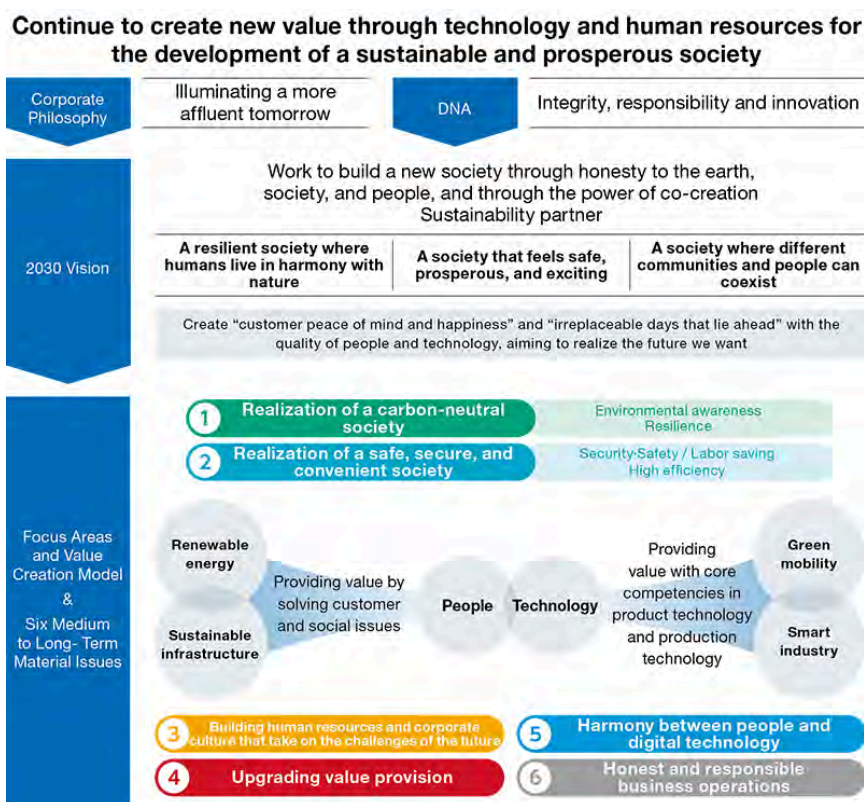


Sustainability Management

The Meiden Group's Sustainability Management

The Meiden Group has been working to develop and grow alongside society at large based on our corporate mission of “Illuminating a more affluent tomorrow” with people and technology as the central pillars for creating corporate value. We proposed the idea of being a “Sustainability Partner” as our form and vision to achieve for 2030, then worked backwards to define six materialities (critical issues) to achievement before endeavoring to address those points.

A continuous stream of revolutionary technologies such as generative AI have been implemented in recent years, and we assume that these will trigger sweeping, diverse changes in the future for the environments around the company and the state of the value that we should provide. As those changes unfold, we will need to update our value provision methods through growth and challenges, as well as evolve the human resources who will assume those roles and enact the changes in corporate culture that will help us to us achieve our form and vision for 2030. Based on these ideas, we restructured our materiality with an emphasis on digitization and have added the new and important issues of “building human resources and corporate culture that take on the challenges of the future,” “upgrading value provision,” and “harmony between people and digital technology.” In the domains of renewable energy and sustainable infrastructure that are major focuses, we strive to offer solution-based value to address issues faced by our customers and by society at large. Furthermore, in the domains of green mobility and smart industry, we continue to find ways to offer value by utilizing the product and manufacturing technologies that constitute our core competencies.



Sustainability Partnerships

We defined the term "Sustainability Partnerships" to specifically articulate the Meiden Group's ideal form.

"Sustainability Partnerships" fulfil dual roles to realize the Meiden Group's goals of achieving people's happiness and a sustainable global environment.

The first is that we partner with society as a member of society to achieve a sustainable global environment. The other indicates our role as a partner to work with 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.

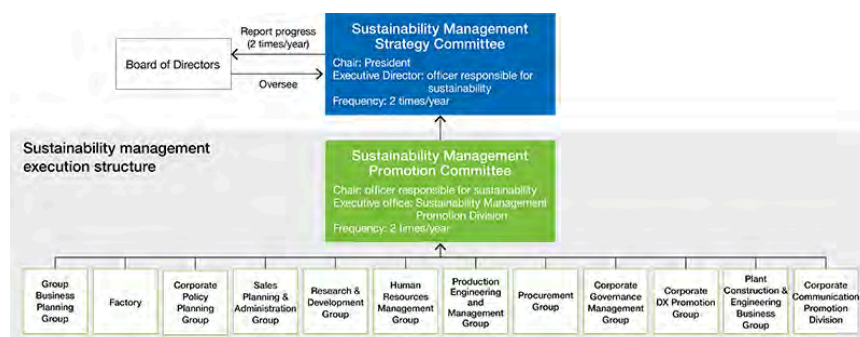
The role of "Sustainability Partnerships" combine these two aspects, and fulfilling this role through our business activities will lead to the realization of our ideal society.

Promoting Sustainability Management

(1) Governance

To enhance its corporate value in terms of sustainability, the Meiden Group is strengthening its sustainability promotion structure. The Representative Director, President and Executive Officer has ultimate responsibility for management decisions related to sustainability.

Since FY2022, the Sustainability Management Strategy Committee and the Sustainability Management Promotion Committee have been reorganized into a two-tiered structure in order to separate management decisions from progress monitoring. Also, the Board of Directors has assumed a monitoring role for general sustainability and the content of discussions pertaining to company-wide sustainability management is shared with the Board of Directors, including two reports each year.



