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Corporate Governance

Policy

Basic Approach

Under our Corporate Mission of “illuminating a more affluent tomorrow” and our Corporate Philosophy of “providing value” for customer peace of mind and satisfaction,” our group has set forth our Ideal State of Being/Vision for 2030 as “Work to build a new society through integrity to the earth, society, and people, and through the power of co-creation – Sustainability Partner –.” Our group 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 give back to 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 this basic policy at the regular Board of Directors meeting held in July 2022, as a result of a revision 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).

We 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.

[Basic Policy on the Corporate Governance Code](#)

Meidensha 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.

i. Ensuring shareholder rights and equality

We will work to establish an environment where shareholders can exercise their rights appropriately and we will actively disclose information to this end, thereby ensuring shareholder rights and equality.

ii. Appropriate cooperation with stakeholders other than shareholders

In order to achieve the Meiden Group's sustainable growth and enhance its corporate value over the medium to long term, we will disclose appropriate information and engage in dialogue with our various stakeholders, including customers, suppliers, and members of the local community.

iii. Disclosing information appropriately and ensuring its transparency

We will make timely disclosures of information in accordance with laws and regulations and will also disclose information on the status of our company, including non-financial information, in a timely and appropriate manner through media that are widely accessible to stakeholders (our websites, integrated reports, and other publications).

iv. Obligations of the Board of Directors

Based on the Meiden Group Corporate Philosophy, the Board of Directors will formulate medium- to long-term management plans and strive to enhance the medium- to long-term corporate value of our Group by making decisions and supervising business execution in the implementation of these plans.

As a company with an Audit & Supervisory Committee, we strive to improve the supervisory function of the Board of Directors. In addition, we will further promote separation of supervisory and executive functions by utilizing the executive officer system, which was introduced in June 2003 and revised to enhance its legitimacy in June 2022 to form a system wherein the Board of Directors' resolutions on executive officer appointments are grounded in the Articles of Incorporation.

v. Dialogue with shareholders

Our policy is to ensure that senior management respond within reason, when engaging in dialogue with shareholders who wish to create that dialogue to help enhance our corporate value over the medium to long term.

In addition, as a prerequisite for this dialogue, we will endeavor to provide more opportunities for various briefings and IR/SR interviews and offer enhanced information disclosure through our websites, integrated reports, and other publications.

Organization and Initiatives

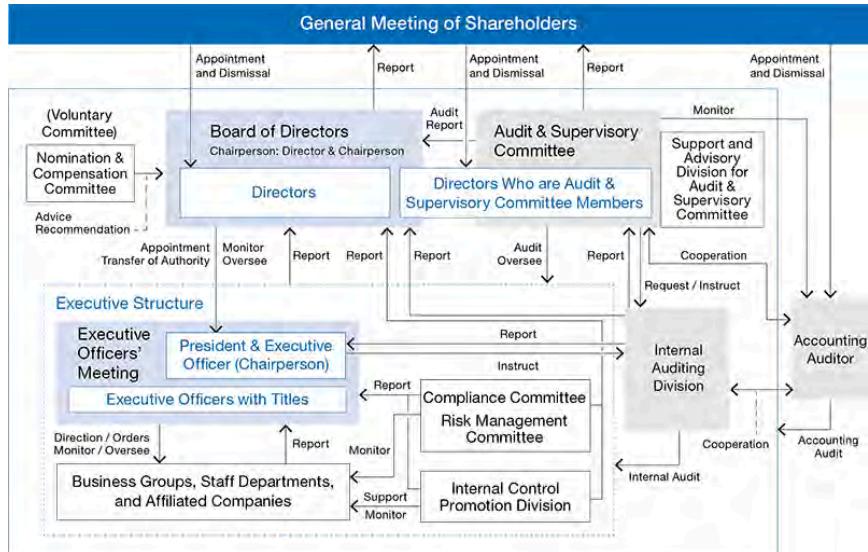
Corporate Governance Structure and Initiatives

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

- (a) We further enhance the supervisory functions of the Board of Directors through use of legal authority, such as directors that are Audit & Supervisory Committee Members holding voting rights at meetings of the Board of Directors and having the right to present a position statement relating to nomination and compensation of directors at General Shareholder's Meetings.

- (b) We 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



Outline of Corporate Governance Structure

Form of Organization	Company with an Audit & Supervisory Committee
Number of directors	6 (including 3 outside directors)
Number of directors (Audit & Supervisory Committee members)	4 (including 3 outside directors)
Number of Independent Officers	6 (4 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 our business execution. In FY2024, the Board of Directors held 13 meetings, and the attendance rate was 100% for all directors.

The specific composition of the Board of Directors and meeting attendance in FY2024 are described below in "Composition of the Board of Directors, Nomination & Compensation Committee, and Audit & Supervisory Committee and Attendance in FY2024" below.

① Composition of Board of Directors

To ensure sufficient discussion of management issues, the number of directors is stipulated to be no more than 15 (10 directors who are not Audit & Supervisory Committee members and 5 directors who are Audit & Supervisory Committee members).

Our Board of Directors consists of 10 directors, including 4 who are Audit & Supervisory Committee members. The 10 directors also include 6 outside directors (of which 3 are members of the Audit & Supervisory Committee), all of whom satisfy our criteria for determining the independence of outside directors and the requirements for independent directors as defined by the Tokyo Stock Exchange. This means that independent outside directors make up a majority of the Board of Directors, ensuring the effectiveness of the supervisory functions of the Board of Directors and that objective and independent opinions are fully incorporated into the company's management.

Regarding the appointment of directors, it is the basic policy to ensure the diversity of the Board of Directors as a whole based on the abilities, insight, and experience of individual directors and to assign appropriate human resources that contribute to the enhancement of our corporate value. It is also our policy to ensure the diversity and balance of the Audit & Supervisory Committee as a whole based on the knowledge and experience of accounting, financial, and legal matters etc., of directors who are members of the Audit & Supervisory Committee. The balance of expertise, knowledge, experience, etc., is as described in the Board of Directors' Skill Matrix below.

**Composition of the Board of Directors, Nomination & Compensation Committee, and Audit & Supervisory Committee and Attendance in FY2024
(period: April 1, 2024–March 31, 2025)**

Name	Position (as of March 31, 2025)	Board of Director	Nomination & Compensation Committee	Audit & Supervisory Committee
Takeshi Miida	Representative Director & Chairperson & Senior Officer Member of Nomination & Compensation Committee	13/13	12/12	—
Akio Inoue	Representative Director & President & Executive Officer 指 Member of Nomination & Compensation Committee	13/13	12/12	—
Masahiko Suzuki	Representative Director & Executive Vice President & Executive Officer	10/10	—	—
Masayuki Iwao	Director & Senior Managing Executive Officer	13/13	—	—
Hiroyuki Takenaka	Director (Outside Director) Head of the Nomination & Compensation Committee	13/13	12/12	—
Hiroji Adachi	Director (Outside Director)	13/13	—	—
Manabu Kinoshita	Director (Outside Director) Member of Nomination & Compensation Committee	13/13	12/12	—
Kumiko Shirai	Director (Outside Director)	10/10	—	—
Seiji Kato	Director and Audit & Supervisory Committee Member (Standing Audit & Supervisory Committee Member) Head of Audit & Supervisory Committee	10/10	—	13/13
Keiko Hayashi	Director and Audit & Supervisory Committee Member (Outside Director) Member of Nomination & Compensation Committee	13/13	12/12	16/16
Takashi Kuroda	Director and Audit & Supervisory Committee Member (Outside Director)	13/13	—	16/16

Name	Position (as of March 31, 2025)	Board of Director	Nomination & Compensation Committee	Audit & Supervisory Committee
Toshiya Nishino	Director and Audit & Supervisory Committee Member (Outside Director)	10/10	—	13/13

Note 1: Attendance at meetings of each body is shown as "Attended/Held."

