard to which its products are certified, a breakdown of how many products are certified to that version of the standard, and its timelines to achieve certification to the most current version of the standard.				—	—	—	—
	Revenue from renewable energy-related and energy efficiency-related products	Quantative	Yen	RT-EE-410a.3	—	—	—	—
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and analysis	n/a	RT-EE-440a.1	<ul style="list-style-type: none"> • 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. • The Meiden Group considers ensuring supply chain transparency and responsible procurement of materials and components to be important issues, and we also ask our 			

				<p>suppliers to support our Policy on Conflict Minerals Issue and cooperate with our initiatives aimed at procuring conflict-free minerals.</p> <p>< Policy on Conflict Minerals Issue ></p> <ul style="list-style-type: none"> • 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 groups that repeatedly engage in human trafficking, forced labor, child labor, abuse, and other inhumane acts. • The Meiden Group promotes responsible procurement of minerals in order to fulfill our corporate social responsibility. • We conduct surveys of high-risk minerals as a due diligence measure. These surveys use the Conflict Minerals Reporting Template (CMRT) produced by the Responsible Materials Initiative (RMI). • In FY2021, we conducted a survey of materials that we had purchased from 380 major suppliers in the previous year and received responses from 360 companies (94%). If the surveys reveal that minerals have been used to support conflicts, we ask our business partners to take steps to avoid using the relevant minerals, such as changing suppliers. Furthermore, if customers identify risky refineries, we ask suppliers that use these refineries to re-examine the status of their dealings. • At present, we have not confirmed any relationships with armed groups, and we are conducting measures aimed at identifying refinery operators and ensuring supply chain transparency. In fiscal 2021, we conducted surveys using the Cobalt Reporting Template (CRT).
Business Ethics	"Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior"	Discussion and analysis	n/a	<p>RT-EE-510a.1</p> <ul style="list-style-type: none"> • Meidensha stipulated "absolute prohibitions" through a resolution of the Board of Directors 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. • With regard to preventing corruption, including bribery, the Meiden Group Anti-Bribery Policy was established in 2016, and revised in 2020. It has once more been disseminated throughout the Group in two volumes – the Meiden Group Anti-Bribery Policy and the Guidelines for the Meiden Group Anti-Bribery Policy. • With an eye to globalization, the Meiden Group revised the Meiden Group Corporate Code of Conduct in 2022, in consideration of sustainability management, and is increasing awareness of employees with regard to compliance with laws and other social norms and contributing to the realization of a sustainable society. We are educating Meiden Group employees around the world by compiling this code of conduct in addition to the corporate philosophy system and guidance into a booklet in three languages (Japanese, English and Chinese). Furthermore, we are broadly expanding our compliance education activities such as by releasing the Meiden Group Anti-Bribery Policy and the Guidelines for the Meiden Group Anti-Bribery Policy in the same three languages. These standards and policies are available on the Group-common web portal. • Meidensha conducts training for executive officers and above for the main purpose of compliance with the Antimonopoly Act. In fiscal 2021, a training session was conducted by outside lecturer with the theme of "preventing corruption in Japan." <p>< Excerpt from the Meiden Group Anti-Bribery Policy >*1</p>

					<p>1.Prohibition of bribery</p> <p>(1)All members of the Meiden Group shall not engage in any act of Bribery towards "Public Officials" of a country or region where the Meiden Group conducts business or towards a Meiden Group client (either a private business entity or individual) for the purpose of obtaining or retaining improper advantages in business activities.</p> <p>(2)In this Policy, "Bribery" means taking an action (or providing an inappropriate benefit), to an entity or an individual, which is illegal, unethical, or a breach of trust, or requesting an entity or an individual to take such action (or to provide an inappropriate benefit), in return for, directly or indirectly, offering, providing, promising, requesting, or accepting money, gifts, business entertainment, donations, services, employment, and/or any other advantage (including anything of value, regardless of whether it is tangible or intangible) to/from such entity or individual, with dishonest intent or purpose.</p>			
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantative	Yen	RT-EE-510a.2	0	0	0	0
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantative	Yen	RT-EE-510a.3	0	0	0	0

Activity Metrics

				Content of Disclosure			
Accounting Metrics	Category	Unit of Measure	Code	FY2018 (2018/4/1~ 2019/3/31)	FY2019 (2019/4/1~ 2020/3/31)	FY2020 (2020/4/1~ 2021/3/31)	FY2021 (2021/4/1~ 2022/3/31)
Production units for each product category	Quantative	Number	RT-EE-000.A	—	—	—	—

***1 Refer to Policy on Conflict Minerals Issue on our website for details of Meiden Group Sustainable Procurement Guidelines.**



***2 Refer to Meiden Group Anti-Bribery Policy on our website for details of the Meiden Group Anti-Bribery Policy.**



*3 Number of employees represents the number as of March 31, each year.