



Meidensha's CO₂ reduction targets received SBT certification.



Meidensha was recognized as 2024 Health and Productivity Management Organization (White 500) in the large enterprise category.



Meidensha was granted Platinum Kurumin certification by the Minister of Health, Labour and Welfare.



Meidensha received the highest Eruboshi certification (Level 3) from the Minister of Health, Labour and Welfare.



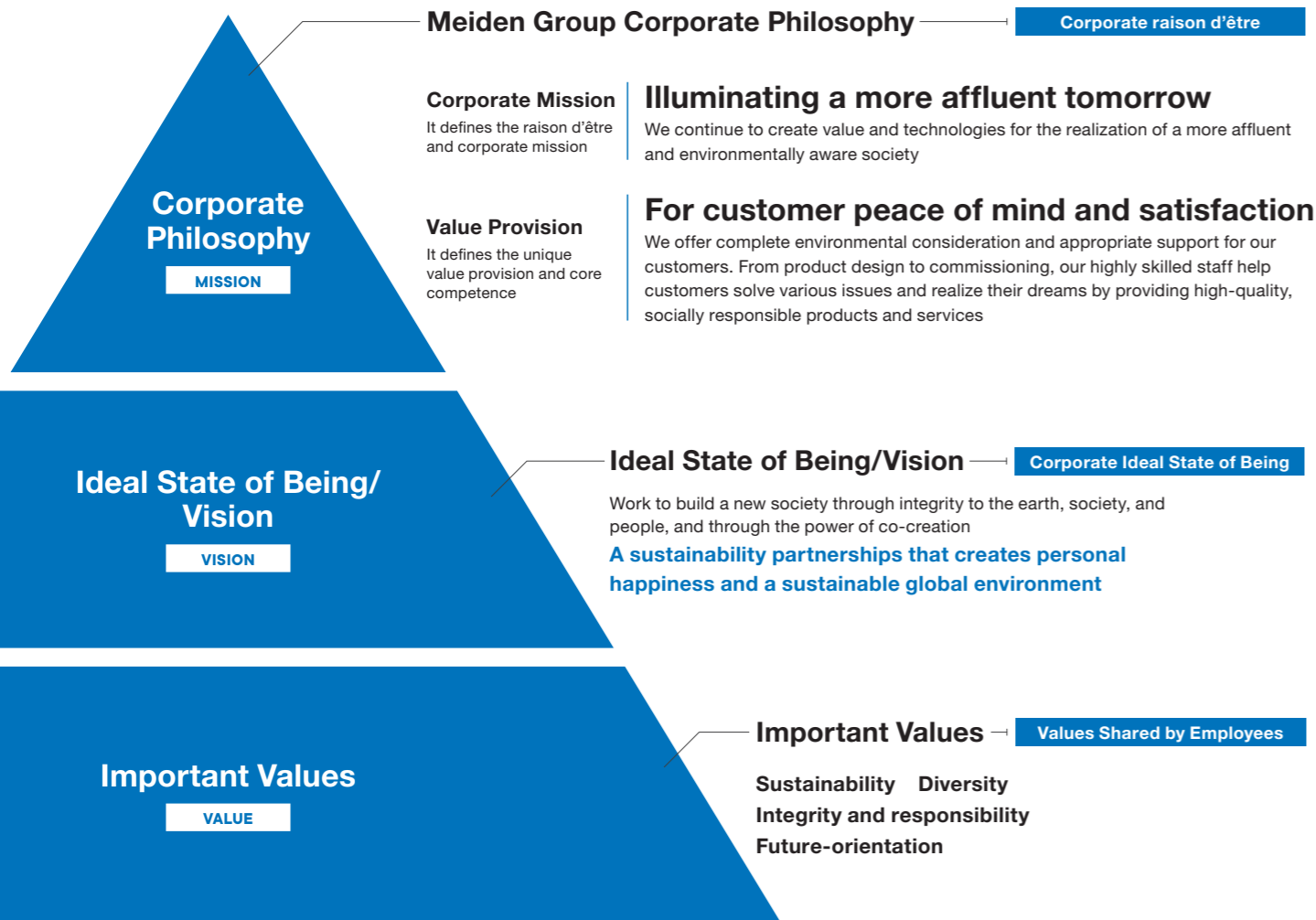
ThinkPark Tower, 2-1-1, Osaki, Shinagawa-ku, Tokyo 141-6029 Japan

www.meidensha.com

MEIDENSHA REPORT 2024

INTRODUCTION

Meiden Group Corporate Philosophy



Quality connecting the next



Corporate Slogan (Expressing the corporate philosophy in a single phrase)

For us, our “quality” is not only about the quality of our products and services. There are two things that make our quality: “people” and “technology.” People at Meiden strengthen ties with customers around the world by being truthful and flexible. Meiden Group technology contributes to society with truly original products and reliable services created with expertise. These two attributes make Meiden’s unique quality, and create new connections with the future. Making connections with our customers, society, and people living in it. These connections will expand, and the power we have built will become the energy for the next generation.

For the peace of mind and joy of our customers, and the precious lives of people beyond them, Meiden Group quality will connect with a more prosperous tomorrow. This is our never-changing mission.

Editorial Policy

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

In Meidensha Report 2024, we set out to present the progress of the Meiden Group’s value creation, Medium-term Management Plan 2024, and the sustainability management on which the plan is based, as well as to vividly convey how we embody our important values for realizing our stated vision and our employees’ personal visions and challenges, which we refer to as “My Vision, My Challenge,” through the platform of the Meiden Group. We hope this report brings you on board with our vision of the society that the Meiden Group hopes to realize, and we look forward to watching waves of co-creation gain momentum toward the realization of a more affluent tomorrow.

We hope this report helps enhance and enrich our dialogue with stakeholders.

The Meidensha Report’s Drafting and Approval Process and Responsibility for the Meidensha Report

In drafting this report, we refer to the International Integrated Reporting Framework proposed by the IFRS Foundation and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation proposed by the Ministry of Economy, Trade and Industry, etc.

The content of the report is based on opinions and questions received from stakeholders on a daily basis, and we drafted it by working with each organization to convey information in a manner that is easily understood from a long-term general perspective, in order to realize the Meiden Group’s ideal state of being. I have confirmed that the drafting process and content are correct and proper

Since 2013, Meidensha has issued the Meidensha Report as an integrated report. It is a communication tool for all stakeholders, including shareholders and investors, to understand the Company. Going forward, we will use the report as a tool for dialog and sincerely face our stakeholders to work to sustainably increase corporate value.

Representative Director President and Executive Officer: Akio Inoue

Disclaimer

In addition to past and current facts about the Meiden Group, this report contains forecasts for the future based on plans, outlooks and business policies and strategies in effect at the time of publication. These forecasts are our assumptions and judgments as based on information available at the time they were stated and may differ from actual business activity results and events in future owing to changes in conditions.

Report Media

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

Meidensha Report print edition and web edition

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



Meiden Group Sustainability Web Edition

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



<https://meidensha.disclosure.site/en>

CONTENTS

INTRODUCTION

- 01 Meiden Group Corporate Philosophy/ Editorial Policy

MESSAGE

- 03 Message from Management
- 07 Message from the Officer in Charge of Finance

OUR VALUE

- 09 Meiden Group Value Creation Process
- 11 Meiden Group’s Materiality
- 13 Materiality and Medium-term Management Plan 2024
- 15 Meiden Group History of Technology and Value Creation
- 17 My Vision/My Challenge
- 19 Social Value Created through Business

OUR STRATEGY

- 21 Progress of Medium-term Management Plan 2024
- 23 Power Infrastructures Business Group
- 25 Public, Industrial & Commercial Sector Business Group
- 27 Mobility & Electrical Components Business Group
- 29 EV Components Business Group
- 31 Field Service Engineering Business Group
- 33 Overseas Business Development

OUR APPROACH

- 35 Creating Added Value through Manufacturing Value Creation Story 1
Meiden Group Leads a Joint Value Co-Creation Project in Hiroshima
- 37 Creating Added Value through Manufacturing Value Creation Story 2
Striving for Safe and Secure Product Delivery and a Workplace that Showcases Every Employee
- 39 Climate Change Responses
- 43 The carbon neutral transition plan
- 45 DX strategy
- 47 Human Resource Strategy
- 49 Special contents- President x Employee Roundtable discussion: The Power to Create the Future
- 55 Respect for Human Rights
- 57 Manufacturing Strategy
- 60 Creating Added Value through Manufacturing Value Creation Story 3
Meidensha Numazu Works:
Crossing Borders to Overcome Bottlenecks
- 61 Research and Development
- 63 Intellectual Property Strategy
- 64 Innovation Strategy

CORPORATE GOVERNANCE

- 65 Board of Directors & Executive Officers/
Message from Newly Appointed Outside Directors
- 67 Corporate Governance
- 75 Risk Management/ Compliance
- 79 Stakeholder Engagement

CORPORATE INFORMATION

- 81 Financial / Non-Financial Highlights
- 83 Outline of the Meiden Group

TOP MESSAGE

Message from Management



Dreams: A Force for Meiden Group Growth and a Bright Future

Akio Inoue

Representative Director, President and Executive Officer

Year One as President: Changes I Have Felt

In just one year since I assumed the position of President, the business environment surrounding the Meiden Group has changed dramatically. A representative positive factor in Japan is that capital investment by electric power companies, which had been on a declining trend, has recovered significantly since the COVID-19, and at the same time, demand for electricity is expected to grow in the future against the backdrop of the construction of semiconductor plants and plans to build and expand data centers. Overseas,

investments related to electric power grid development and renewable energy are expanding, and our Power Infrastructures Business Group is experiencing a tailwind reminiscent of past economic booms.

On the other hand, there are factors impeding our progress, the first of which are soaring and persistently high prices of materials, delays in construction progress due to labor shortages in Japanese industry in general, and increased project costs due to these factors. Demand for social infrastructure itself remains strong, but there are cases, particularly in the Public, Industrial & Commercial Sector Business Group, where individual projects are putting pressure on profits.

In addition to this, looking at the world in general, we are seeing a remarkable technological evolution, with a particular focus on the development of generative AI technology. AI, which was once mainly used for prediction and automation, is now growing to also cover creation. This ability to create something from very little is a factor that will have a significant impact on our daily lives and the business world. We will always keep abreast of trends, as this also offers major opportunities in our business activities.

In my own direct dialogue with shareholders and investors, including but not limited to official investor and shareholder relations activities, I also feel that the interest and expectations of stakeholders on us are growing. In FY2023, orders, sales, and operating income reached record highs on the back of strong demand, and our corporate value also increased. In the immediate term, we face tough challenges in the Public, Industrial & Commercial Sector Business Group, as alluded to before, and in the Mobility & Electrical Components Business Group, which was affected by the slump in the semiconductor market.

However, my sense is that the Group as a whole is improving its earning power, thanks to a major breakthrough in the Power Infrastructures Business Group, which had previously been in a severe profit situation, and the steady and continuous growth of the Field Service Engineering Business Group, which has become a stable earnings base, among other tangible results. In the days ahead, we will strive to meet further expectations from the market by improving the earning power of the entire Group and boosting ROE, including in business areas that are currently facing difficult conditions, and by raising our P/E ratio by increasing the visibility of growth in the future.

Closing Gaps with Our Production Sites and Accelerating Management Decisions

Since assuming the position of President in June 2023, I have focused on speed in decision-making. In today's business environment, the pace of change is accelerating with each passing year; a thing can easily become obsolete in as little as six months to a year. It is my policy to make decisions immediately when

TOP MESSAGE

information is received so that we can move on to the next step, and I am always conscious of eliminating the time that Meiden Group employees are stuck waiting for me to make a decision. I believe that there will be an increase in the number of situations in which immediate decisions will be needed with the best possible risk management, something we have not been very good at in the past.

In order to make quality decisions in these situations, during the past year I have consistently visited production sites, locations at the foundation of our work as a manufacturer. One of the main reasons is that, in a situation where we have been receiving a great deal of orders, many of the keys to improvement in order to accumulate profits while creating value for customers are to be found at the manufacturing site. While handling this, I feel it is important to close the gap between management and production sites, recreating the closeness the Meiden Group once had. Based on this concept, from FY2024, we are also increasing opportunities for managers of each plant to report at management meetings.

To do business is one thing when orders come from on high; it means something entirely different when it comes from when site personnel think things through and communicate this to management, and that influences how work is done. It is my desire to reposition production, the most important aspect of a manufacturer, at the center of management.

Building Groundwork for the Next Medium-term Management Plan

FY2024 will be the first year in which we aim to exceed 300 billion yen in consolidated sales. Production and plant construction sites will be subject to loads never experienced before, but we believe that if we place the highest priority on safety, manufacture products efficiently, and ship them steadily, profits will surely follow. I intend to take the lead in both word and action so that both Group employees and external stakeholders can have confidence in us.

At the same time, we will discuss the direction of investment for growth with a view to future evolution as a company and further business expansion. As with the example of generative AI discussed earlier, it is necessary to digitally transform (DX) while implementing digital technologies into management to raise the level of competitiveness, rather than relying solely on human resources. In advancing this digital transformation, it is a reassurance that we have a large backlog of orders.

In Japan, the depreciation burden on capital investment is particularly heavy in the first three years, but if a company can ascertain the workload needed to overcome this period, it will be easier to make aggressive decisions thanks to the high visibility on seeking to boost earnings going forward. In the past, we have allocated much of our investment to EV business,

new businesses, and M&A in overseas businesses, but going forward, we intend to rebuild our business foundation centered on production while also allocating funds to investments that will help expand the scope of our core infrastructure businesses.