Note 2: Attendance at Boards of Directors' meetings for Masahiko Suzuki, Kumiko Shirai, Seiji Kato, and Toshiya Nishino indicates their attendance at meetings held since their election (June 25, 2024).

Note 3: Attendance at Audit & Supervisory Committee meetings for Seiji Kato and Toshiya Nishino indicates their attendance at meetings held since their election (June 25, 2024).

② Activities of the Board of Directors

The matters handled by our Board of Directors comprise items for resolution, items to be reported, setting agendas for Board of Directors' meetings, matters for cooperative discussion involving performance evaluations, and Board operations. The Board actively exchanges opinions on matters involving the company's management issues, strategies, and corporate governance while drawing on the knowledge of the outside directors to execute its supervisory functions. Meidensha held irregular "On-site Meetings" consisting of all directors (nine meetings in FY2024). Created in FY2023, these meetings let directors fluidly exchange opinions and discuss issues, strategies, and other matters important to the company that impact management in the early stages. Matters discussed in On-site Meetings are reflected in the execution of business on the executive side and link to decisions and reports from the Board of Directors.

Major topics discussed by the Board of Directors in FY2024 included the following.

Topic	Summary of discussions at Board of Directors meetings
Examinations geared toward formulating Medium-term Management Plan 2027	Held discussions in FY2024 with an emphasis on formulating Medium-term Management Plan 2027. On-site Meetings drew upon the knowledge and experience of directors to discuss business strategies, management and marketing strategies, production and procurement strategies, DX strategies, R&D and IP strategies, human capital and personnel strategies, and other aspects of Medium-term Management Plan 2027, then used the opinions voiced there as the basis of examinations on the executive side, which was later discussed again at Board of Director meetings. This process facilitated discussion on the critical themes for Medium-term Management Plan 2027. These discussions led to the creation of Medium-term Management Plan 2027, which was released in May 2025.
Strengthening internal controls and audit functions	To further strengthen internal control functions and audit functions within the Meiden Group, we exchanged opinions on reorganizing the system for increased effectiveness, and reconfirmed each function and role of the Audit & Supervisory Committee, the Support and Advisory Division for the Audit & Supervisory Committee, the Internal Control Promotion Division responsible for internal controls as the second line of the Three Defense Line, and the Management Auditing Division that is the third line of the Three Defense Line.
Anti-takeover measures	Directors joined study sessions with external experts regarding anti-takeover measures. After confirming updated conditions and examples, multiple discussions were held on the importance of the advance-warning style of anti-takeover measures active within the company. This topic will continue into FY2025 as a critical management theme to be verified in discussions.

③ Participation of Outside Directors in Board of Directors' Meetings

■ Participation in the agenda

Our outside directors review materials provided to them roughly 5 business days prior to a Board of Directors meeting and attend a briefing held roughly 3 business days prior to the meeting to develop an understanding of the matters submitted for discussion, with explanations from the Executive Vice President and selected executive officers to gain an understanding of each issue from various perspectives and check any unclear points in advance of the meeting. Notably, as a prerequisite for the monitoring and supervisory functions of the Board of Directors, materials for important meetings such as the Executive Officers' Meeting and other important committee meetings provided by the Secretariat of the Board of Directors are checked as needed.

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. The 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.

■ Training for New Outside Directors

We create opportunities to explain our 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 our governance system to the outside directors, answer their questions, and exchange opinions with them.

(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 FY2024, all members of the Board of Directors (including outside directors) evaluated the effectiveness of the Board of Directors (including self-evaluations), and the following discussions took place at meetings of the Board of Directors, in order to revitalize deliberations by the Board of Directors.

An overview of the analysis, evaluation, and discussions is as follows.

① Major issues and status of efforts to increase effectiveness as discussed in previous fiscal year

Major issues in FY2023	Status of efforts in FY2024
① Improve operations of the Board of Directors to further enhance the Board's supervisory functions	In addition to biannual discussions on management issues and topics to be discussed in Board of Directors' meetings introduced in FY2023, directors confirm the agenda for the next two meetings at monthly Board of Directors' meetings so they can flexibly adjust agendas in line with the progress of discussions. Additionally, due to the limited time available at the monthly briefings, to enrich discussions at Board of Directors' meetings, we had been selecting the topics that require prior explanation from the topics for the Board of Directors' meetings, but have now introduced advance explanatory videos to vastly improve operations and expand the number of topics receiving prior

Major issues in FY2023	Status of efforts in FY2024
	<p>explanation.</p> <p>Also, as stated in the section describing the activities of the Board of Directors, we have engaged to further improve the supervisory system through discussions on strengthening the Meiden Group's internal control system and the Board's audit functions.</p>
② Consider the skills matrix based on medium- and long-term management strategies	<p>As described above, the Board of Directors used On-site Meetings to engage in intense discussions on the formulation of Medium-term Management Plan 2027. Based on these discussions, we revised the skills categories required by the Board of Directors and consulted with the Nomination & Compensation Committee to establish the skills categories for achieving Medium-term Management Plan 2027.</p>

② FY2024 analysis and evaluation of effectiveness

1	Formulation of questionnaire	The Chairperson and Secretariat of the Board of Directors formulate a questionnaire (43 questions (20 multiple choice (a 5 point scale), 23 open-ended)) on the status of the Board of Directors' initiatives and their effectiveness, based on the issues identified in the discussions of the effectiveness evaluation of the previous year, the status and evaluation of the response to them, and new issues found by the Board of Directors in FY2024.
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2	Conducting of questionnaire survey	All 12 directors are asked to fill out the above questionnaire in April 2025.
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3	Discussions at Board of Directors meeting	Based on the responses to the questionnaire survey, at the Board of Directors meeting in May 2025, all directors discuss the matters for discussion on Board of Directors operations. The analysis and evaluation results are compiled to determine whether the Board of Directors is effective.
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4	Analysis and evaluation results	<p>Questionnaire results from each director are summarized and discussed by the members of the Board of Directors. The opinions have been summarized as follows.</p> <ul style="list-style-type: none"> The average score on a 5-point scale was 3.9 points, with each initiative deemed to function appropriately. The open-ended questions affirmed the effects of management improvements to date aimed at strengthening the Board and verified the conscious effort each director makes. The appropriateness of discussions on management issues, key strategies, and other initiatives aimed at improving corporate value based on critical discussions around formulating Medium-term Management Plan 2027 were commended. Some thoughts on ways to further improve the Board of Directors were provided, and these ideas were discussed in the May 2025 meeting, where the Board verified that the initiatives are to be continued. <p>Based on the above, we have determined that the Board of Directors is effective.</p>
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[Effectiveness evaluation items (questionnaire items)]

- ① Composition of the Board of Directors (size, independence, diversity, skills, etc.)
- ② Operations of the Board of Directors (criteria for submitting matters for discussion, agenda setting, document content, pre-briefing session, on-site meetings, opinion tracing, deliberation time, information sharing with outside directors, etc.)
- ③ Effectiveness of the Board of Directors (whether discussions were adequate, the level of communication between directors, exercise of the supervisory functions)
- ④ Self-evaluation (securing time required for duties, demonstration of expertise, awareness of management and supervisory perspectives (inside directors), supervision from an independent standpoint (outside directors))
- ⑤ Other (free description)

Issues and Future Initiatives

Major issues in FY2024	Initiatives in FY2025
(1) Improve the operations of the Board of Directors to further enhance its supervisory functions	We are reviewing the importance of ongoing initiatives towards improving Board operations in order to further enhance the Board of Directors' supervisory functions. To further improve agenda setting, in FY2025 we will refine efficiency in explanation and reporting methods so that directors can spend more time engaged in critical discussions of the most pressing topics, and will also work to improve operations with a focus on improving agenda setting.
(2) Bolster communication between outside directors and executive officers	We are formulating measures to further revitalize communication between the company's outside directors and the executive in charge of business execution in an effort to further deepen the connection between Board of Director On-site Meetings and initiatives for business execution, and cultivate a shared understanding towards increasing corporate value.