Topics of Discussion by the Two Committees (FY2024)

| | Times | Topic |
|---|-----------|--|
| Sustainability Management Strategy Committee | Session 1 | Third Meiden Environmental Vision Progress of sustainability activities |
| | Session 2 | Sustainability management in Medium-term Management Plan 2027 |
| Sustainability Management Promotion Committee | Session 1 | FY2024 action plan Progress of environment, corporate culture reform, value creation, human rights, Young Employee Sustainability Committee |
| | Session 2 | Progress of environment, human capital, and corporate culture reform |
| | Session 3 | Progress of environment, corporate culture reform, and value creation, human rights activities |

(2) Risk Management

The Risk Management Committee manages risk for the entire Meiden Group. Working with related divisions, the Sustainability Management Promotion Division, which promotes sustainability management, plays a central role in identifying risks related to sustainability in general. These risks are incorporated into company-wide risks and managed together with them.

(3) Strategy

The Meiden Group strives to realize a sustainable society and sustainable growth. Our 2030 Ideal State of Being/Vision is “Work to build a new society through integrity to the earth, society, and people, and through the power of co-creation - Sustainability partnerships -.” To achieve our three societal goals and sustainable growth for the Meiden Group, we have established four business domains that can leverage Meidensha’s unique characteristics. We have furthermore defined our value creation process and identified six material issues to address in particular. The Corporate Policy Planning Group takes the lead in identifying materiality. To do so, it exchanges opinions with each business group and cross-functional divisions, then holds discussions at the Sustainability Management Strategy Committee, Executive Officers’ Meeting, and Board of Directors.



Identification of Materiality >

(4) Indicators and Targets

In light of the above, the Meiden Group has set non-financial indicator targets in Medium-term Management Plan 2027.

| | Targets | FY2024 results |
|--|--|---|
| GHG emissions from business activities (Scope 1 and 2, compared with FY2019) | FY2027: Reduce by 40% FY2030: Reduce by 50% | Scope 1 and 2 reduced by 10% |
| GHG emissions during product use (All Scope 3 categories, compared with FY2019) | FY2027: Reduce by 20% (all categories) FY2030: Reduce by 30% | Scope 3, Category 11 reduced by 7% (Only category 11 as a set target for FY2024) |
| Achieve RE100 by 2040 and carbon neutrality by 2050 | | |
| Female officer class (inside officers) | FY2030: At least 3 | 1 |
| Non-Japanese presidents of local subsidiaries | FY2030: At least 5 | 2 |
| eNPS (NPS® for employees)*(compared with FY2021) | -65.0% | -69.0% |

* eNPS (NPS® for employees): Abbreviation of Employee Net Promoter Score, an indicator that measures employee loyalty (i.e., employees’ level of trust in and attachment to their workplace)

* NPS® is a registered trademark of Bain & Company, Fred Reichheld, and Satmetrix Systems. eNPS is listed as percentages. Our eNPS score pertains to Meidensha and related companies inside Japan (except EAML Engineering Co., Ltd. and MEIDEN UNIVERSAL SERVICE LTD.)

Spreading the Sustainability Vision

My Vision/ My Challenge

Meidensha strives to respect individual diversity and draw out each employee’s taking-initiative mind and motivation. To that end, we launched “My Vision/My Challenge,” an initiative for employees to reflect on their own life vision, compare it with the company’s vision, and put into words what challenges they will

take on in the Meiden Group. In FY2024, division heads put their “My Vision” into words. We plan to expand this to employees FY2025. We believe that employees take true sustainability management personally when the vision and mission of the company and each division overlap with the individual’s vision. We furthermore believe that increasing the overlap and our efforts to support employees who take these challenges will lead to greater individual satisfaction and growth as well as to the achievement of the vision and mission of the company and each division at the same time. In FY2022, members of upper management put their “My Vision/My Challenge” into words. We plan to expand this to executive officers and employees with management responsibilities in FY2023.

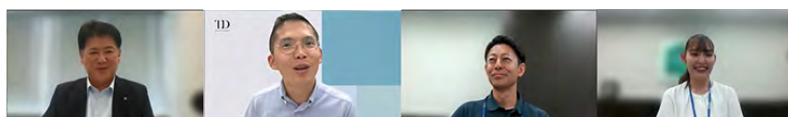


Meiden Mirai Meeting: A Conversation between Employees and Management

Meidensha has long provided opportunities for dialogue between management and employees, but we believe that creating more settings for two-way dialogue is crucial for firmly establishing sustainability management internally. Therefore, we started the Meiden Mirai Meeting in FY2022 and President’s Town Hall Meeting in FY2023, respectively. At the President’s Town Hall Meeting, the President spoke about his own “MY Vision” of exemplifying change in terms of people and organizations to create a new society and ensure that Meidensha as a company provides value suited to the times. He also engaged in dialogue with employees. At Meiden Mirai Meetings, division officers spoke about their own “My Vision” and talked with employees of their divisions. These exchanges foster a culture where it is standard practice to take on challenges by our own choice.



Meiden Mirai Meeting (Numazu Works)



President’s Town Hall Meeting (online)

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 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.



Education for Application of SDGs in Business Strategy and Activities

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.

External Support Initiatives

| Initiative | Outline | Date of agreement/participation |
|--|---|---|
| Carbon Disclosure Project (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 |
| WIPO GREEN | An online platform established by the United Nations World Intellectual Property Organization (WIPO) to promote the transfer of environmental technologies by connecting providers of such technologies with those who wish to use them. | March 2022 |
| 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 |
| GX League | A forum for companies that aim to achieve sustainable growth in the present and future society by taking on the challenge of GX (Green Transformation) to achieve carbon neutrality and social transformation by 2050. Here, they can collaborate with other companies making similar efforts and with government and academia. | May 2023 (became a participating company) |

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