In the formulation of our next medium-term management plan, which we plan to announce in FY2025, we will include these discussions and put our medium- to long-term growth strategy into a clear form.

The way I see this, the fundamental concept will be to establish three major pillars with different time frames, running concurrently. The first of these is the pillar of achieving higher ROE within a relatively short time horizon. Considering the abundant backlog of orders and the current demand outlook, there is no doubt that it is imperative to increase profits while raising our top line through investments to expand production capacity and improve production efficiency.

The second and third pillars are the formulation of business scenarios and development scenarios. In formulating business scenarios, the main objective of each business group is to backcast (plan backwards from a desired future goal) business scenarios based on anticipated changes in customers and markets while looking ahead to the relatively near future (five to 10 years), and to help update our businesses in line with the needs of the times.

From an R&D perspective, which is the third pillar, we will also work out a scenario for what we will call “directional research,” which will set a course for what kind of organizational capabilities we should acquire. This will be formulated based on what kind of society will be built 10 to 20 years from now and what kind of

technology will be needed in that society.

We have already started to invest in productivity improvement and have begun to conduct this directional research, but during FY2024, we would like to deepen our long- and short-term scenario planning discussions internally so that we can create a system capable of organizational and agile adaptation in the event of major changes in the world.

 Research and Development P.61-62

Big Strengths and Big Dreams Leading the Meiden Group to Growth

The greatest strength of the Meiden Group is the strength of our employees' passions. As expressed in the two core concepts of our Corporate Philosophy—“Illuminating a more affluent tomorrow” and “For customer peace of mind and satisfaction”—all employees of the Meiden Group are proud to take on the challenge of envisioning a better society and creating it together with our customers. Meidensha came to be in Japan's Meiji era, in the late 1800s, with the desire to enrich the world with the power of electricity. Since that time, we have brought many ideals to fruition.

As one of a countless number of examples, we were involved in the opening of the bullet train line (Shinkansen) that was being developed for the 1964 Tokyo Olympics, and in 2009 we delivered motor and inverter for the world's first mass-produced electric vehicles. These are aspirations that have taken root over our long history of working together with our customers to build social infrastructure and support industrial

development, imbuing us with a sense of mission to provide value to people while giving form to their dreams and aspirations for the future, rather than merely performing manufacturing functions.

Currently, we are in the process of asking each business group to share their dreams of what kind of value they want to create and how they want to generate profits. Internally, we actually use the word “dream” in dialogue to help craft future visions for value provided and business scale. I believe that this repeating cycle of talking about dreams and giving them form is a kind of baton relay of growth, from the past to the future of the Meiden Group.

In order to put this into practice, it is necessary to look back at the trajectory we have taken and reexamine the future we should aim for, even in the midst of the extremely hectic work of the immediate future. To this end, since assuming office as President, I have decided to hold town hall meetings to provide opportunities for dialogue among all employees, an initiative launched last year. At these events, in addition to sharing the Company's direction and vision, my desire is to share my own dream in a straightforward manner, thereby expanding the overlap between the desires of employees and the driving force propelling the Company forward.

While understanding the scale of the dreams that each business group is talking about, there will be times when decisions will have to be made on how to allocate resources differently than under the current business portfolio. Especially in Japan, the fact that human resources are unavoidably scarce, regardless of industry, is forcing companies to practice selection and concentration in their operations. Our approach is that, in order to create and nurture exciting future growth drivers based on big dreams drawn on our canvas, it is necessary to make management decisions that focus resources on areas where high growth potential can be realized, along with the process of developing a clear plan for the narrative that will lead to the realization of that dream.

To Our Stakeholders

In order for the Meiden Group to continue to be an important part of society for the next 100 years, and to be a company that can realize the aspirations of our employees and stakeholders, I will take the initiative in drawing up big dreams and fostering a corporate culture that challenges us to achieve them. Meanwhile, I will continue to focus on strengthening our technical capabilities and human resource development to support the realization of these dreams.

Going forward, I and the rest of the Meiden Group will continue to strive to meet the expectations of our shareholders and other stakeholders, leading to further growth and trust. We look forward to your continued honest feedback and support for the Meiden Group.



MESSAGE

Message from the Officer in Charge of Finance



Accelerating Investment for the Future through Efficient Use of Funds

Fueling Further Growth with Record Profits

Masayuki Iwao

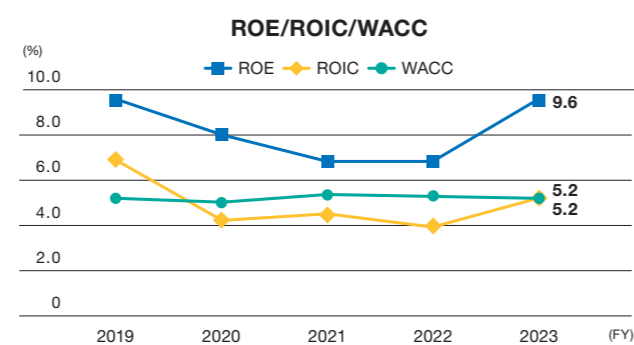
Director & Senior Managing Executive Officer

1. Reflecting on FY2023

In FY2023, despite the impact of soaring raw material prices and other factors, operating income and net income attributable to owners of the parent company both marked record highs, at 12.7 billion yen and 11.2 billion yen, respectively. ROE and ROIC also improved to 9.6% and 5.2%, respectively, from 6.8% and 3.9% in the previous fiscal year. However, we recognize that ROIC remains near our WACC level, and further improvements in profitability and asset efficiency are essential to rectify this. The performance forecast for FY2024 is for operating income of 15.0 billion yen, which is higher than the FY2023 result, although it is still below the target set in the Medium-term Management Plan 2024.

Looking back over the past 10 years, we have aggressively invested capital in growth areas, including investments in overseas T&D, EVs and semiconductor related businesses, as well as the establishment of a new company utilizing pure ozone technology. Although there was a period of underperformance due to the COVID-19

pandemic, I feel that with our FY2023 results, we are moving into a new stage of the Company's growth. Going forward, we will continue to generate cash as a source of growth through our business activities, achieve sustainable growth through appropriate cash allocation, and increase corporate value.



2. Cash Flow Management

We are committed to cash flow management to avoid opportunity losses and to ensure that we are always ready to make optimal investments. To improve our ability to generate cash, we are working to increase the profitability of our business activities and improve asset efficiency through asset reduction. Improving asset efficiency, in particular, is a major challenge. Even with a high level of order backlogs and an increase in safety stock due to measures to address

long delivery times of parts and materials, we intend to make improvements by developing more efficient production activities with an awareness of inventory turnover.

From the viewpoint of effective use of funds within the Group, we also utilize a cash management system (CMS) in Japan. The Company seeks to control external borrowings and interest expenses by accommodating funds among its subsidiaries.

3. Cash Allocation

We will balance investment for growth and shareholder returns while aiming to obtain a higher credit rating through strengthening our financial base. Through our efforts to strengthen financial soundness so far, we have improved the equity ratio to 37.8%. Going forward, we intend to continue efforts to improve financial soundness, targeting an improved equity ratio and a net D/E ratio between 0.25 and 0.30 to be maintained, as well as aggressively investing in growth areas.

Our basic policy on shareholder returns is to maintain a payout ratio of 30%. This policy has been created in the approach that, considering the business environment in which we operate, it is possible to further increase corporate value through growth investments, which will lead to greater returns to our shareholders going forward. In FY2023, we increased the dividend by 25 yen to 75 yen per share. We intend to continue to return profits to shareholders through stable and consistent dividends.

4. Toward Management Conscious of Cost of Capital and Stock Price

Although our P/B ratio is showing improvement over the previous year, we recognize that the market's assessment of our current profitability and growth potential still leaves room for improvement. At Meidensha, we break down the P/B ratio into ROE and the P/E ratio, and work to improve each.

In our efforts to improve ROE, in addition to improving the operating margin to generate a return that exceeds the cost of capital, we will also be conscious of the efficient management of our business assets. We will also balance investment in growth with shareholder returns, aiming to optimize our capital structure in the process.

Meanwhile, in our efforts to improve the P/E ratio,

we believe it is necessary to show a clear path toward medium- to long-term improvement of corporate value. Looking ahead to the era of carbon neutrality, there are numerous hurdles to be solved in areas such as power infrastructure and mobility, and issues are expected to emerge with the acceleration of digitalization. However, Meidensha has the technologies and human resources to solve these issues.

We view these changes as business opportunities and intend to reflect specific measures to achieve sustainable growth and increase corporate value in our next medium-term management plan, which is scheduled to be announced in 2025.

Efforts to Improve the P/B Ratio (Price-to-Book Ratio = Corporate Value)

	Main improvement measures	Action items	
Increase in P/B ratio (corporate value)	ROE improvement	Strengthening profitability and improving investment efficiency	<ul style="list-style-type: none"> Strengthening earning power Improving investment efficiency
		Optimizing capital structure	<ul style="list-style-type: none"> Investing for growth Financial soundness Shareholder returns
	P/E ratio improvement	Increasing expected growth rate	<ul style="list-style-type: none"> Medium- to long-term growth strategy Development of new domains
		Increasing non-financial value	<ul style="list-style-type: none"> Building a sustainable management base Improving stakeholder engagement

5. Dialogue with Stakeholders

We take the opinions and evaluations of shareholders, investors, securities analysts, and other market participants seriously and feed them back into our business operations to enhance our corporate value. Dialogue with a diverse range of external stakeholders helps us to gain a bird's-eye view of our business direction, and at the same time, it provides an opportunity to reaffirm that the management resources and accumulated knowledge and experience of

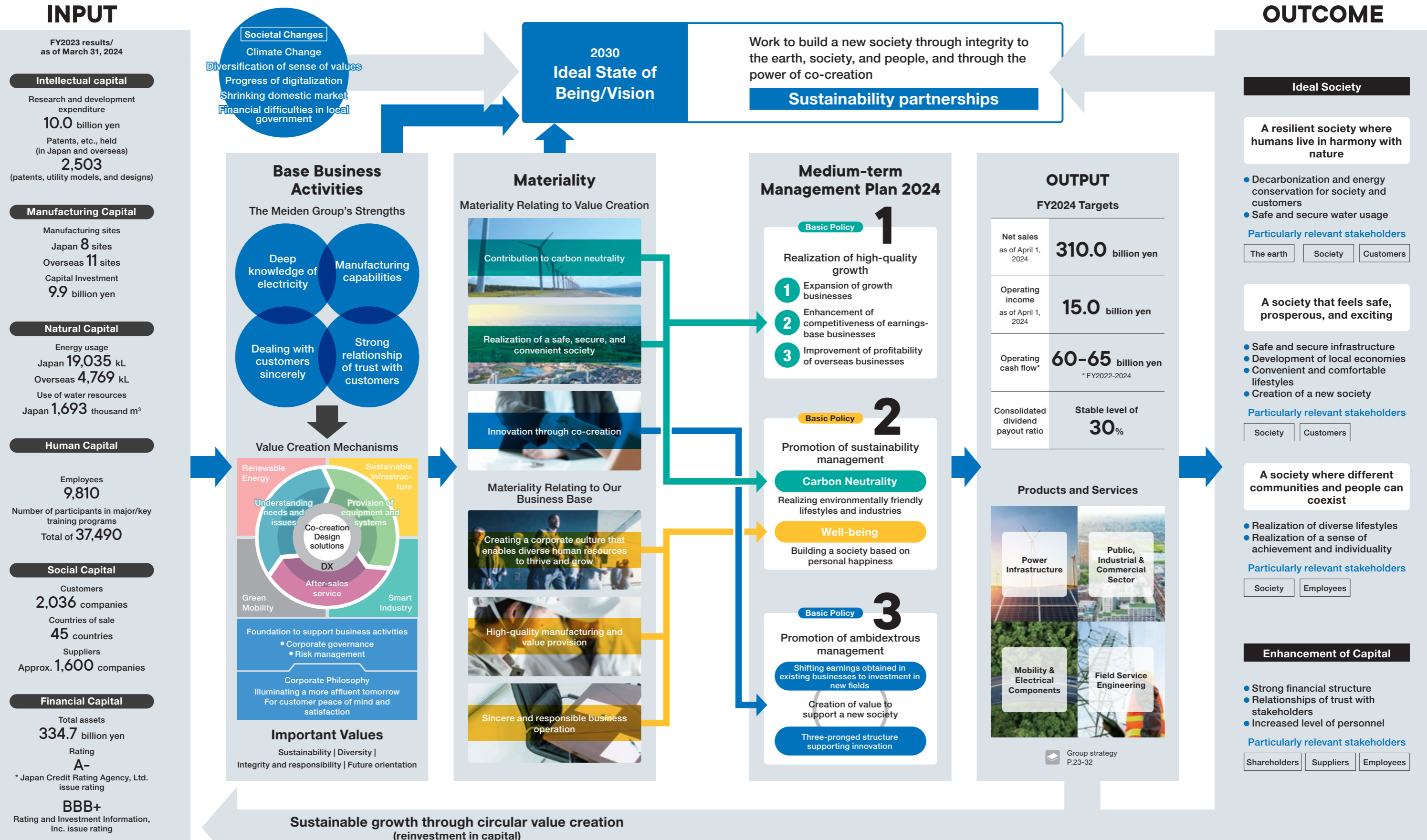
the Meiden Group can contribute to solving social issues.

Your cooperation and support are essential to the growth of the Meiden Group. We will continue to strive to disclose accurate information in a fair, timely, and appropriate manner, and to communicate carefully at various opportunities for dialogue, including investor and shareholder relations activities.

OUR VALUE

Meiden Group Value Creation Process

The Meiden Group will reform its value creation processes to realize its ideal society and 2030 ideal state of being/vision, with the aim of achieving a sustainable society and sustainable growth of the Meiden Group.