Based on the above, we will continue working to increase the effectiveness of the Board of Directors.

(3) Nomination & Compensation Committee

Meidensha has established a voluntary Nomination & Compensation Committee as an advisory body to the Board of Directors. Its purpose is to ensure management transparency and strengthen accountability regarding nominations (appointments and dismissals) and compensation of directors.

The specific composition of the Nomination & Compensation Committee and meeting attendance in FY2024 are described in "Composition of the Board of Directors, Nomination & Compensation Committee, and Audit & Supervisory Committee and Attendance in FY2024" above.

■ Activities of the Nomination & Compensation Committee in FY2024

Month & year	Activity
April 2024	<ul style="list-style-type: none"> • Discuss nominees for outside director • Report on the skills matrix • Report the outcomes of FY2023 director compensation • Report on revisions to officer compensation (the introduction on performance indicators)
May 2024	<ul style="list-style-type: none"> • Report on the composition of the Nomination & Compensation Committee • Report on the succession plan (the approach to the succession plan) • Discuss the interviews with candidates for management succession and outside directors • Report on estimated director compensation in FY2024

Month & year	Activity
June 2024	<ul style="list-style-type: none"> Report the year's schedule (dates and agenda) for the Nomination & Compensation Committee Discuss the interviews with candidates for management succession and outside directors
July 2024	<ul style="list-style-type: none"> Discuss nominees for outside director Discuss the interviews with candidates for management succession and outside directors
August 2024	<ul style="list-style-type: none"> Discuss nominees for outside director Report on the succession plan (the implementation of the succession plan) Report on the evaluation method for director compensation performance indicators Report on the revision of compensation for directors (part time executive directors)
September 2024	<ul style="list-style-type: none"> Discuss the composition of outside directors Discuss the nomination of outside directors
October 2024	<ul style="list-style-type: none"> Discuss the composition of outside directors Discuss the nomination of outside directors Discuss executive-side nominations based on the organizational structure for FY2025 Discuss revisions to the skills matrix
November 2024	<ul style="list-style-type: none"> Discuss the nomination of outside directors Discuss executive-side nominations based on the organizational structure for FY2025 Discuss revisions to the skills matrix
December 2024	<ul style="list-style-type: none"> Discuss executive-side nominations based on the organizational structure for FY2025 Discuss revisions to the skills matrix
January 2025	<ul style="list-style-type: none"> Report on executive-side nominations based on the organizational structure for FY2025
February 2025	<ul style="list-style-type: none"> Discuss the composition of outside directors Report on executive-side nominations based on the organizational structure for FY2025 Discuss revisions to the skills matrix
March 2025	<ul style="list-style-type: none"> Discuss the composition of outside directors Discuss revisions to the skills matrix

(4) Board of Directors Selection Policy and Appointment and Dismissal Process

Based on the basic policy for ensuring a balance between the diversity of the Board of Directors as a whole and its expertise and experience, as described in (1) ① Composition of Board of Directors above, we select individuals who will help strengthen the decision-making and supervisory functions of the Board of Directors. The Board of Directors consults with the Nomination & Compensation Committee (a voluntary committee), with independent outside directors as the main members and chair, then the Board of Directors nominates candidates by resolution. Finally, nominations are submitted to the General Meeting of Shareholders.

In the event that a director is found to be in violation of laws and regulations or the Articles of Incorporation, or to have significantly deviated from the policy for the appointment of directors, the Board of Directors will take the necessary procedures for dismissal after consulting with the Nomination & Compensation Committee.

■ Board of Directors' Skills Matrix

Position	Name	Skills expected from candidates for Directors									
		Business management/ Sustainability	DX	Finance/ Accounting	Legal affairs/ Internal control	HR development/ DEI	Sales/ Marketing	Global	Research and development / Innovation	"Monozukuri"	Environment
Director	Takeshi Miida	●	●		●	●	●				
	Akio Inoue	●	●	●	●	●					●
	Masahiko Suzuki	●		●				●	●	●	●
	Hiroji Adachi (Outside Director)	●	●					●	●	●	●
	Manabu Kinoshita (Outside Director)	●	●			●	●		●		
	Kumiko Shirai (Outside Director)	●	●			●		●			●
Director (Audit and Supervisory Committee Member)	Seiji Kato	●		●	●				●		
	Keiko Hayashi (Outside Director)	●		●	●	●					
	Takashi Kuroda (Outside Director)	●			●	●	●	●			
	Toshiya Nishino (Outside Director)	●		●	●	●	●				

1. The above skills matrix shows the expected skills for each member of the company's Board of Directors and Audit & Supervisory Committee and is not a representation of all the knowledge and skills possessed by each director or Audit & Supervisory Committee member.
2. Outside directors have been reported to the Tokyo Stock Exchange as independent officers.

[Skills Required to the Board of Directors and the Reasons]

Meidensha believes that members of the Board of Directors should have such skills and experiences by the reasons below.

Skills	Reasons why such skill is required
Business management / Sustainability	It is important to have the business management knowledge and experience to clarify the direction of the business, such as restructuring the business foundation, strengthening the corporate governance system, and formulating future-oriented growth strategies that include M&A in order to continuously raise corporate value and take on the challenge of building a new society.
DX	It is important to have the knowledge and experience to utilize revolutionary digital technologies like generative AI in operational reforms and business transformations in order to achieve a balance between human and digital resources.
Finance / Accounting	To allocate efficiently managed resources between shareholder returns and investments for additional growth creation with an understanding of capital costs, as well as to report accurately on investments.
Legal affairs / Internal control	To strengthen internal control systems and the compliance / risk management structure that form the foundation of honest and responsible business operations.
HR development / DEI	To create environments and a corporate culture in which organizations that appeal to individuals and diverse, motivated employees can grow and succeed hand-in-hand by advancing personnel development and DEI.
Sales / Marketing	To use sales strategies and marketing to realize optimized resource allocation in the domains of primary focus, to grow existing business, and to try new businesses for the future.
Global	It is important to have knowledge and experience involving overseas business, international affairs, policy trends, and more in order to expand overseas business by further fortifying areas of strength and developing new domains.
Research and development / Innovation	To enhance provided value and develop new technologies and businesses through research that explores the possibilities of future-oriented technologies and businesses by describing our ideal state based on future social changes and issues (targeted research) as well as innovation through co-creation.

Skills	Reasons why such skill is required
"Monozukuri"	To develop the capabilities of the Monozukuri that is a company strength to improve product safety, quality, and production and create resilient supply chain structures in order to contribute to the creation of a safe, reliable, convenient society.
Environment	It is important to have the knowledge and experience of green strategies and other tactics that focus on expanding ecologically friendly business and decarbonizing the entire value chain in order to advance contributions toward carbon neutrality.

(5) Successor Planning

Meidensha formulates a successor plan for the CEO and selects multiple potential successors that satisfy certain requirements from the pool of directors and executive officers with titles. Because selected candidates must cultivate the requisite qualifications and skills to create sustainable growth and increase corporate value, we conduct continuous candidate monitoring and formulate growth plans through opportunities to accumulate diverse experiences, interviews with outside directors, and more. Additionally, CEO selection employs a transparent process where candidates are designated in consultation with the Nomination & Compensation Committee, then the Executive Officers' Meeting and the Board of Directors review each candidate and select the successor.

(6) 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 Director's Meeting 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, 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 review meetings and strategy meetings to serve as advisory and internal bodies, 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.

Summaries and key points of proceedings at the Executive Officers' Meeting and other internal bodies are reported at the regular meeting of the Board of Directors for the month as a report on business execution. This helps to ensure and improve the effectiveness and supervisory functions of the Board of Directors.

Decisions on business execution matters not submitted to the Executive Officers' Meeting for discussion are made by executive officers who have authority over business execution and strive to execute operations proactively and flexibly.

In addition, the Board of Directors delegates part of its business execution authority to executive officers via the directors, and the executive officers are required to submit a report on the status of business execution to the Board of Directors at least once every 3 months, which helps ensure that the Board of Directors can supervise effectively.

(7) Auditing System

Our Audit & Supervisory Committee consists of 4 directors who are Audit & Supervisory Committee members (including 3 outside directors and 1 full-time inside director).

The Audit & Supervisory Committee audits the directors' execution of duties and confirms from a fair, unbiased, and objective standpoint the basic policy regarding the development of internal control systems and the status of their development and operation. Attendance at meetings of the Audit & Supervisory Committee and the like by each member are described in the aforementioned "Composition of the Board of Directors, Nomination & Compensation Committee, and Audit & Supervisory Committee and Attendance in FY2024."

As a general rule, the Audit & Supervisory Committee is held once a month prior to the Board of Directors' Meeting. This is to enable the Audit & Supervisory Committee to form its positions on matters to be discussed at the Board of Directors' Meeting before the meeting is held. In case there is a quarterly audit report from the accounting auditor, the Audit & Supervisory Committee is held twice a month. In FY2024, each meeting lasted an average of roughly 90 minutes, and there were 73 agenda items for the year.

In addition, we established the Support and Advisory Division for Audit & Supervisory Committee exclusively to aid the Audit & Supervisory Committee. It has 5 members with HR and general affairs, legal, intellectual property, finance, sales, production engineering, factory, quality assurance, overseas business planning, and internal auditing experience (as of March 31, 2025).

(8) Internal Auditing System

① Organization

Meidensha has established the Internal Auditing Division (16 members as of March 31, 2025).

As an organization under the direct control of the President and Executive Officer, the Internal Auditing Division is independent from other executive lines. It 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 Meidensha and all Meiden Group companies in Japan and overseas. After conducting these audits, the division follows up with the audited departments in writing or in person to improve the effectiveness of internal audits.

In addition, the division comprises individuals with diverse experience in business and promotes initiatives that strengthen systems such as advocating that individuals obtain qualifications, starting with internal auditor certification.

Regarding relationships with internal control divisions, the Internal Control Promotion Division which is a specialized division establishes risk management systems that integrate the entire Meiden Group and promotes enhancement of internal control systems, the Audit & Supervisory Committee and Internal Auditing Division monitor internal control systems, and the Internal Control Promotion Division, Audit & Supervisory Committee, and Internal Auditing Division work together to enhance the effectiveness of internal control.

② Method of audits, status of implementation, and audit reporting

In FY2024, the internal audits were mainly conducted by 2 methods.

At Meidensha, the company-wide risks confirmed by the Risk Management Committee were reassessed from the perspectives of the Internal Auditing Division, and risk-based audits targeting the highest-priority risk areas were conducted in 14 divisions selected based on risk factors focused on by management and other risks.

We standardize audits in subsidiaries using audit standardization tools that improve audit standards in order to ensure risk comprehensiveness.

In FY2024, we applied these standards to seven domestic subsidiaries and eight overseas subsidiaries, and have conducted an audit of every subsidiary between FY2021 and FY2024.

The Internal Audit Regulations stipulate that internal audit results are to be reported to the President & Executive Officer, the Board of Directors, the Executive Officers' Meeting, and the Audit & Supervisory Committee.

In FY2024, reports were presented monthly to the President & Executive Officer, semiannually to the Board of Directors and the Executive Officers' Meeting, and 11 times to the Audit & Supervisory Committee. Internal audit reports are also sent to the members of the Executive Officers' Meeting and standing Audit & Supervisory Committee members each time one is issued.

(9) Strengthening Group Governance

The Meiden Group is working to continuously strengthen group governance by developing basic policies based on the "Basic Policy regarding Establishment of a System to Ensure the Appropriateness of

Business Activities" at each Meiden Group company, establishing a regulatory framework, and implementing the PDCA cycle.

1. Major Initiatives in FY2024

The Group Company Internal Control Committee is held twice a year to share with domestic subsidiaries information on important top risks for the Meiden Group as discussed by the Risk Management Committee for domestic subsidiaries and the progress of risk management at each company. In addition, by verifying and reviewing the consistency between the company's decision-making policies and those of each related company, we maintain the division of roles in business group controls and the scope of responsibility between each division.

Furthermore, to strengthen internal control throughout the Meiden Group, we conducted internal audits of 7 domestic subsidiaries and 8 overseas subsidiaries to confirm the status of internal control development and operation, and visited 2 overseas subsidiaries to foster a common understanding of the importance and challenges of strengthening governance and compliance.

Additionally, new subsidiary CEOs receive training to obtain perspective as a director in order to improve the effectiveness of management and supervisory functions and strengthen the subsidiary's Board of Directors.

(10) Basic Policy and Current Status of Cross-Shareholdings

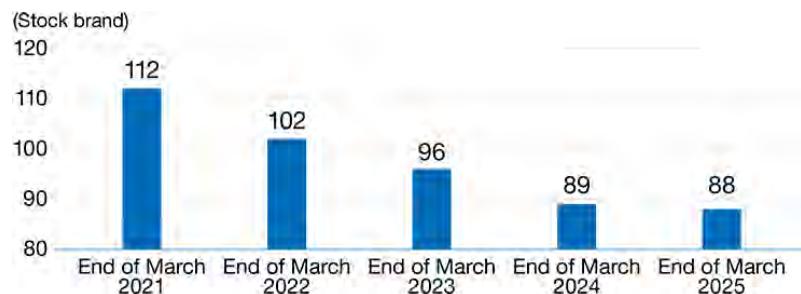
Our basic policy is to hold cross-shareholdings that contribute to enhancing our corporate value and consider selling those that no longer seem reasonable to own for the purpose to maintain and expand transactions and to secure and strengthen medium- to long-term cooperative relationships with partners and fellow alliance members, taking account of market conditions and other factors.

Under this policy, we decide in an annual Board of Directors' meeting to keep or reduce its current holdings of listed stocks based on a comprehensive assessment of whether the ratio of each stock's return (dividends, related trading profits, etc.) to market value meets the target cost of capital, policy factors, and so on.

In FY2024, of the 89 listed and unlisted stocks held as of March 31, 2024 (balance sheet amount: 26,280 million yen), we sold our entire holdings of one listed stock, decreased one unlisted stock due to dissolution, and increased one listed stock through a new acquisition via membership in a golf club, resulting in the number of stocks held to 88 as of March 31, 2025 and a decrease in our balance sheet amount to 23,221 million yen. This represents 16.3% of consolidated net assets as of March 31, 2025. Additionally, the company does not hold any deemed shares.

Based on the basic policy mentioned above, in FY2025, we will review cross-shareholdings and advance appropriate responses while staying cognizant of securing resources for continued value creation connected to the growth strategies and investment strategies detailed in Medium-term Management Plan 2027.

Reduction in the number of cross-shareholdings in the past 5 years



Directors' 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. Giving consideration to this level, the content of the director's compensation system is determined in the form of internal regulations on director's compensation after consultation and confirmation by the aforementioned voluntary Nomination & Compensation Committee, chaired by an outside director.

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 an annual salary system with performance-linked compensation and comprises basic compensation (a) and incentive compensation according to position. Of these, incentive compensation comprises performance-linked compensation (b) as a short-term incentive and compensation for stock acquisition (c), TSR (total shareholder return)-linked compensation (d), and eNPS-linked compensation (e)* as medium- to long-term incentives.

* eNPS: Net Promoter Score (NPS®) for employees. NPS® is a registered trademark of Bain & Company, Fred Reichheld, and Satmetrix Systems.

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

The performance indicator for calculating performance-linked compensation as a short-term incentive is decided after the annual general meeting of shareholders for the relevant fiscal year. It is decided based on the operating income of the previous fiscal year to raise awareness of the need to improve performance, especially profitability, each fiscal year. The performance-linked compensation indicator varies from 0 to 140 depending on the degree to which targets were achieved, with perfect achievement counting as 100.