OUR VALUE

Meiden Group's Materiality

The six identified materiality are divided into the two groups of "materiality relating to value creation," to embrace the challenge of creating a new society, and "materiality relating to our business base," to support business operation.

For more information on how we identify material issues, please visit our website. <https://meidensha.disclosure.site/en/themes/145>

Materiality Identification Process



Materiality Relating to Value Creation

Contribution to Carbon Neutrality

Reasons for Identification as a Materiality

The Meiden Group operates many decarbonization businesses, but there is also an environmental impact from manufacturing. It is essential to launch a response to the significant impact on operations.

Outlook

Climate change is accelerating, and the movement to reach the Paris agreement target (1.5°C) is gaining momentum. Markets relating to decarbonization are expanding, and it is essential to respond to legal restrictions relating to carbon taxes, etc., and prepare for increasing large-scale disasters.



Related SDGs



Realization of a Secure, Safe and Convenient Society

Reasons for Identification as a Materiality

The Meiden Group operates many relevant businesses. On another front, it is essential to respond as business continuity risks may arise.

Outlook

Review of the state of local infrastructure will proceed due to the declining birthrate and aging population, difficulties with local government finances, and aging facilities in Japan. Digitalization is expected to proceed, leading to increased semiconductor-related demand and increased demand for reduced manpower and automation in the industrial sector.



Related SDGs



Innovation Through Co-creation

Reasons for Identification as a Materiality

It is extremely important to embrace the challenge of developing next-generation technology, and create and furnish social value along with partners that share the same conviction.

Outlook

Existing social systems have reached the end of their usefulness, and global-scale social issues have arisen, including climate change issues. These issues cannot be solved by any individual organization, so it is necessary to enter partnerships to embrace the challenge of solving them.



Related SDGs



Materiality Relating to Our Business Base

Creating a corporate culture that enables diverse human resources to thrive and grow

Reasons for Identification as a Materiality

Human resources are the source of the Meiden Group's strength. Drawing out and combining the abilities of each individual is essential for value creation.

Outlook

Values will diversify and work-styles will change. There is a demand for a corporate atmosphere that allows individuals to display their abilities and work with enthusiasm. As a precursor to this, it is essential for the workplace environment to allow employees to be physically and psychologically healthy.



Related SDGs



High-quality Manufacturing and Value Provision

Reasons for Identification as a Materiality

The Meiden Group's strength of insistence on quality is essential not only to deliver products and systems, but also provide subsequent services.

Outlook

The Meiden Group's business fields relate to infrastructure and industrial underpinnings, and it is essential that we deliver high-quality products and systems without defects. As society changes, the value of infrastructure and equipment that "will not shut down" under any circumstances will remain constant.



Related SDGs



Sincere and Responsible Business Operation

Reasons for Identification as a Materiality

It is important to respond to the changing requirements of society and promote management that we can be proud of, with the core of the Meiden Group's strengths of sincerity and responsibility.

Outlook

We have an obligation to society to always conduct corporate management with sincerity, as we receive capital from society, provide value to society in conjunction with our stakeholders.



Related SDGs



OUR VALUE

Materiality and Medium-term Management Plan 2024

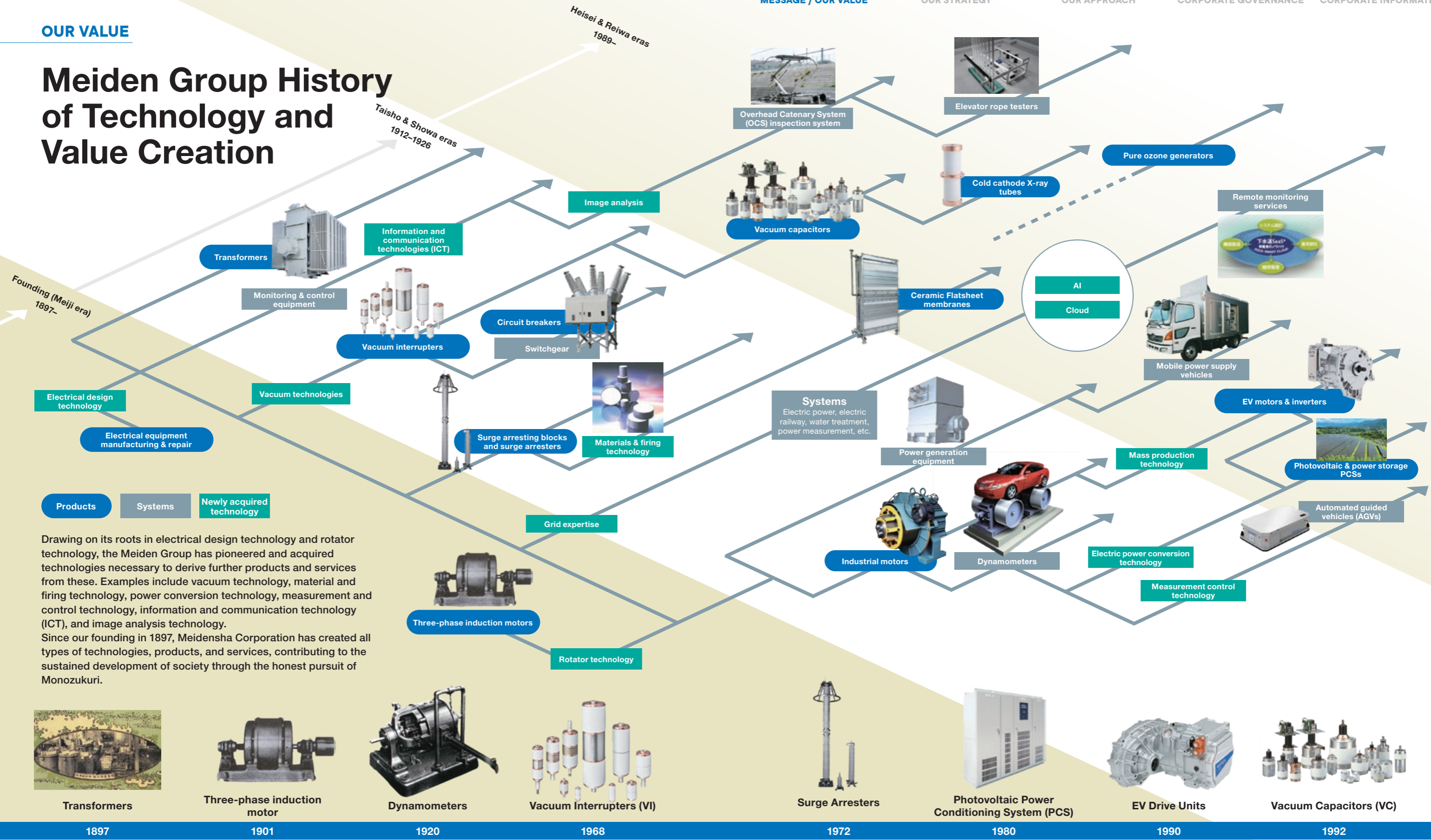
◆ Major opportunities
▲ Major risks
★★★★ Result surpassed FY2024 target
★★★ Good progress toward FY2024 target*
★ Progress toward FY2024 target needs more effort
*Means that score on progress since March 31, 2021, was at least 75%

Materiality	Major opportunities and risks	Medium-term Management Plan 2024	Items (including internal indicators)	Major KPIs*1	FY2024 target (as of May, 2022)	Progress in FY2023	Assessment
Contribution to carbon neutrality	<ul style="list-style-type: none"> ◆ Expansion of markets for businesses that contribute to the environment ▲ Increased costs due to carbon taxes, etc. ▲ Risks from frequent storms and floods ▲ Decline in competitiveness due to late response 	<p>Basic Policy 1 Realization of high-quality growth</p> <p>1 Expansion of growth businesses ▶ Expansion of EV-related, renewable energy business, and environmentally-considerate products, and high profitability</p> <p>Basic Policy 2 Promotion of sustainability management</p> <p>▶ Promotion of decarbonization within the Company</p>	EV business net sales		47.0 billion yen	43.5 billion yen	★★
			GHG reduction contribution by Environment Contributing Businesses *2		10.00 million tons	9.37 million tons	★★
			Scope 3 reduction rate (compared to FY2019)		6% reduction	7% reduction	★★★★
			Renewable energy business net sales/Proportion of green products/Number of super green products		—	—	—
Realization of a secure, safe, and convenient society	<ul style="list-style-type: none"> ◆ Growing need for replacement and maintenance of infrastructure ◆ Rebuilding local infrastructure ◆ Growing need for semiconductors due to digitalization ◆ Expansion of overseas markets ◆ Creation of added value through digital transformation (DX) ◆ Growing need for labor reduction and automation ▲ Decline in competitiveness due to late response 	<p>Basic Policy 1 Realization of high-quality growth</p> <p>1 Expansion of growth businesses ▶ Expansion of motor drive and semiconductor-related businesses</p> <p>2 Enhancement of competitiveness of earnings-based businesses ▶ Expansion of the maintenance business ▶ Promotion of public private partnerships and provision of design solutions</p> <p>3 Improvement of profitability of overseas businesses ▶ Rebuilding and improving profitability of overseas businesses</p>	Maintenance business net sales		41.6 billion yen	42.3 billion yen	★★★★
			Overseas net sales		73.0 billion yen	80.2 billion yen	★★★★
			Motor Drive business net sales Semiconductor-related businesses net sales		—	—	—
			Innovation through co-creation	<ul style="list-style-type: none"> ◆ Growing new needs due to sustainability and ESG trends ◆ Advancement of new technologies ▲ Decline in competitiveness due to late response 	<p>Basic Policy 3 Promoting ambidextrous management</p> <p>▶ Creation of new business themes and promotion of commercialization through co-creation ▶ Development of and furnishing society with next-generation technology</p>	New businesses net sales	
Number of innovation themes Number of innovation personnel		—				—	—
Creating a corporate culture that enables diverse human resources to thrive and grow	<ul style="list-style-type: none"> ◆ Improvement of productivity through high engagement of employees ◆ Generation of innovation by leveraging diversity ▲ Outflow of personnel or insufficient personnel due to low engagement ▲ Worse employee health due to factors including occurrence of industrial accidents and pandemics 	<p>Basic Policy 2 Promotion of sustainability management</p> <p>▶ Implementation of measures to improve engagement ▶ Expansion of diversity and inclusion measures ▶ Expansion and fulfillment of professional development programs ▶ Enhancement of occupational health and safety ▶ Promotion of health management</p>	Improvement rate of employee engagement metrics (compared to FY2021)		10% improvement -63.6% ▶ -53.6%	2.6% worse	★
			Female officer class: number of inside		at least 1	1	★★★★
			Number of non-Japanese presidents of local subsidiaries		at least 3	1	★★
			Total education and training expenses/Number of industrial accidents		—	—	—
High-quality manufacturing and value provision	<ul style="list-style-type: none"> ◆ Creating safe and secure infrastructure and industrial underpinnings ▲ Loss of customer trust or orders by reason of lower quality 	<p>Basic Policy 2 Promotion of sustainability management</p> <p>▶ Establishment of the Meiden Monozukuri(Manufacturing) Standards to improve QCDSE ▶ Enhancement of quality assurance (QR map, reconstruction of the Meiden Customer Center, etc.)</p>	Number of defects and cost of dealing with defects (compared to FY2020)		reduced by 50%	reduced by 36%	★★
			Manufacturing process metrics (product production time, production time per unit, units produced per person, production/manufacturing lead time)		—	—	—
Sincere and responsible business operation	<ul style="list-style-type: none"> ▲ Infringement of human rights by the Meiden Group or suppliers ▲ Information security risks ▲ Insufficient compliance measures 	<p>Basic Policy 2 Promotion of sustainability management</p> <p>▶ Enhancement of stakeholder engagement ▶ Introduction of respect for human rights and human rights due diligence ▶ Enhancement of information security and internal training ▶ Enhancement of compliance ▶ Enhancement of corporate governance</p>	Stakeholder engagement improvement rate Human rights training attendance rate Information security training attendance rate Compliance training attendance rate		—	—	—

*1 KPIs include some items that are still not set or are not disclosed. We will continue to consider and scrutinize the selection of measures and specific KPI figures going forward.
*2 We replaced the "environmental contribution" with "GHG reduction contribution" starting with FY2022.

OUR VALUE

Meiden Group History of Technology and Value Creation



Drawing on its roots in electrical design technology and rotator technology, the Meiden Group has pioneered and acquired technologies necessary to derive further products and services from these. Examples include vacuum technology, material and firing technology, power conversion technology, measurement and control technology, information and communication technology (ICT), and image analysis technology.

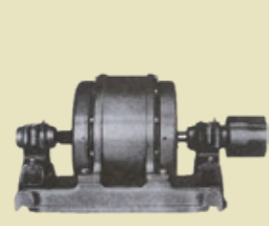
Since our founding in 1897, Meidensha Corporation has created all types of technologies, products, and services, contributing to the sustained development of society through the honest pursuit of Monozukuri.



Transformers

1897

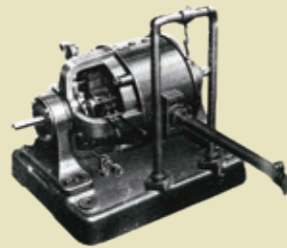
We have manufactured air-cooled transformers since our founding. As we entered the Showa era (1926-1989), we greatly increased the manufacture of transformers to keep up with the dramatic rise in electric power demand. Also during this time, dielectric strength increased further with the introduction of insulating oil injection using vacuum technology. The photo shows a transformer assembly in about 1900. (Source: Commemorative postcard album from the time of the Osaka factory relocation)



Three-phase induction motor

1901

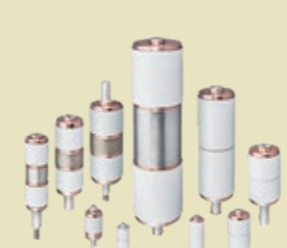
In 1901, while Japan was still heavily dependent on foreign products for most of its industrial equipment, we successfully developed our first electric motor. Production of motors began in earnest in 1906. This era laid the foundation for Meidensha's value creation, which continues today.