Operating income for FY2023 was 12.731 billion yen compared to the target of 10 billion yen, which represents an achievement rate of 127%.

Calculation Formula



Meidensha provides compensation for stock acquisition, TSR (total shareholder return)-linked compensation, and eNPS (Employee Net Promoter Score)-linked compensation as medium- to long-term incentives to sustainably increase corporate value and further promote the alignment of interests among directors (excluding Audit & Supervisory Committee members and outside directors) and shareholders.

- (1) The amount of compensation for stock acquisition is determined for each position based on internal rules on officers' compensation. The amount is contributed to the Officers' Shareholding Association to acquire shares.
- (2) The TSR-linked compensation indicator generally fluctuates between 80 and 120 depending on relative TSR (the ratio of the Company's TSR at the end of the latest fiscal year to the TSR of the TOPIX benchmark including dividends corresponding to the Company's TSR calculation period); for reference, when the relative TSR^{*1} is 1, the indicator is 100.
In FY2023, our TSR was 211.6% compared to a TSR for TOPIX including dividends of 196.2%, for a relative TSR of 107%.

Calculation Formula



*1 Relative TSR = Company's TSR as of the final business year-end date ÷ TSR of TOPIX (including dividends) corresponding to the Company's TSR calculation period

- (3) The eNPS-linked compensation indicator generally fluctuates between 60 and 140 depending on the increase or decrease in the eNPS score; for reference, the eNPS score for the final business year calculated from the results of the annual employee awareness survey exceeds the score for the previous business year^{*2}, the amount to be paid is 100.
Additionally, FY2024 was the fiscal year we first introduced eNPS-linked compensation, so we paid TSR-linked compensation standard amount by position in accordance.

Calculation Formula



*2 When change in eNPS score is greater than 0 but less than 1

iv Compensation Determination Procedures

Details of the compensation system and the amount of compensation (including the rules that it is calculated in accordance with the standards of the compensation system and is within the compensation limits decided at the General Meeting of Shareholders) are confirmed and deliberated from an objective point of view by the voluntary Nomination & Compensation Committee.

Specific details of the amount of compensation for each individual director (excluding Audit & Supervisory Committee members. Hereinafter the same shall apply in this section.) are delegated to the President & Executive Officer (the "President"), who is a director, based on a resolution of the Board of Directors. The reason for this delegation is that, as the person with the highest responsibility for the execution of Meidensha's business operations, the President is best suited to evaluate each director while maintaining a bird's-eye view of Meidensha's overall performance. To ensure that the President exercises this authority properly, the Board of Directors establishes procedures for the President to consult and obtain confirmation of the draft in advance from the voluntary Nomination & Compensation Committee. Moreover, the President's decision on the details of individual compensation for each director must consider the details of such confirmation or report, and the Board of Directors has also respected such reports and determined that the details of compensation for each individual director (excluding Audit & Supervisory Committee members) are in line with the decision-making policy.

Compensation for directors who are members of the Audit & Supervisory Committee is determined by the same committee within the compensation limit decided at the General Meeting of Shareholders. An appropriate amount is set to reward the services of committee members, taking into consideration whether they are standing or non-standing and the nature of their respective auditing duties.

FY2024 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)	245	154	90	5
Outside directors (excluding Audit & Supervisory Committee members)	43	43	-	4
Directors who are Audit and Supervisory Committee members (excluding Outside Directors)	28	28	-	2
Outside directors who are Audit & Supervisory Committee members	31	31	-	4
Total	349	258	90	15

Notes

1. Amounts are rounded down to the nearest 1 million yen.
2. The totals above include 1 director and 2 director and Audit & Supervisory Committee members (including 1 outside director) who stepped down from their positions at the end of the 160th Ordinary General Meeting of Shareholders held on June 25, 2024.
3. The amount of compensation, etc. for directors (excluding Audit & Supervisory Committee members and outside directors) does not include employee salaries for directors who concurrently serve as employees.

Board of Directors & Executive Officers as of July, 2025

Board of Directors & Executive Officers as of July, 2025 >

Risk Management

Policy

Basic Approach

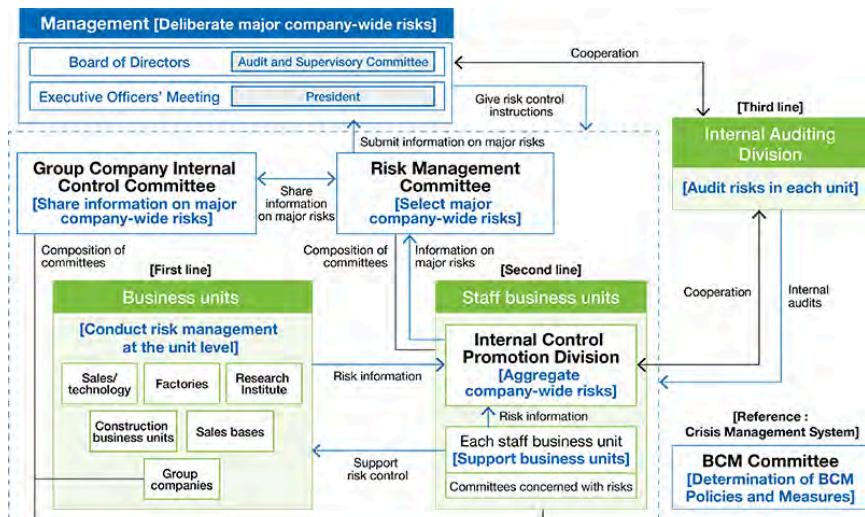
Businesses face conditions that change day to day: climate change, natural disasters growing in frequency and intensity, growing geopolitical risks, increasing digitalization, and diversifying values. Under these circumstances, we must accurately identify the wide range of potential future risks and respond appropriately if we are to sustainably increase our corporate value.

The Meiden Group has created an ERM (Enterprise Risk Management) system designed to identify all types of major business risks to the Group as a whole so that management can discuss them and control them in an integrated manner.

In addition to everyday risk management, we also have an organization-wide BCM (Business Continuity Management) system for managing and responding to business continuity risks caused by accidents or disasters. Through this, we aim to be able to respond to constantly changing risks during both regular operation and emergencies.

Risk Management Structure

The Meiden Group is building a risk management system using the following three-line model.。

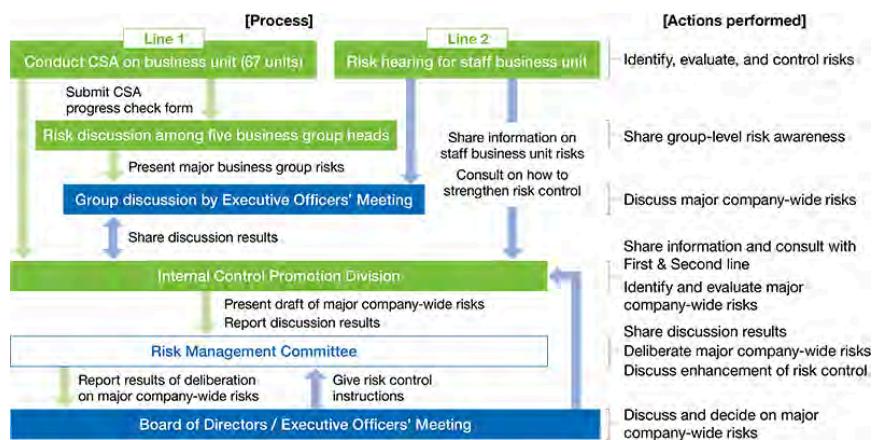


[Explanation of terms]

First line	In our business units (the first line), including plants and domestic and overseas subsidiaries, we have introduced Control Self-Assessment (CSA). With this tool, each unit identifies, assesses, and controls its own risks. To identify risks, units refer to a 120-item risk list to ensure their review is comprehensive. Each unit then evaluates the major risks it identified, focusing on scale of impact and likelihood of occurrence.
Second line	The second line consists of staff business units with expertise in general affairs, legal affairs, human resources, and more. These units monitor and support the CSAs performed by the first line.
Third line	The internal audit department (the third line) conducts regular audits to verify that the first line's CSA cycle and second line's support are functioning effectively. The status of internal audits is reported to the Executive Officers' Meeting, the Board of Directors, the Audit and Supervisory Committee, and key Company management as needed.
Risk Management Committee	Heads of staff business units serve on this committee, which meets twice a year to discuss major company-wide risks as aggregated by the Internal Control Promotion Division. The committee selects major company-wide risks, determines which departments have jurisdiction over them, and clarifies the responsibilities of those departments. The committee also discusses new major risks to strengthen risk control.
Internal Control Committees at Group companies	These committees consist of directors of subsidiaries and meet twice a year to take reports on the status of each company's CSA and share information on major risks for the Meiden Group as a whole. The committees also take part in risk discussions among subsidiaries to enrich the conversation.

Operations of the Risk Management Committee

The Risk Management Committee consists of the heads of Headquarters staff business units, with the head governance officer as chairperson. Twice a year, it deliberates on the important business risks of the Meiden Group as identified by the Internal Control Promotion Division, then selects major company-wide risks. The committee determines which units have jurisdiction over each risk and discusses policies for dealing with the risks. Management holds discussions on the business risks previously discussed by the Risk Management Committee and further debates them in meetings of the Executive Officers' Meeting and Board of Directors to determine the important business risks of the Meiden Group and policies for dealing with them.



Major Risks from Business Activities

The Meiden Group stipulates major business risks to the entire Meiden Group through regular discussion among management according to systems such as those listed above. Risks that the Group considers could have a serious impact on its operations are as follows.

Major Risks Facing the Group

No.	Risk name	Risk evaluation			
		Impact	Possibility of occurrence	Rate at which risk materializes	Period of impact when risk occurs
1 External environmental risks	1-1 Insufficient understanding and responses to changes in the market environment	Large	High	Average	Short
	1-2 Natural disaster	Large	Medium	Fast	Short
	1-3 Climate change	Medium	High	Average	Average
	1-4 Geopolitical risk	Medium	Low	Fast	Average
	1-5 Loss from fluctuations in exchange rates, interest rates, etc.	Medium	High	Average	Short
2 Strategic risks	2-1 Lack of personnel	Large	High	Average	Long
	2-2 Strategic R&D risks	Medium	Medium	Average	Short
3 Operational risks	3-1 Reduced quality	Large	Medium	Average	Average
	3-2 Labor management and working environment risks	Medium	High	Fast	Long
	3-3 Workplace accident	Large	Medium	Fast	Average
	3-4 Cyberattack	Large	Medium	Fast	Short
	3-5 Information management	Large	Medium	Fast	Short
	3-6 Insufficient procurement management	Large	Medium	Average	Short
4 Compliance risks	4-1 Quality misrepresentation and false inspection	Large	Low	Average	Long
	4-2 Human rights violation	Medium	High	Average	Long
	4-3 Building code violation	Large	Medium	Average	Average
	4-4 Environmental regulations	Large	High	Fast	Average
	4-5 Antitrust violation and bribes	Large	Low	Fast	Long

(Note) Risk valuations are determined independently for multiple risk targets for the company Group.

Initiatives

Risk Management Relating to Business Activities

Preliminary Risk Assessment

The Meiden Group's preliminary risk assessment system, based on our Basic Policy on the Establishment of a System to Ensure the Appropriateness of Business Operations, is designed to provide information for management decision-making. In our system, we hold a preliminary risk assessment meeting to carefully consider matters that may have a significant impact on the Group. Projects subject to review are generally classified as large scale EPCs, M&As, partnerships, new businesses, or other matters that require a resolution by the Executive officers' meeting according to regulations.

In FY2024, we conducted preliminary risk assessments on 5 cases. Including these, we have not yet identified any cases that have caused new losses.

In the preliminary risk assessment meetings, we evaluate not only financial risks, but the allocation of responsibilities (product assurances, etc.), operation risks (systems, etc.), and more. The Corporate Policy Planning Group and the Internal Control Promotion Division serve as the secretariat for assessments, and their supervising officers determine whether a meeting needs to be held. Other units involved include the Corporate Governance Management Group, the Accounting and Financing Group, and the Sales Planning & Administration Group.

During M&A, a third-party unit performs the due diligence. Besides doing a financial investigation of the target company, we also evaluate it from an ESG perspective to strengthen risk management. This

includes the target's corporate culture, legal compliance systems including human rights concerns, compliance with environmental regulations, labor conditions, occupational health and safety, and other factors.

Policies, Plans, and Targets

Business Continuity Plan (BCP)

Basic BCP Policy

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

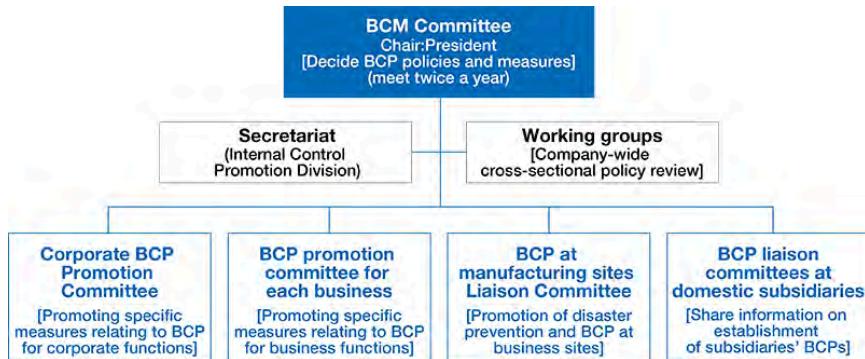
- (1) In the event of a disaster, it is our utmost priority to ensure the safety of all employees, their family members, and customers.
- (2) We contribute to swift reconstruction and recovery from disasters, considering our corporate social responsibility as a company that supports social infrastructure.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

Initiatives for the Medium-term Management Plan 2027

We will promote the Medium-term Management Plan 2027, 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, BCP liaison committees at domestic subsidiaries, the Working Group to discuss company-wide issues and promotes BCP throughout the Group.

Fifth Natural Disaster Response Headquarters Drill

In September 2024, we conducted a company-wide natural disaster response headquarters drill to verify BCP responses. The first through fourth drills assumed an earthquake, while the fifth drill assumed an eruption of Mt. Fuji to verify the effectiveness of BCP for all hazards. The scenario presumed that an eruption warning was issued and that an eruption occurred during a company-wide natural disaster response headquarters meeting. A preliminary orientation for this drill was held in August and because each team pre-verified their responses to an eruption warning, participants were able to practice under an understanding of how Mt. Fuji erupting would affect their actions during a drill conducted with ever-changing eruption updates to mimic real-life conditions. The company-wide natural disaster response headquarters meeting deliberated on the decision to evacuate personnel from each business site and whether to reopen plants. We will use the results of these drills to organize and adjust whether enough information exists to reach a decision, study how to enact responses to risks beyond the eruption of Mt. Fuji and earthquakes, and improve BCP.



Company-wide response headquarters drill



The simulated company-wide natural disaster response headquarters meeting

Works Prevention and BCPs Workshop

We have conducted BCP workshops focusing on each Business site and branch, and began BCP workshops for Business groups in FY2024. In FY2024, we conducted a simulated disaster for the EV Group where an earthquake in the Nankai Trough impacted the Nagoya works. Over twenty people from Nagoya and Tokyo participated, with the purpose of “promoting knowledge and an understanding of the contents of the EV Group Integrated BCP manual,” “confirming consistency in communications between divisions in the EV Group,” and “using workshops to extract issues and consider improvements.” In post-workshop reviews, employees engaged in lively exchanges on the necessity of periodic drills and other ideas.