Dynamometers

1920

We delivered Japan's first electric dynamometer (10 HP) in 1920 and Japan's first chassis dynamometer in 1927. We have contributed significantly to the development of automotive technology, for example by developing the roller dynamometer, which won the Ohm Technology Award in 1985.



Vacuum Interrupters (VI)

1968

We became the first domestic circuit breaker manufacturer to enter a technical partnership with GE of the U.S.A. In 1974, we developed our own technology with which VIs, which had previously been made of glass, could be made with ceramic. This enabled smaller sizes, mass production, and lower costs. We also got a quick start expanding overseas sales and developing for higher voltages, which became the foundation for later vacuum technologies.



Surge Arresters

1972

We began developing zinc oxide blocks for electric power systems. Subsequently, we successfully developed a groundbreaking Gapless Metal Oxide Surge Arrester (MOSA) for Electric Power Systems with greater reliability than that offered by conventional surge arresters. In 2014, we won an "IEEE Milestone" for our contributions to the development of surge arresters.



Photovoltaic Power Conditioning System (PCS)

1980

PCS development began in the early 1980s, with persistent research and verification leading to high conversion efficiency. Meidensha has also added a power storage battery PCS to its lineup and has proposed optimal system configurations to meet recent rising demand for renewable energy and stabilize the grid.



EV Drive Units

1990

Utilizing the motor technology of our founder, we began developing EV motors and inverters. In 2009, Mitsubishi Motors Corporation chose our motor for its i-MiEV, the world's first mass-produced EV. Our technology continues to pave the way for appealing vehicles and a decarbonized society.



Vacuum Capacitors (VC)

1992

Using vacuum technology that we had accumulated while developing and manufacturing vacuum circuit breakers and VIs, Meidensha began VC development and manufacturing. We were the only VC manufacturer in Japan. Even today, VCs continue to support the high-frequency energy power supply for industrial equipment.

OUR VALUE



Case 1

Akio Inoue

Representative Director, President and Executive Officer

Build a company that can give shape to people's dreams and aspirations

In January 2024, The New York Times selected Japan's Yamaguchi City as one of its "52 Places to Go in 2024." I was born and grew up in a town in Yamaguchi Prefecture surrounded by mountains and sea. The countryside has wonderful qualities that never change, and I hope to help protect its beautiful environment for many future generations. The Meiden Group has been offering products and services to customers for more than 100 years, always with the aim of making a better society. I believe that each of the dreams and aspirations of our colleagues who have come together to work under this philosophy has the power to change the future for the better. The mission of the Meiden Group is to give shape to dreams that are still formless and turn them into value that we can offer. My dream and my challenge are to build an exciting future for us and our customers.

Message from Management → P.03

Tsutomu Tanaka

Collaborative Innovations Laboratory Project, Sustainability Management Promotion Division, Corporate Policy Planning Group, Meidensha Corporation, Meidensha

A place where everyone can coexist and live for the benefit of others

I believe that when we work together, regardless of ability or disability, we can find mutual understanding. Everybody has some weakness. I have a hearing impairment, but people have all kinds of weaknesses. When we have shared work, we get to know each other's weaknesses. We complement each other by doing what we can, which leads to greater results. What I hope to accomplish, with Meidensha's business as a platform, is to help create a society where everyone can coexist and live for the benefit of others. This means, for example, making it common practice to make reasonable accommodation for individual disabilities and stop resisting the idea that we might inconvenience each other.

See "Creating Added Value through Manufacturing:Value Creation Story 1" → P.35



Case 3

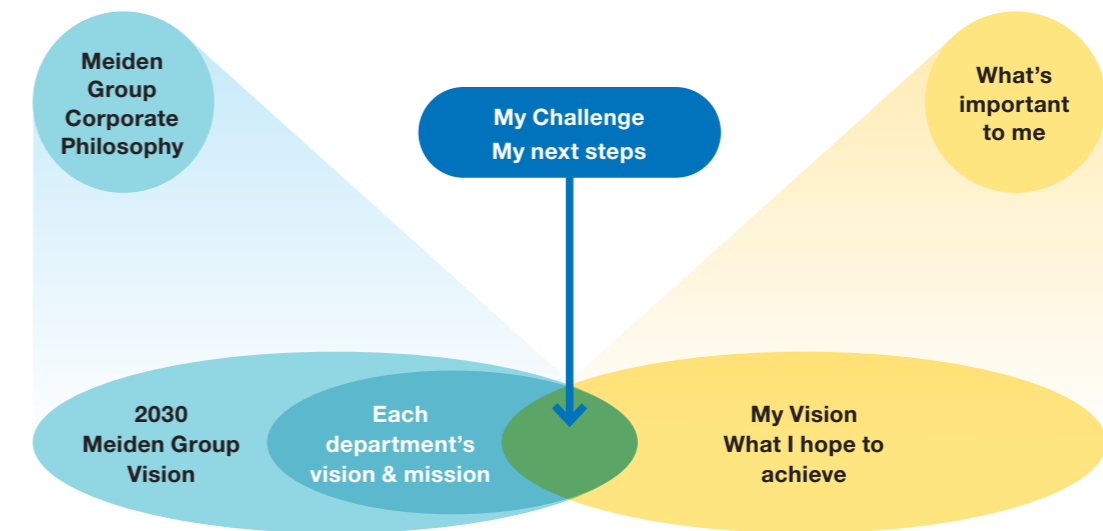
The Source of Value Creation

My Vision/My Challenge

The key to realizing the Vision set forth by the Meiden Group is having diverse people to put it into practice. We raise our corporate value when every employee works vigorously and feels fulfilled by it. For this section, we asked four individuals working for the Meiden Group to share their "My Challenge."

What is My Vision/My Challenge?

My Vision/My Challenge is an initiative asking employees to put into words the challenges they will take on at the Meiden Group. They are instructed to reconsider their own life vision and compare it with the company's Vision. "My Vision" is a description of what the employee wishes to achieve personally. "My Challenge" is based on the overlap between the individual's "My Vision" and the Vision of the Meiden Group. In writing their "My Challenge," employees consider what steps they can take next. The Meiden Group is a platform that encourages employees to take on that challenge and succeed at it.



Natsumi Sato

Kanto Area Construction Section 1, East Japan Construction Department, Construction Work Policy Planning & Administration Division 2, Plant Construction & Engineering Business Group, Meidensha

Deliver plant equipment that customers trust

If you work at a sewage treatment facility, you can see up close how our customers are working hard to maintain clean water resources and protect citizens' lives and property from water damage. What we can do for our customers is to provide equipment they can operate with peace of mind. On the job day to day, I value awareness, speed, and responsiveness. My aim is to be a field representative trusted by our clients. Also, I want to help build a comfortable work environment for everyone, regardless of gender, because the number of female engineers in the Plant Construction Division is growing.

Case 2



See "Creating Added Value through Manufacturing:Value Creation Story 2" → P.37

Ruta Ono

Manufacturing Section, Transformer Manufacturing Department, Power Transformer Manufacturing Unit, Power Equipment Factory Complex, Meidensha

Enable Japan and India to understand each other and create the best quality

I do interpreting for operations supporters from India. I take India's unique culture and religious beliefs into account, and I do not just translate the steps in each task, but also explain the reasons it is done that way. By doing this, I'm trying to respect the emotional side of both parties. Nowadays, you can easily get a smartphone to do your interpreting, but in the field, there are many things that cannot be conveyed just by replacing the words. My role is to bridge the gap so that the other party understands and is satisfied with the message. I hope to continue serving as a bridge between Japan and India and help create an environment that provides the world with a stable supply of high-quality products.

Case 4



See "Creating Added Value through Manufacturing:Value Creation Story 3" → P.60

Social Value Created through Business



*Percentages of net sales are calculated based on net sales to external customers and do not include intersegment transactions.

Other 2.9%
Real Estate 1.1%

OUR STRATEGY

Progress On Medium-term Management Plan 2024

Under Medium-term Management Plan 2024, Meidensha aims to realize “high-quality” growth that includes both business expansion and improved profitability.

Moreover, to make sure we grasp the major changes of the times, we promote ambidextrous management and work to build a management foundation that can realize sustainable growth by putting sustainability (ESG) at the heart of our management.

FY2023 Results and FY2024 Management Targets

	FY2023 results	Performance forecast (initial)	FY2024 Medium-term Management Plan 2024 target*
	Orders received	329.3 billion yen	310.0 billion yen
Net sales	287.8 billion yen	310.0 billion yen	300.0 billion yen
Operating income (profit margin)	12.7 billion yen (4.4%)	15.0 billion yen (4.8%)	18.0 billion yen (6.0%)
ROE	9.6%	—	10.0%
ROIC	5.2%	—	8.0%

*Announced in May 2022

Review of FY2023

As supply chains returned to normal, human movement recovered after the COVID-19 pandemic, and manufacturing began coming back to Japan, investor sentiment improved in a wide range of private industries. In addition, demand from the public sector remained stable and Meidensha received a vigorous level of inquiries throughout the year. In some businesses, on the other hand, high prices for materials and energy, along with construction delays caused by labor shortages, constrained profitability.

In the global economy, various business risks emerged with the geopolitical disarray, while price hikes continued in major countries. These, together with poorer supply and demand conditions in the semiconductor market, had a significant impact on our business performance. However, the growth of energy investment in various countries seeking to decarbonize society, along with increasing needs for eco-friendly products, gave a boost to our overseas business. As a result, orders received, net sales, and operating income all reached record highs in FY2023.

Challenges for Achieving FY2024 Performance Targets and Further Expanding Business under the Next Medium-term Management Plan

Meidensha sees two challenges, the first of which is achieving smooth production activities. To turn our abundant backlog of orders into actual profits, it is important to steadily deliver products to customers by ensuring quality and pursuing efficient production. We do have concerns that the problems experienced in 2024 in the construction, logistics, and other industries will have impacts. Still, we will work to improve productivity by accelerating investment in production facilities and promoting the digitalization of

project management operations.

The second challenge is to build a business structure that can overcome inflation and rising interest rates. In response to the recent rise in prices and wages around the world, we will focus on developing products and services with plenty of added value so that they are more price competitive, while being creative in procurement and flexibly passing on prices. Besides these, our sales activities will include account-based marketing strategies.

Differences between Medium-term Management Plan and FY2024 Targets, by Business Segment (Units: 100 million yen)

Business Segment		Medium-term plan target	FY2024 target (initial)	Difference	Factors causing operating income differences
Power Infrastructures	Orders received	595	870	+275	<ul style="list-style-type: none"> Increasing pro-environmental momentum worldwide and rising power demand Successful price revision efforts and productivity improvements Foreign exchange effect
	Net sales	575	838	+263	
	Operating income	13	56	+43	
Public, Industrial & Commercial Sector	Orders received	950	967	+17	<ul style="list-style-type: none"> Steep price rises for materials (delayed reaction in sales prices) Delayed sales and cost pressure due to construction delays
	Net sales	946	959	+13	
	Operating income	61	18	(43)	
Mobility & Electrical Components	Orders received	970	870	(100)	<ul style="list-style-type: none"> Semiconductor market slump Changes in EV market environment (especially, severe market conditions in China)
	Net sales	960	858	(102)	
	Operating income	71	16	(55)	
Field Service Engineering	Orders received	420	440	+20	<ul style="list-style-type: none"> Demand growing at greater than expected pace Improved load balancing (improvements in first-half operations) Growth in business for semiconductor field
	Net sales	416	438	+22	
	Operating income	60	66	+6	
Overall	Orders received	3,000	3,100	+100	
	Net sales	3,000	3,100	+100	
	Operating income	180	150	(30)	

Group Strategy P. 23-32

Basic Policy

1

Realization of high-quality growth

Medium-term Management Plan 2024 sets out three themes: rapid progress of growth businesses, enhancement of competitiveness of earnings-based businesses, and increasing profitability of overseas businesses.

MEIDEN AMERICA SWITCHGEAR, INC. has enjoyed robust demand for eco-friendly products.



Theme	Status of main initiatives in FY2023
Rapid progress of growth businesses 1 Improving sales and profitability of future core businesses such as EV and renewable energy-related businesses	<ul style="list-style-type: none"> Returned EV business to profitable operation, with strong demand in Japan and pursuit of efficient manufacturing Won project orders, with increased investment in renewable energy in Japan and abroad <ul style="list-style-type: none"> Japan Undertook power storage system and hydroelectric power projects, etc., in pursuit of long-term decarbonized power sources and grid storage plants Overseas Expanded lineup of eco-friendly products and developed supply system in anticipation of market growth
Enhancement of competitiveness of earnings-based businesses 2 Building greater competitiveness in infrastructure businesses through measures such as providing value through solution design	<ul style="list-style-type: none"> Built resilient and sustainable community infrastructure through cross-disciplinary “solution design” <ul style="list-style-type: none"> Conducted proving tests of technology using AI to automate, save labor in sewage treatment plant operation Participated in industry-government-academic private sector co-creation project on creating regional value derived from small-scale hydroelectric power Etc.
Increasing profitability of overseas businesses 3 Improving profitability of overseas substation and railway businesses, and promoting initiatives aimed at winning orders for large projects	<ul style="list-style-type: none"> Improved profitability of existing overseas affiliates by revising prices and reducing costs Reduced the number of money-losing subsidiaries. Closed unprofitable subsidiaries Increased the share of total earnings that comes from overseas businesses

Basic Policy

2

Promotion of sustainability management

Under Medium-term Management Plan 2024, sustainability is at the heart of our strategy to realize our Corporate Philosophy and Vision. We also promote sustainability management by dividing the six material issues we have identified into two groups: materiality relating to value creation and materiality relating to our business base.