Moving forward, we plan to expand these workshops laterally across the entire Meiden Group, especially to the Line Division, and drive improvements in our disaster response capabilities.

Establishing BCPs at Overseas Subsidiaries

We are also establishing BCP in subsidiary sites outside Japan. They were exposed to various risks, such as hurricanes in the USA and cyclones in India in FY2024, and large-scale earthquakes in central Myanmar in March 2025. Japanese and local staff worked together to advance initiatives to further refine BCP materials based on these experiences. We will continue to permeate BCP as we coordinate with Meiden Group overseas subsidiaries from the standpoint of business continuity for the entire Medien Group.

Employee Education on Disaster Prevention and BCP

Disaster prevention and BCP training is included in the curriculum for each level of employment and is provided continually. In FY2024, we again gave training for new employees and mid-career hires. We have also expanded the scope of our awareness activities, such as disaster prevention and BCP training for employees working at domestic sites and training for BCP staff of Meiden Group companies.

In addition, we created a training video to further spread the word about our disaster prevention and BCP efforts. The video was released in May of 2023 and we have worked to ensure that all Group employees view it.



Employee BCP training video

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, theft, or loss. Further, through information security management, we maintain the safety of the products and services we provide to our customers.

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.

Information Security Control System

Considering the increased sophistication of cyber attacks in recent years, we have established and currently operate a company-wide security system to comprehensively respond to the ever-changing risks.

We established PSIRT^{*1} to enhance our information security measures for the products and services we provide to customers and FSIRT^{*2} to oversee factories under CSIRT^{*3}, which enhances internal information security. We also established the PrSIRT,^{*4} which aims to reduce supply chain risks. These

specialized teams will take the lead in routine countermeasures and incident response. Further, we have assigned a SIRT manager in charge of information security to each unit to continually inspect and improve the state of implementation, the degree of training, and the implementation of rules within the organization. In addition, we have established a general contact point (MEIDEN-SIRT) to facilitate cooperation with each unit and to provide rapid response to information security risks and incidents.

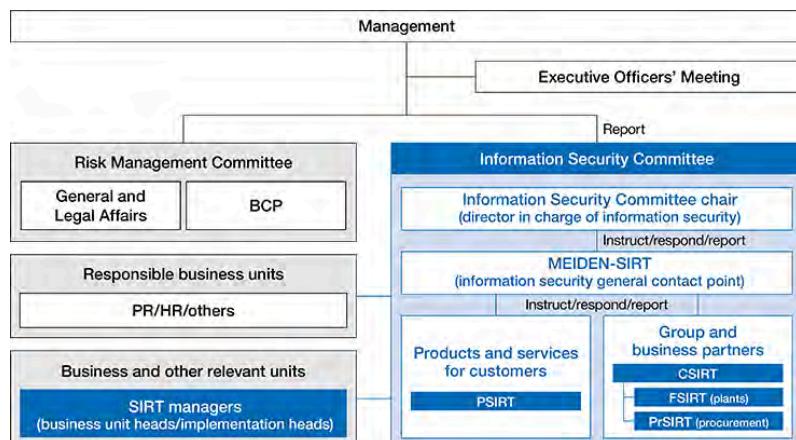
The Information Security Committee is chaired by the director in charge of information systems and deliberates on the drafting, evaluation, and improvement of information security measures, as well as investigations into the causes of incidents and the prevention of recurrences. The status of information security operations is regularly explained to and approved by the president and management.

*1 PSIRT : Product Security Incident Response Team

*2FSIRT : Factory Security Incident Response Team

*3CSIRT Computer Emergency Response Team

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.



In fiscal 2024, we are continuing to implement initiatives to reinforce information security for the entire Meiden Group.

Analysis of Incidents and Countermeasures for Each Cause

Meiden Group strives to implement sustainable security measures within the framework of "prediction/protection/detection/response/restoration." 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 attacks, as well as measures mainly aimed at combatting human factors such as theft, loss, or mishandling of information devices.

Further, to strengthen our ability to respond to increasingly sophisticated cyber attacks in recent years, alongside our existing multi-layer defense measures, we have implemented various additional measures with a "zero trust" approach in mind. In terms of systems, we have initiated efforts to strengthen externally facing information security measures (concerning products and services) and have developed internal systems to speed up incident response.

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 FY2024, we conducted e-learning covering an introduction to information security as well as information security threats based on case studies. The e-learning was attended by 94% of employees, plus materials were 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 FY2017, we have continuously conducted activities to enhance our suppliers' information security. We ensure that suppliers are aware of information security measures as management issues, and we hold training and information sessions as required.

We continue to support our business partners' efforts to strengthen information security. We do so through four measures designed to prevent information security incidents: awareness raising, education, visitations, and information sharing.

- **Awareness raising:** We have strengthened and encouraged our business partners' voluntary enhancements of information security by utilizing the SECURITY ACTION program of the Information-technology Promotion Agency, Japan (from FY2021). We also recommend that our business partners acquire stars (logos) representing their level of efforts to address information security to make evaluation more visible.
- **Education:** We provide group training at each works, share information on information security measures and risk case studies at production plan briefing sessions, and hold SECURITY ACTION program information sessions.
- **Visitations:** We perform on-site diagnosis of information security risks during visits to business partners.
- **Information sharing:** We publish an information security newsletter and provide educational content on the online Supplier Portal.

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

In an effort to promote compliance within the Meiden Group, Meidensha formed the Compliance Committee with the Head of Compliance as chairperson as the entity to determine compliance action plans.

Based on these action plans, Staff Business units, led by the Legal Affairs Division that is the secretariat, conduct compliance training for all Group companies on observing antitrust laws, preventing corruption and harassment, and other issues. In addition, the Compliance Committee secretariat handles matters related to compliance reporting and works to resolve any legal issues that arise. These compliance-related activities are reported during regular meetings of the Compliance Committee and at meetings of the Board of Directors.

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 Compliance Committee. 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. Moreover, we have introduced a Compliance Manager System and established a Compliance Committee in our overseas Group companies similar to those in Meidensha. Our overseas Group companies have also created compliance systems centered on their regional management 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.

We also created an information hotline just for suppliers as well as a harassment consultation hotline, to establish a system where Meiden Group employees and business partners can discuss matters with greater peace of mind. Furthermore, in FY2024, we established a new "Quality Misconduct Consultation Service" with the Quality Control Department as the point of contact, enabling Meidensha Group employees to consult regarding cases suspected of quality misconduct.

The external hotline (Compliance Hotline) enables Meiden Group 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.

In addition to these hotlines, information hotlines for each Group company and information hotlines created in the regional management company for overseas Group companies provide information hotlines that respond to a diverse range of needs.

The Compliance Committee secretariat 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 FY2024, the Meiden Group received 82 reports and consultations, of which we thoroughly confirmed which cases required a response and dealt with them accordingly. When a report is received, Audit & Supervisory Committee Members are informed in a timely manner. 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 (executive officer level or above) in each department. 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 working to raise awareness about our anti-harassment measures. For example, the scope of the anger management training for managers was extended to other employees as well starting in FY2022. Our goal is to firmly entrench these lessons in the Meiden Group and provide better guidance.

	Unit	FY2022	FY2023	FY2024
Anger management training	People	2,333	1,798	1,893
Unconscious bias seminar	People	321	322	288

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 FY2024, we conducted online training for sites around Japan and all Group companies in Japan, with a total of 7,393 Group employees participating. 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.

[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 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. The revised Corporate Code of Conduct includes a commitment by the Meiden Group to contribute to the realization of a sustainable society. We also promise to conduct business honestly and fairly to prevent bribery and other forms of corruption; respect human rights; create workplaces where employees can play an active role; protect the environment; cooperate with society; manage information; practice timely disclosure; and manage risk. It also defines the responsibilities that top management has with respect to the Corporate Code of Conduct. The Board of Directors approved the revised Corporate Code of Conduct. 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 and a guidance video that contains a message from management in three languages (Japanese, English and Chinese), and distributing these to Group companies.

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 Japanese >](#)

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

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

[Meiden Group Anti-Bribery Policy \(PDF : 440KB\) !\[\]\(acbcc819a2c48b9c57ab40b0f53f2137_img.jpg\) >](#)

Officer Training

Meidensha conducts training for persons of executive officer level and above, with a focus on compliance with the Antimonopoly Act. In FY2024, we provided training led by outside instructors on risk management and preventing quality fraud.

Political Contributions

The Meiden Group Corporate Code of Conduct states that "We comply with the relevant laws and regulations of countries and regions where we conduct business activities, particularly in relation to politics and government, and do not act in any way that could be suspected of collusion or corruption, such as providing favors."

If we do make political contributions, we comply with the Political Funds Control Act and follow appropriate internal procedures, giving due consideration to the necessity and appropriateness of such contributions.

[Policy and Initiatives](#)

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

Results Data

Compliance Data

FY2024 Breaches of the Law, etc., in Japan and Overseas (Whole Meiden Group)

- Criminal cases or administrative penalties resulting from violation of competition laws in Japan and abroad: NA
- Criminal cases or administrative penalties resulting from bribery or other corrupt practices: NA
- Criminal cases or administrative penalties resulting from other major legal or regulatory violations: NA

Consultations and Reports Through the Compliance Hotline

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

	Unit	FY2022	FY2023	FY2024
Number of consultations and reports (Of which, those that concerned harassment)	Cases	59 (31)	79 (27)	82 (34)

* Includes incidents at subsidiaries referred through the Meidensha Hotline.

Compliance-Related Training

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

		Unit	FY2022	FY2023	FY2024
Compliance Training		Times	4 + video viewing	4 + video viewing	Video viewing
		Participants	4,336	6,575	7,393
Education by level (compliance presentations)	New staff education	Participants	262*	195	178
	Leader training	Participants	123	110	134
	New manager training level 1	Participants	94	99	80

* Includes subsidiaries and employees hired in mid-career

Dialogues with Shareholders and Investors

Basic Approach and the IR & SR System

When any shareholder wishes to discuss with Meidensha's ideas that will contribute to the medium- to long-term improvement of our corporate value, our policy is that our management will engage in such dialogue to the extent possible.

We have established a system whereby each special department for IR and SR under the IR & SR Director works to strengthen external communication while simultaneously enhancing communication and creating opportunities for discussions with shareholders, including institutional investors. These activities are also regularly reported to and discussed by the Board of Directors.

Initiatives

Results Briefings

We hold Q&A sessions on financial results twice a year in May and October (or November). In FY 2024, the video of the President explaining the financial results was distributed to analysts and institutional investors who registered for the Q&A session immediately after the disclosure of the financial results, and the Q&A session was held on the following business day via a web conference.

In FY 2024, 100 analysts, institutional investors, and others participated in both the interim and full-year financial results announcements.

Financial Results >

Individual Business Briefings (Small Meetings)

Since FY 2018, we have held small meetings once a year. We set a different business theme each year and create an opportunity to better understand our business by giving presentations and holding Q&A session with the relevant managing officers.

Seven analysts attended the small meeting for the Power Infrastructures Business Group held in February 2025. After a report on the overall state of business by Managing Executive Officer Hiroshi Takahata (IR

head) and an explanation of the power infrastructure business by Power Infrastructures Business Group Managing Executive Officer Shinichiro Kon, questions were taken from those in attendance.

Initiatives for Individual Investors

In FY2024, Meiden showed a company introduction video aimed at investors at SMBCs Nikko Securities Inc.'s Nikko Web IR Day. About 1,800 individual investors viewed this video and learned about our business, growth strategy, shareholder return policy, and more.

Main IR & SR Activities (No. of Meetings)

Meetings	Unit	FY2022	FY2023	FY2024
Domestic Institutional Investors	No.	77	102	157
Overseas Institutional Investors		32	25	94
Analysts		41	42	41
Total		150	169	292

Opinions of Analysts and Institutional Investors

We publish a quarterly IR report that includes the opinions and requests given at financial results briefings and individual meetings and this report is given to internal and external directors, executive officers, heads of business units, the Staff Business Unit, managers, and others. The main themes that came up in discussions with analysts and institutional investors in FY2024 are as follows.

- Initiatives to improve capital efficiency
- Factors contributing to improved profitability in the strong power T & D business overseas, as well as country-specific background and sustainability of the same
- Operational status and future outlook for each work in the EV business
- Details of growing businesses, equipment investment plans, R&D, etc. in the Medium-Term Management Plan 2027
- Countermeasures against the large-scale acquisition of company stock (anti-takeover measures)
Etc.

Results of Conversations with Stakeholders

This section will introduce some case that we reflected the opinions and realizations we received through conversations with analysts, institutional investors, and shareholders to our activities.

- 1) Manage the relationship with the director skill matrix and the Medium-Term Management Plan 2027
Shareholders opined about the importance of the relationship between each director's skills and the medium-term management plan and noted that a system linking the skill matrix and the medium-term management plan would make this easier to understand.
Based on this feedback, we held discussions on the aims of the Medium-Term Management Plan 2027 and revised the skill matrix to align with it.
- 2) Continued discussions on the continuation of anti-takeover measures
Numerous investors asked for updates on our approach to anti-takeover measures while grasping the current state of the world.
In FY2024 we held study sessions with outside experts on anti-takeover measures for directors, and after verifying the most recent situation and examples, held multiple meetings on the importance of proactive anti-takeover measures introduced within the company. In FY2025 we will continue to hold meetings on this crucial operational matter.

Going forward, we will continue to proactively communicate with our shareholders and investors by enhancing opportunities for dialogue through financial results briefings and individual IR/SR, as well by expanding information disclosure on our website and in reports and other publications.

Results of Conversations with Stakeholders

Stakeholders	Form of dialogue (frequency)	Department in charge
Customers	<ul style="list-style-type: none"> • Everyday sales activities (day to day) • Machine maintenance and service and construction management on the customer's site (day to day) • Product exhibitions (as needed) • Website (day to day) • Customer center (as needed) 	<ul style="list-style-type: none"> • Each division's sales department • Service & maintenance department • Plant construction & engineering department • Customer center
Suppliers	<ul style="list-style-type: none"> • Partners Meeting (once/year) • Production plan explanatory meetings (once/year) • Supplier portal (day to day) • Website (day to day) • Public Whistleblower Hotline (day to day) • Seminars (as needed) 	<ul style="list-style-type: none"> • Procurement department • Production engineering department
Shareholders/investors	<ul style="list-style-type: none"> • Financial results briefings for securities analysts, institutional investors, and media (twice/year) • IR interviews with securities analysts and institutional investors (quarterly) • Small-group meetings with securities analysts and institutional investors (as needed) • Factory tours for securities analysts and institutional investors (as needed) • Events for individual investors (once/year) • Integrated Report (once/year) • Regular general meeting of shareholders (once/year) • Website updates (as needed) 	<ul style="list-style-type: none"> • IR department • General affairs department
Employees	<ul style="list-style-type: none"> • President's management policy briefing (twice/year) • Town Hall Meeting (once/year) • Meiden Mirai Meeting (40 times/year) • Employee Awareness Survey (once/year) • Various trainings for employees (as needed) • Consultations between labor and management (as needed) • In-house portal site updates (as needed) • In-house newsletter (video version monthly, booklet quarterly) • Internal whistleblower system, consultation service (as needed) 	<ul style="list-style-type: none"> • HR department • Legal department • PR department • Sustainability department

Stakeholders	Form of dialogue (frequency)	Department in charge
Local communities and society	<ul style="list-style-type: none"> Employee volunteerism in the community (as needed) Participation and support for community events (as needed) Courses-to-go and Craftsmanship Workshops (as needed) Support for GIGA School (as needed) Classes in collaboration with community (as needed) 	<ul style="list-style-type: none"> General affairs department Sustainability department DX department