Choshi Shiosai Wind Farm, where the Group conducts its power generation business



Materiality	Status of main initiatives in FY2023
Materiality relating to value creation (contribution to carbon neutrality, realization of a secure, safe, and convenient society, innovation through co-creation)	<ul style="list-style-type: none"> Prepared to raise our environmental targets based on the 1.5°C scenario Expanded introduction of eco-friendly products (ester-filled transformers and shunt reactors, components for electric construction equipment, etc.) Started industry-government-academic private sector co-creation project (Hiroshima CSV Lab) Decarbonized internally by increasing procurement of renewable energy (for example, corporate PPA using Choshi Shiosai Wind Farm)
Materiality relating to our business base (Creating a corporate culture that enables diverse human resources to thrive and grow, high-quality manufacturing and value provision, sincere and responsible business operation)	<ul style="list-style-type: none"> Reconsidered (diversified) structure of the Board of Directors Considered a personnel system better suited to the times Developed Meiden Monozukuri (Manufacturing) Standards to strengthen quality control Strengthened corporate governance (enhanced internal control system, further strengthened supervisory function and increased effectiveness of Board of Directors with outside directors comprising a majority, etc.)

Basic Policy

3

Promotion of ambidextrous management

By promoting ambidextrous management, our business activities aim to accelerate the creation of a new society through innovation.

(Right) Ultra-concentration/high-purity ozone water generator
(Left) Pure ozone generator



Theme	Status of main initiatives in FY2023
Creation of new business themes and promotion of commercialization through co-creation	<ul style="list-style-type: none"> Developed business structure and customer development activities for MAST Project focus themes (ultra-concentration/high-purity ozone water generator, realizing a service sales business by making Catenary Eye cloud-ready, motor analysis and remote monitoring via IoT) Discovered and developed innovative personnel by holding the MEIAN Challenge idea contest and Innovation Salon

OUR STRATEGY

Power Infrastructures Business Group



Reflecting on FY2023

- ▶ Achieved operating income for the first time under the current segment classifications thanks to business expansion and profitability improvement in the Overseas T&D Business and increased revenue from demand recovery in the Domestic Power & Energy Business.
- ▶ Substantial increase in orders in the Overseas T&D Business on the strength of growing demand for power equipment in major countries, rising environmental awareness, expanding investment in renewable energy, etc.
- ▶ Orders in the Domestic Power & Energy Business increased due in part to aggressive, future-oriented investment plans by electric power companies

“ Establishing an efficient manufacturing system to meet strong domestic and overseas demand ”

Managing Executive Officer & Strategic Group Leader, Power Infrastructures Business Group | Shinichiro Kon

Development in FY2024 and Beyond

Increasing global demand for electricity fuels market tailwinds

T&D Business

- ▶ Strong market conditions likely to continue due to rising global environmental awareness and expanding electricity demand forecasts
- ▶ Strengthen sales capacity and improve production systems to capitalize on stronger market environment
- ▶ Differentiate from competitors by expanding lineup of environmentally friendly products

Power & Energy Business

- ▶ Demand for power equipment expected to remain strong against a backdrop of future demand growth, stronger interconnection over wider areas, and development of power transmission and distribution networks in line with the revised power supply mix
- ▶ Strengthen production systems and pursue efficient manufacturing through aggressive capital investment and DX promotion

TOPICS

Expanding our lineup of ester oil transformers and reactors toward realizing a sustainable society



IMPACT Quantitative social impact

CO₂ emissions reduction from using vegetable oil as an alternative to mineral oil in insulating oil *1

Roughly 1/6

Amid the growing need for environmentally friendly substation equipment over the past several years, demand has increased for products that run on plant-derived esters as an alternative to mineral oil. In May 2024, Meidensha added shunt reactors to its lineup of products featuring low-impact ester oil as the insulating oil, following the June 2023 release of environmentally friendly transformers. The cooling medium used to insulate these products can be any of the three esters specified in JIS C 2390 (Readily biodegradable electrical insulating oils).*2

Among these esters, palm oil, rapeseed oil, and soybean oil are insulating oils made from vegetable oils, and using them can reduce CO₂ emissions in the product life cycle—which includes the process of disposing of and incinerating the insulating oil after use—compared to products with petroleum-derived mineral oil as the insulating oil.

Amid expectations for investment in power transmission and distribution networks to continue increasing in line with rising demand for electricity and greater reliance on renewable energy, firm demand is also expected for these environmentally friendly substation products. As a

sustainability partner that contributes to the realization of a more affluent and environmentally aware society, Meidensha will continue to take on the challenge of creating new technologies and value.



Yuhi Kasai

T&D and Power Products Engineering Section
Power Infrastructure Business (PIB)
Engineering Division
PIB Sales & Engineering Group
Meidensha



Yuki Ahara

Sales Section 2
Power Infrastructure Business (PIB)
National Sales Division
PIB Sales & Engineering Group
Meidensha

Business Environment

Opportunities

- Expanded business opportunities for our distinctive products due to stricter environmental regulations in North America and Europe and increased demand for updating
- Upswing in electricity demand forecasts associated with new data centers, semiconductor factories, etc.
- Expanding demand for planned updates to aging facilities in the wake of the new revenue cap system in Japan
- Firm demand for updates to hydroelectric power plants, a dependable renewable energy source

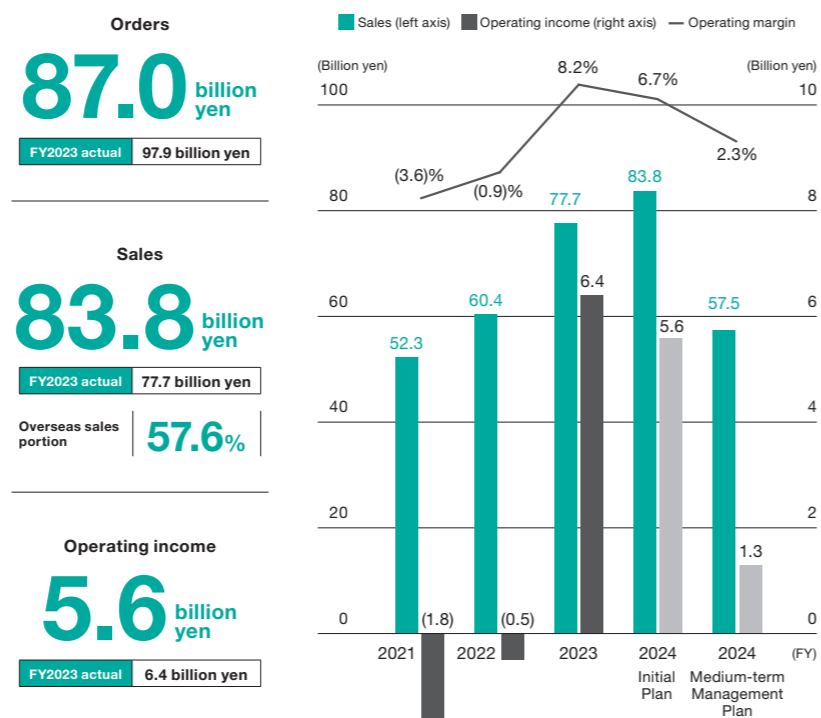
Risks

- Major changes in geopolitical risks, exchange rates, foreign countries' national trade and investment policies, etc.
- Delayed sales and compromised profitability due to process delays in large projects
- Changes in the market environment for environmentally friendly products

Strengths

- Lineup of environmentally friendly products
- Optimal cost and supply capacity realized through collaboration with overseas bases
- Power conversion technology that helps ensure renewable energy and power quality

FY2024 Management Targets (as of April 1, 2024)



Operating income
5.6 billion yen
FY2023 actual 6.4 billion yen

Sales
83.8 billion yen
FY2023 actual 77.7 billion yen
Overseas sales portion 57.6%

Orders
87.0 billion yen
FY2023 actual 97.9 billion yen

*1 Comparing the total CO₂ emissions of mineral oil and rapeseed oil in each process of raw material manufacturing, production, and incineration
*2 Three types: Plant-derived esters (palm oil), natural esters/vegetable oils (rapeseed oil, soybean oil), and synthetic esters

OUR STRATEGY

Public, Industrial & Commercial Sector Business Group



Reflecting on FY2023

- ▶ In the Social Infrastructure Systems Business and Water Infrastructure Business, business segment profits worsened due to the high price of materials cutting into profitability and a decline in sales because of external factors that caused construction delays
- ▶ In the Railway Business, capital investment is recovering in Japan, but the timing of major projects in Japan and overseas remains uncertain
- ▶ On the other hand, demand remained strong, especially in Japan, and total segment orders exceeded 100 billion yen for the first time

“Aiming to improve profitability by capturing firm demand and increasing production capacity”

Senior Managing Executive Officer
Strategic Group Leader, Public, Industrial & Commercial Sector Business Group
Satoshi Momenya

Development in FY2024 and Beyond

Linking large order backlog to high-quality manufacturing to swiftly normalize profitability

Social Infrastructure Systems Business

- ▶ Investment expected to remain steady for the time being, mainly in private sector-initiated projects and public projects in Japan
- ▶ Through capital investment, increase production capacity for strategic products expected to see higher demand
- ▶ Enhancing proposal activities for environmentally friendly products for environmentally conscious private-sector customers

Railway Business

- ▶ In Japan, increase market share for private railroad operators, targeting the timing of equipment updating
- ▶ Overseas, participate in railroad development projects, mainly in Asia

Water Infrastructure Business

- ▶ Risk of construction schedule delays due to external factors remains despite waning impact of soaring material prices and later deliveries
- ▶ Widespread cooperation of local governments and concessions and other public-private partnership (PPP) projects expected to increase

TOPICS

Delivering feeder substation equipment for the Hokuriku Shinkansen Line (Kanazawa-Tsuruga)



IMPACT Quantitative social impact

Travel time from Tokyo Station to Tsuruga Station

Roughly **50** minutes shorter than before

Business Environment

Opportunities

- Growing interest and demand for energy-saving and environmentally friendly products and services
- Steady level of public investment in Japan
- Sustained demand for urban rail in Asia
- Increasing trend of widespread cooperation of local governments, public-private partnership (PPP) projects, etc.

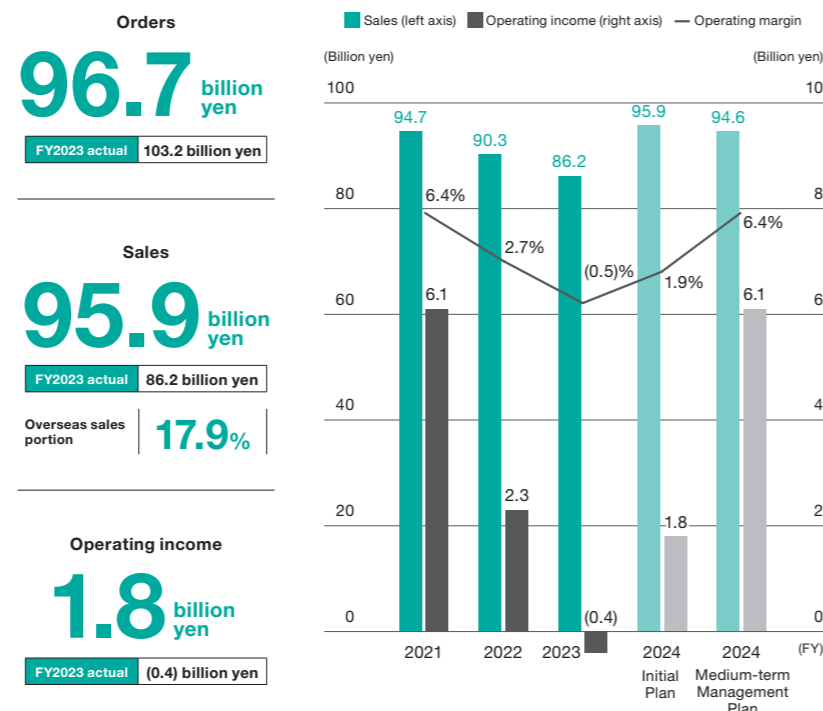
Risks

- Loss of opportunities to receive orders because engineers are occupied with projects that overrun their schedules
- Delay in reflecting material and labor cost increases in selling prices
- Intensified market competition due to the growing trend of performance-based ordering

Strengths

- Courteous, agile responsiveness based on a customer-first attitude
- Extensive experience in system and plant organization
- Product life cycle engineering capabilities, including maintenance, repairs, and servicing

FY2024 Management Targets (as of April 1, 2024)



Meidensha supplied power transmission and distribution equipment and other equipment to supply electricity to rolling stock on the section of the Hokuriku Shinkansen between Kanazawa and Tsuruga stations that opened on March 16, 2024.

In 2017, we received the order from the Japan Railway Construction, Transport and Technology Agency (JRRT) to deliver the equipment to the substations between Kanazawa and Echizen-Takefu stations.

Under this project, we delivered transformers, Ecotank-type circuit breakers, switches, and other power transmission and distribution equipment needed to safely and reliably operate the Shinkansen to eight substation posts (Shin-Sakai Substation, two feeder substations, and five auxiliary feeder substations) in the new section. We also delivered emergency gas turbine power generation systems for station power distribution stations at Awaraonsen, Fukui, and Echizen-Takefu stations.

We will continue to apply our hard-earned, time-tested technologies and experience to provide products and services that contribute to establishing highly reliable

railroad infrastructure, enrich human life, and advance local communities.



Keisuke Morito

Engineering Section 1
Social, Railway and Power Generation
System Engineering Division
Social & Railway System Sales and
Engineering Group, Meidensha

Takahiro Yogi

Engineering Section 1
Social, Railway and Power Generation
System Engineering Division
Social & Railway System Sales and
Engineering, Meidensha

OUR STRATEGY

Mobility & Electrical Components Business Group



Reflecting on FY2023

- ▶ In the Motor Drive Solutions Business, earnings improved due to price revisions despite a decline in demand across all major applications
- ▶ In the Electronics Products Business, both sales and profits declined sharply due to the global slowdown of the semiconductor market
- ▶ In the Mobility T&S Business, earnings increased due to the return of some capital investment by customers

“ Striving to recover earnings by capitalizing on the further growth of the semiconductor market and electrification in a broad range of industries ”

Executive Vice President & Executive Officer
Strategic Group Leader, Mobility & Electrical Components Business Group
Masahiko Suzuki

Business Environment

Opportunities

- Advancement of electrification and digitization in society and industry (all segments)
- Increasing need for electrification and labor-saving (Motor Drive)
- Observe future expansion of semiconductor demand amid evolution of generative AI, etc. (Electronics Products)
- Accelerate battery and electric powertrain development for vehicle electrification (Mobility T&S)

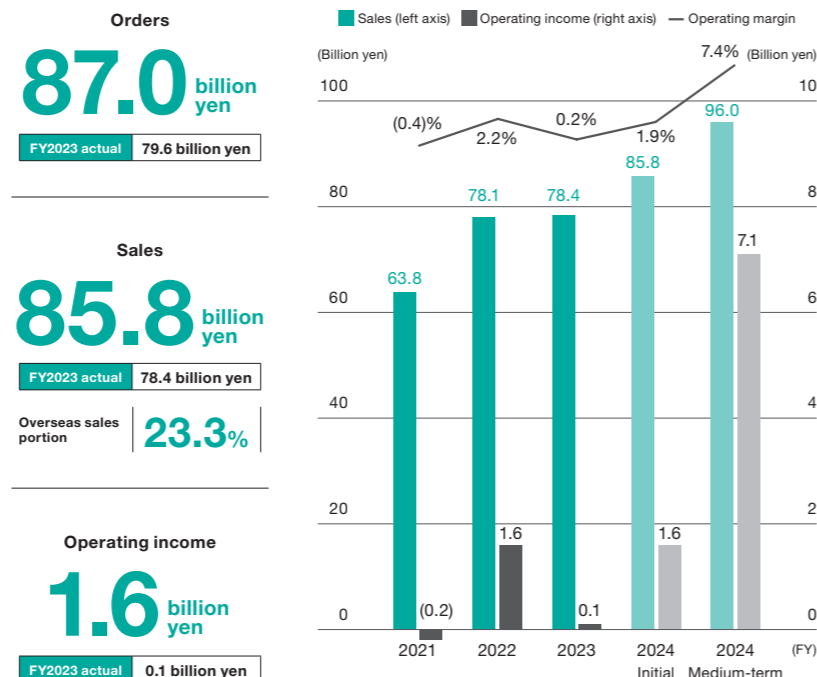
Risks

- Decrease in demand due to customers' shift to in-house component production (Motor Drive)
- Temporary cooling or delayed recovery in the semiconductor market (Electronics Products)
- Shrinking market for testing equipment for ICE vehicles, etc. (Mobility T&S)

Strengths

- Knowledge of motor control for diverse applications (Motor Drive)
- Products based on distinctive technology (Electronics Products)
- Ability to resolve customers' issues backed by extensive delivery experience (Mobility T&S)

FY2024 Management Targets (as of April 1, 2024)



* Mobility & Electrical Components Business Group figures include those of the EV Components Business Group.

Development in FY2024 and Beyond

Recovery and expansion of the semiconductor market drives the Group's growth

Motor Drive Solutions Business

- ▶ Capture new product needs arising from advancing electrification, especially from major domestic customers where demand is expected to recover

Electronics Products Business

- ▶ Market recovery expected over the medium- to long-term starting in late FY2024 due to expanding global demand for semiconductors amid development and popularization of generative AI, etc.

Mobility T&S Business

- ▶ Devote energy to expanding the lineup of automotive development equipment for electrification and proposal activities covering the entire product life cycle

TOPICS

Delivering components for electric mini excavators to Komatsu, contributing to the ongoing electrification of the construction machinery market

IMPACT Quantitative social impact

Replacing the engine with an electric motor

Zero exhaust gas and heat



Meidensha began supplying the electric components that serve as the power source for Komatsu's new electric mini excavator.

Komatsu viewed FY2023 as Year 1 of the market for electric construction equipment, and released a 3-ton electric mini excavator for the European and Japanese markets. They decided to use Meidensha components—an inverter to convert and control power from the battery, a motor to power the hydraulic pump, and a power supply controller to supply power to the excavator's electrical components—and we made our first delivery of electric components for construction machinery.

Prior to this effort, we had supplied Komatsu with customized motors and controllers for the drive and lift systems of electric forklifts, and we worked together to apply the hard-earned technologies we shared in the course of their development to the mini excavator. As a result, we created a product that will help promote electrification in the construction machinery market. We

will utilize what we learned about electrified construction equipment from this effort to develop more competitive products.

Norihiro Kumeta

Engineering Section 1
Motor Drive Products Engineering Division
Motor Drive Solutions Business Sales & Engineering Group, Meidensha



OUR STRATEGY

EV Components Business Group

* EV Components Business Group figures are included in those of the Mobility & Electrical Components Business Group.



Reflecting on FY2023

- ▶ Revenue increased in part due to firm demand for integrated motor and inverter units in Japan, and the business returned to profitability
- ▶ Demand for the first production line in China remained lower than the target throughout the year
- ▶ Second production line for integrated motors and inverter units came online in the second half
- ▶ Released 150-kW e-Axle and developed 800-V high-output e-Axle

“ Striving to advance our business by strengthening product competitiveness while monitoring the swiftly changing market environment ”

Senior Managing Executive Officer
Strategic Group Leader, EV Components Business Group
Koji Niikura

Business Environment

Opportunities

- Rising environmental awareness, regulations in each countries
- Automakers' changing strategies with a strong focus on electrification
- Growing need for EVs, including in developing countries
- Progress in investment in charging infrastructure and other initiatives to popularize EVs

Risks

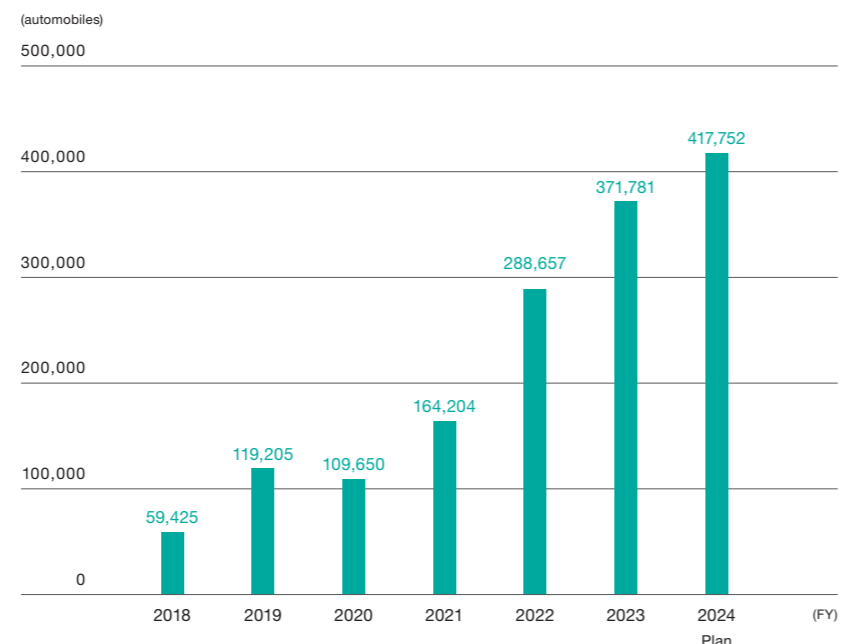
- Increasing commoditization in the electric powertrain sector
- Intensifying competition due to an increase in number of market players
- Shifting balance of power in global automotive competition

Strengths

- Mixed production that provides differentiation in terms of quality, cost, and delivery (QCD) with a proven track record as a pioneer of EV drive units for mass production
- Control technology and design development capabilities for motor and inverter including software
- Balance of customization to meet customer specifications with pursuit of mass-production benefits

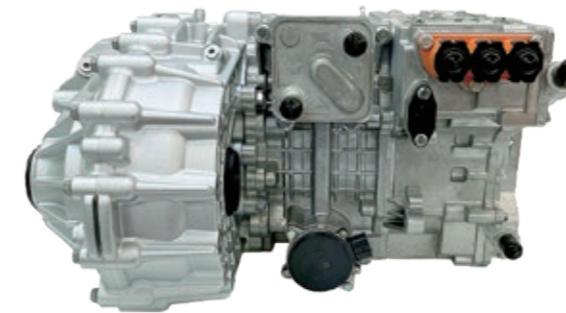
Sales of EV Drive Units

*Figures calculated based on the number of automobiles



Development in FY2024 and Beyond

Devoting energy to strengthening product competitiveness and acquiring new orders while increasing production efficiency



800 V high-output EV drive unit (MEIDEN e-Axle)

- ▶ Overall plan to maintain the same level of sales as in FY2023, including delivery of new vehicle models and a full-year contribution from the second production line in China
- ▶ Establish optimal production systems in Japan and China, promote efforts to optimize production loads
- ▶ Strengthen proposal activities to win future orders, mainly targeting Japanese automakers
- ▶ Strengthen product competitiveness with compact size, high efficiency, and low costs through development for 800-V and silicon carbide (SiC) applications

TOPICS

MEIDEN HANGZHOU DRIVE TECHNOLOGY CO., LTD. launches full-scale operation of second production line, begins mass production and delivery of integrated motors and inverter units

IMPACT Quantitative social impact

Avoided emissions through our EV business in FY2023

(Approach to calculating avoided emissions: Emissions reduced from replacing equivalent grade ICE vehicles)

▶ **1.41** million t-CO₂



In October 2023, the second production line of MEIDEN HANGZHOU DRIVE TECHNOLOGY launched full-scale operations and began producing and delivering integrated motors and inverter units.

Like our Nagoya production line that manufactures the same product, this new line is a mixed production line that produces products with different specifications for multiple vehicle models. To take full advantage of the strength of this production system, we have taken steps to standardize parts to the extent possible with customers from the specification stage to achieve a high utilization rate, while introducing equipment with the latest traceability features to enable mixed production.

We will deliver products produced on this line to local customers in addition to exporting them to Japan to complement the production capacity of our Nagoya Plant, which continues to operate at high capacity.

We will continue to apply the production technology and line operation expertise we have accumulated since 2009, when we made our first delivery for mass-

produced automobiles, and pursue even more efficient manufacturing to provide high-quality products that support automobile electrification, thereby contributing to giving future generations a livable environment.



Yuki Kamiya
MEIDEN HANGZHOU DRIVE TECHNOLOGY CO., LTD.

OUR STRATEGY

Field Service Engineering Business Group



Reflecting on FY2023

- ▶ Record-high orders, sales, and operating income on the strength of firm demand for maintenance services
- ▶ Steady expansion of maintenance stock for the future thanks in part to firm demand in the Public, Industrial & Commercial Sector
- ▶ Steady pace of growth in semiconductor production equipment-related business

“ Meeting demand for maintenance that underpins sustainable infrastructure and supporting the Group’s revenue base ”

Senior Managing Executive Officer
Strategic Group Leader, Field Service Engineering Business Group
Tatsuki Mochizuki

Business Environment

Opportunities

- Increased demand for maintenance services provided by manufacturers amid a declining working-age population and other factors
- Rising awareness of preventive maintenance due to stronger BCP measures by companies, local governments, and others
- Expanding needs for smart security associated with DX promotion
- Increase in business opportunities for related maintenance services due to semiconductor market growth

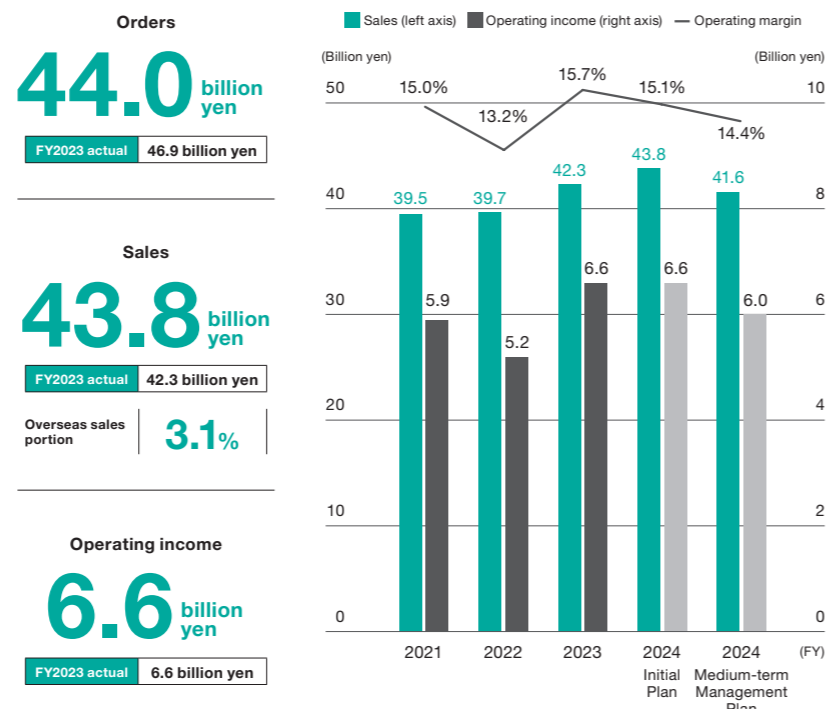
Risks

- Rise in material costs, labor costs of subcontractors, etc.
- Securing technical service personnel
- Obsolescence of some materials needed to repair products expected to last longer

Strengths

- Consistent life cycle engineering from product delivery to maintenance services
- Extensive maintenance stock and maintenance service data
- Proposal capability, technical capability, and a fully loaded maintenance services system that contribute to solving customers’ environmental issues etc.

FY2024 Management Targets (as of April 1, 2024)



Development in FY2024 and Beyond

Promoting human resource development and strengthening problem-solving capabilities to support sustainable infrastructure



Solutions-based communication to solve customers' problems

- ▶ Stable demand growth assumed due to increased BCP awareness among customers, maintenance personnel shortages, increasingly frequent natural disasters, and the need to extend the service lives of facilities
- ▶ Further our ability to propose solutions for reducing environmental impact and labor-saving measures in business activities and other problems in addition to stable facility operation
- ▶ Focus on expediting development and skill improvement of technical personnel through advanced, efficient training programs utilizing VR and other technologies

TOPICS

1st KOSEN Summit awards ceremony

Meidensha’s next-generation engineer training allows trainees to learn virtually to face real-world challenges



IMPACT Quantitative social impact

Number of locations where the Meiden Group is engaged in maintenance

Roughly **8,000** locations

Acquiring and retaining human resources is a serious issue for many companies today, and our Field Service Engineering Business Group— where human resources play a particularly important role —focuses on strengthening our recruitment and training.

In March 2024, with the aim of supporting the pioneering spirit of young engineers who are tasked with creating a sustainable society, we sponsored the 1st KOSEN Summit, an event where technical college students with entrepreneurial ideas gather to present their business plans. This year’s Meiden Engineering Award went to the National Institute of Technology, Kagawa College, one of 50 entrants. Their business plan was titled “Medical DX: Respiratory Measurement System for Detecting Sudden Changes in Patients Several Hours in Advance.” By interacting with these promising young engineers, we hope to further their understanding of the Company and its business, which will also help us acquire human resources.

Our Manabi-ya technical education center, which opened in 2020 at our Numazu Works, is a hands-on training facility with augmented reality (AR) and virtual

reality (VR) systems to expedite the development and technical skill improvement of our human resources. Each year, about 20 engineers (cumulative total of nearly 100) learn efficiently from the latest training programs and acquire expertise from experienced employees before striking out in search of opportunities to apply what they have learned in the real world.

We will continue to contribute to the realization of a better society by providing high-quality maintenance services to society on the strength of the excellent human resources we acquire and develop.

Yukinobu Uchida

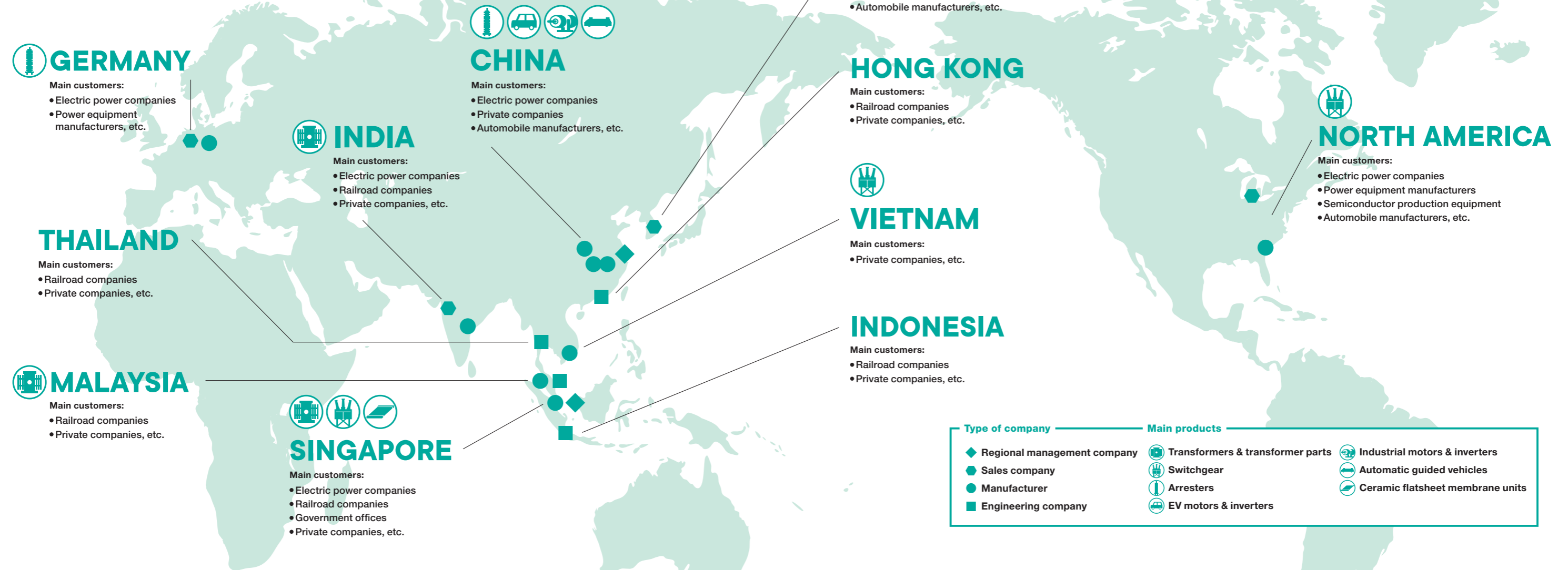
Human Resources (HR) Training & Administration Section
HR Planning Division
HR Management Group
Meidensha



OUR STRATEGY

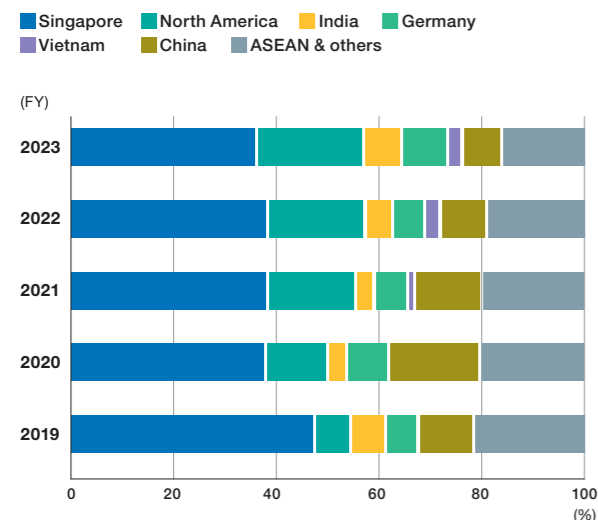
Overseas Business Development

Main business and locations outside Japan



Type of company	Main products	
◆ Regional management company	⚙️ Transformers & transformer parts	🏭 Industrial motors & inverters
⬢ Sales company	⚡ Switchgear	🚗 Automatic guided vehicles
● Manufacturer	⚡ Arresters	🧴 Ceramic flatsheet membrane units
■ Engineering company	🚗 EV motors & inverters	

Percentage of sales by Group companies in each country/region



INDIA MEIDEN T&D (INDIA) LIMITED

Viney Singla
Chief Operating Officer



Economic development in India has been remarkable, and domestic demand for electric power has been growing rapidly in part due to the expansion of the middle class. MEIDEN T&D (INDIA) LIMITED is an important location for capturing vigorous, growing demand in India and raising the international competitiveness of the Group's T&D Business. The high-quality, cost-competitive transformers we produce here are used not only in India, but also in various countries and regions, including for power companies and private-sector projects in Japan.



SINGAPORE MEIDEN SINGAPORE PTE.LTD.

Wong Kok Cho
SWG Division Deputy General Manager



As a financial powerhouse active in IT-related investment, Singapore continues to improve the quality and dependability of its electricity supply. The country needs to reduce its environmental impact even as it pursues more reliable facilities and fully loaded systems for supporting vigorous demand for electric power. As the only manufacturer of substation equipment based in Singapore, MEIDEN SINGAPORE PTE. LTD. supports the advancement of the country by supporting its power infrastructure.



NORTH AMERICA MEIDEN AMERICA SWITCHGEAR, INC.

Bridgette Stokes
Supply Chain Manager



Demand for power equipment has been expanding in North America over the past several years due to the need to update aging facilities and the growing popularity of renewable energy. Specifically, the rise in environmental awareness is driving the proactive adoption of products with superior environmental performance. Our customers look to the Meiden Group to supply environmentally friendly products featuring our outstanding vacuum technology, for example SF₆-free vacuum circuit breakers for lower greenhouse effects, and vacuum interrupters for switches that help improve power grid reliability.



OUR APPROACH

Related
SDGs

Creating regional value with small-scale hydropower

Meiden Group Leads a Joint Value Co-Creation Project in Hiroshima

The mountainous regions of Hiroshima Prefecture face a variety of issues such as a shrinking economy from a decreasing population, deteriorating infrastructure, and extremely hazardous natural disasters. This story focuses on people looking to generate new value and drive social innovation as one solution to these issues, starting with small-scale hydropower.

Chemical Reactions that Spark the Imagination

After WWII, the Chugoku region built many locally operated small hydropower plants in the mountains in an effort to revitalize rural communities. Hydropower has been gaining attention as a source of renewable energy in response to social changes such as the trend toward carbon neutrality and the

increasing demand for data centers with the spread of generative AI. Among this renewed interest in hydropower, Meidensha and Meiden Group's Eaml Engineering, a hydro turbine manufacturer, worked with businesses and local governments within Hiroshima to launch the Hiroshima CSV* Laboratory in the spring of 2024. The lab consists of 30 members from 12 organizations, most of which are under 30 years old. With the guidance and support of Professor Masatoshi Tamamura from Keio Research Institute at SFC's Social Innovation Laboratory, the group sought to develop a civic system that could address social issues and drive regional activity by creating connections between a diverse range of people in the region, based on small-scale hydropower.

The project began by examining small-scale hydropower in Shobara City and Hatsukaichi City. While brainstorming ideas,

Eaml Engineering worked in Shobara City to renovate a power plant transferred from a local agricultural cooperative and is scheduled to reopen the plant in 2026. Hatsukaichi City is planning to construct new small-scale hydropower facilities based on the results from Shobara.

The lab studies ways to co-create value that is a win-win for everyone involved. **Professor Tamamura** ▶ “Our approach toward these regional issues required the cooperation of a range of industry, academia, government, and citizen organizations. Issues aside, it was vital to ensure that the corresponding network between industry, academia, government, and citizens affected by the issues functioned accordingly because problems in that network would create additional issues. Hydropower generation is a well-established technology that can operate sustainably over

*CSV = Creating Shared Value



Professor Tamamura of Keio University and laboratory members of Eaml Engineering and Meidensha in Hatsukaichi City, Hiroshima

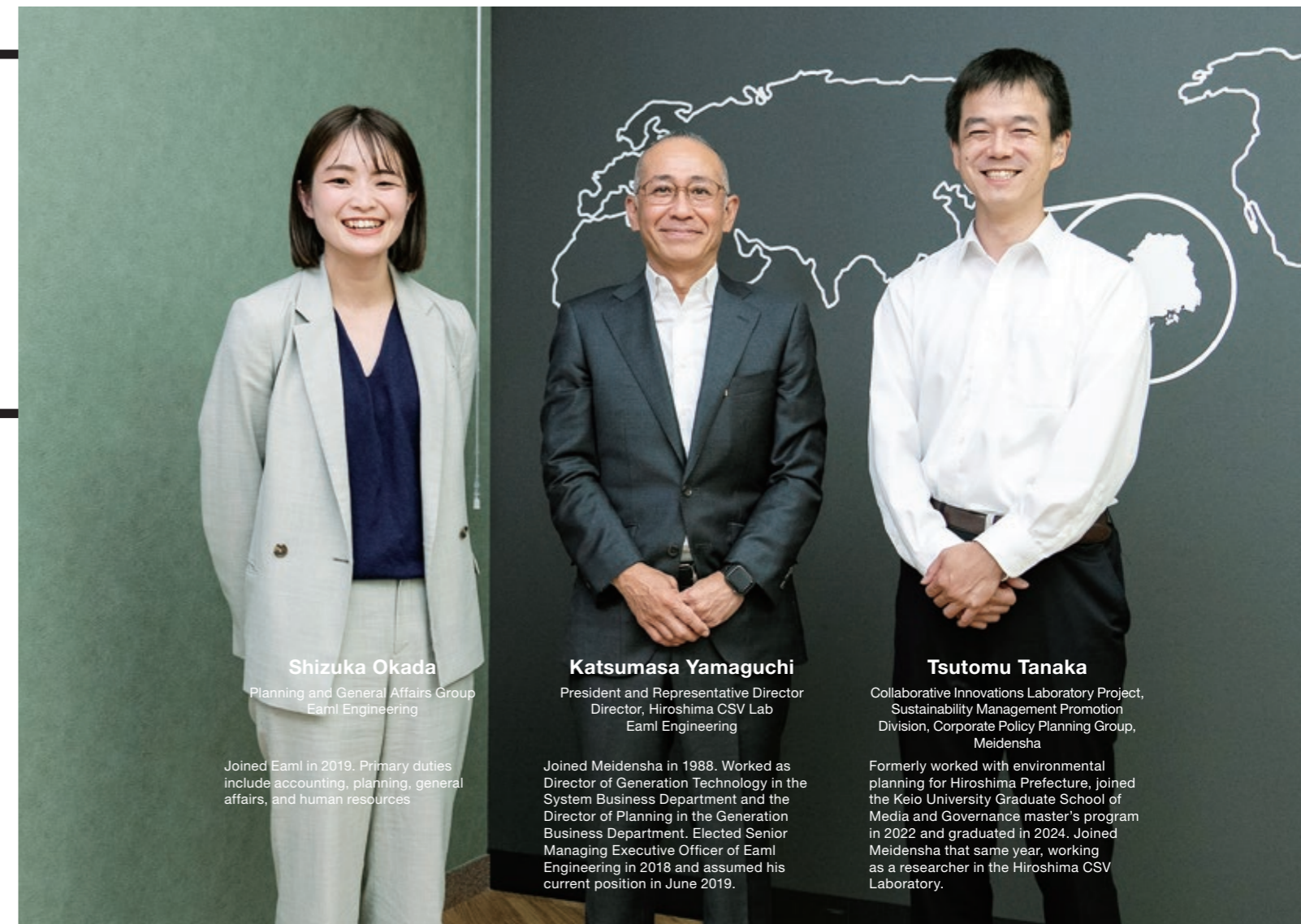
FOCUS

Partnership Co-Creating a Plethora of Values

It feels like Eaml Engineering and the Meiden Group possess a lot of people with ambitious mindsets and long-term visions for the future. The studies carried out by the lab so far are leading to partnerships that co-create a wide array of value, starting with small-scale hydropower projects. Once the Hiroshima model is established in Hiroshima and around Japan, I would love to see it spread across the globe.



Masatoshi Tamamura, Ph.D.
Professor, Faculty of Policy Management,
Keio University
Director, Social Innovation Laboratory, Keio
Research Institute at SFC



Shizuka Okada

Planning and General Affairs Group
Eaml Engineering

Joined Eaml in 2019. Primary duties include accounting, planning, general affairs, and human resources

Katsumasa Yamaguchi

President and Representative Director
Director, Hiroshima CSV Lab
Eaml Engineering

Joined Meidensha in 1988. Worked as Director of Generation Technology in the System Business Department and the Director of Planning in the Generation Business Department. Elected Senior Managing Executive Officer of Eaml Engineering in 2018 and assumed his current position in June 2019.

Tsutomu Tanaka

Collaborative Innovations Laboratory Project,
Sustainability Management Promotion
Division, Corporate Policy Planning Group,
Meidensha

Formerly worked with environmental planning for Hiroshima Prefecture, joined the Keio University Graduate School of Media and Governance master's program in 2022 and graduated in 2024. Joined Meidensha that same year, working as a researcher in the Hiroshima CSV Laboratory.

long timescales, so it can be expected to contribute to carbon neutrality on the environmental front, supply stable energy on the economic front, and also address regional issues by connecting mountainous regions with cities while creating a diverse range of regional collaborations on the societal front. Moving forward, we expect that the hydropower projects in this region will work as a system of mutual benefit on these three fronts.”

Yamaguchi ▶ “One interesting and unique idea is to establish an e-sports town. Such use of this electricity could lead to dreams of producing elite e-athletes. It's an exciting chemical change for this energy and connects the hopes of young people to regional development and job creation.”

Expanding Value Co-Creation for Global Deployment of the Hiroshima Model

The lab team meets three times a month to study small-scale hydropower systems and new technologies, as well as discuss with experts topics like revitalization around Japan and the issues facing mountainous regions. They solidify target ideas during the year and draft strategies to make plans reality. **Okada** ▶ “It allows us to learn the perspectives of people in industries we don't usually interact with in our regular jobs. I hope to make meaningful contributions with the expertise I gain here.” **Tanaka** ▶ “We have people from a range of fields and ages, so new ideas spur lively discussions. With all the directions our ideas go in, I

expect this to become a place that can share the starting points and direction for what society should achieve.”

Compared to other renewable energy sources, hydropower provides a very stable supply of power and is centered in the local region. Japan has a wealth of unexplored areas with hydroelectric potential that are suitable for constructing hydropower plants. The value of renewable energy is expected to rise sharply, and the members of this lab are looking forward to seeing their initiatives generate lateral development models to address issues throughout Japan and the world.

From Hiroshima and Meiden Group to the world. The potential of this lab is infinite and the best is yet to come.

OUR APPROACH

Related
SDGs

Daily communication that creates new value

Striving for Safe and Secure Product Delivery and a Workplace that Showcases Every Employee

The Plant Construction & Engineering Business Group handles the final processes for products, including delivery to customers in the regions Meidensha services. This is the story of one person forging a new path for others to follow while guiding performance improvements using the latest tools and creating a workplace that utilizes women's strengths in the construction industry, a field facing a lack of skilled workers.



Natsumi Sato

Kanto Area Construction Section 1, East Japan Construction Department, Construction Work Policy Planning & Administration Division 2, Plant Construction & Engineering Business Group, Meidensha

In 2019, she became the first female site manager in the Plant Construction & Engineering Business Group, overseeing construction of a sewage treatment facility.

- ① On-site communication is key to successful projects and vital for gathering information (Muraoka of MORITANI & CO., LTD. on the right)
- ② The power storage system, comprising NAS batteries and power converters. It reduces energy consumption by storing power during the night for consumption during the day.



Positive Environments and Healthy Communication Increases Company Value

Tokyo's Miyagi Water Reclamation Center processes the water for most of Kita City as well as part of Itabashi, Toshima, and Adachi cities. One corner of the facility that processes the water for 17 square kilometers of Tokyo decided to upgrade its electrical equipment. Natsumi Sato is a tactful site manager from the Meidensha Plant Construction & Engineering Business Group. She joined Meidensha in 2017 and handled construction for the Tokyo Bureau of Sewage order at the young age of 26, masterfully adjusting schedules and forging plans between multiple contractors

while factoring in budgets and safety management. With her trademark cheer, she gets along well with customers and veterans of partner companies, who treat her like a friend. Kotaro Muraoka of MORITANI & CO., LTD., who coordinates work between cooperating companies, said that she is the first person he would call if anything ever happened.

Sato ▶ "I talk with everyone I work with on-site, not just during work but during breaks, too, to make sure we maintain good rapport. Teamwork is the best way to prevent accidents and disasters."

She's planning to hand her responsibilities over to someone else in March 2026, and she has no reservations about having created

a better workplace.

Meidensha's Plant Construction & Engineering Business Group administers and supervises everything from planning and construction to ensure smooth site operations all the way through to delivery. Its predecessor, the Construction Department, was founded in October 1945 following WWII and the Plant Construction & Engineering Business Group handles all aspects of infrastructure for Japanese society, including water, sewage, electricity, broadcast transmissions, railways, and more. Within Japan, they oversee around 200 projects during the year—with some projects lasting as long as five years—and site

managers typically carry the lion's share of responsibility. Typically stationed at the site, they act as the face of Meidensha to customers. It's a vital role responsible for providing Meidensha with the details of everything from minor conversations to major issues, and they also help suggest solutions.

Addressing Worker Scarcity by Including Women On-Site and Introducing State-of-the-Art Tools

2025 marked the 80th anniversary of the Plant Construction & Engineering Business Group. As the plant and factory industry looks toward the future, it faces issues with aging technicians and

a lack of skilled workers. We are actively working to introduce the latest tools like remote-controlled robots, employ ICT and DX at sites, and increase efficiency to prevent human error and enhance productivity. Some workers insist on doing things the old way, but the past several years have seen an increase of new ideas, such as data-driven visitor management and the centralization of construction information.

Sites continue to create better working environments for women, such as dedicated changing rooms, toilets, and locker rooms. When Natsumi Sato graduated from technical high school and began looking for work, a teacher recommended Meidensha, which

piqued an interest in working as a site manager.

Sato ▶ "It requires more communication and detailed observation instead of manual labor. This industry is seen as a male-dominated one, and I wanted to make it more accessible to women."

Including herself, four women work at her site, and she'd like to see that number increase.

Sato ▶ "I try to respect the achievements and trust cultivated by my predecessors and pass that down to new workers."

The Plant Construction & Engineering Business Group will strive to give life to Meidensha's products for the next 100 and 200 years.



OUR APPROACH

Climate Change Responses

Disclosure based on TCFD recommendations

Attitude

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

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



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

Governance/risk management

Governance

The Sustainability Management Strategy Committee and the Sustainability Management Promotion Committee handle all general matters involving sustainability and these two committees explore potential strategies to enact for decarbonization. The manager in charge of promoting sustainability and the Sustainability Management Promotion Division both report on the content of these meetings twice annually to the Board of Directors and the Executive Officers' Meeting. Alongside these efforts and as a way of managing the promotion of environmental activities within the Group, the Meiden Group Environmental Committee, which is chaired by a production manager, meets quarterly to uncover issues within the Company, set environmental goals, devise action plans, and discuss emergency responses in order to promote and monitor the deployment of concrete policies for environmental management.

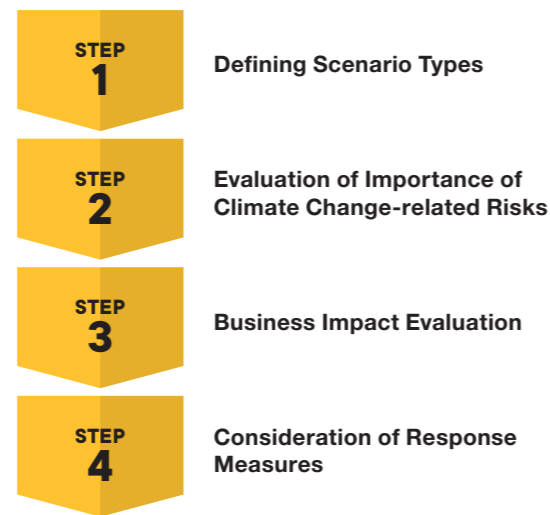
Risk Management

To manage sustainability-related risks, the Sustainability Management Promotion Division, which is charged with promoting sustainability management, operates centrally with relevant departments to extract risks. The details of those risks are incorporated into all the risks managed by the Governance Headquarters, which simultaneously manages a variety of risks, including those related to climate change.

Strategy

Analysis of Climate Change Scenarios

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



STEP 1 Defining Scenario Types

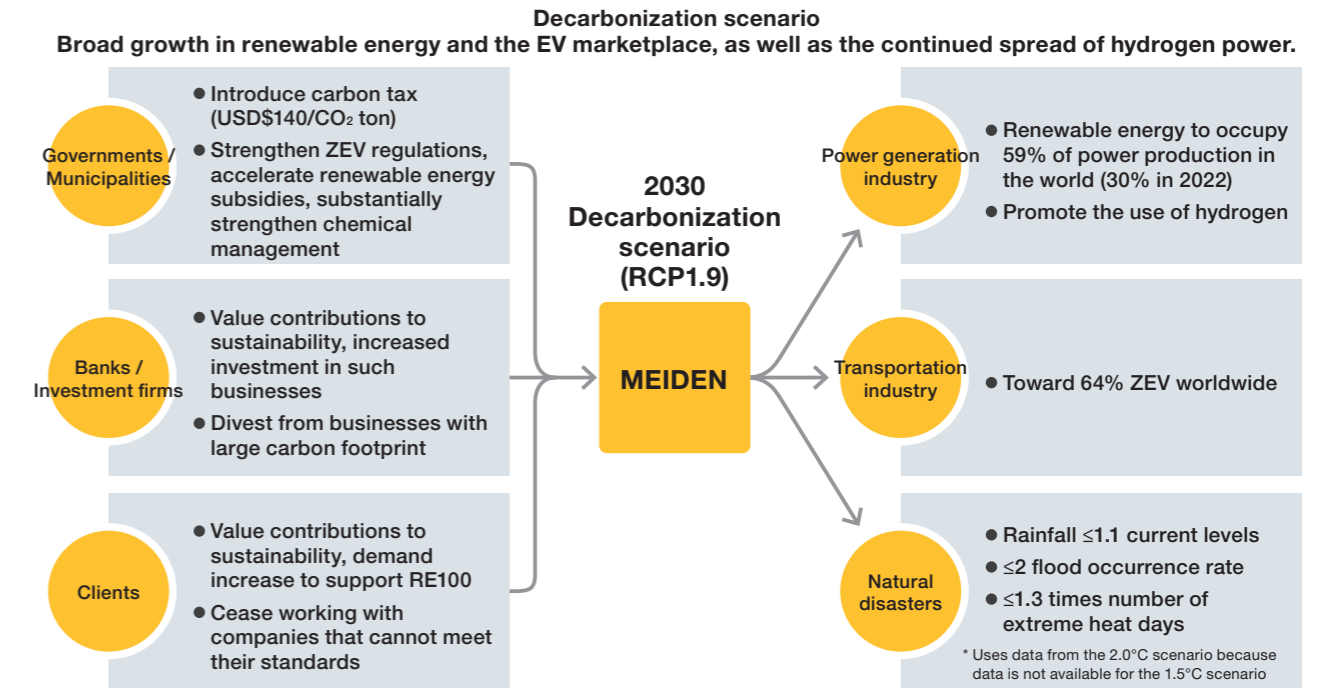
As recommended by TCFD, we identified scenarios at multiple levels of warming, including a scenario of less than 2°C, and conducted analysis accordingly. Based on the two scenarios of decarbonization (RCP1.9) and global warming (RCP4.5 and RCP8.5), we have compiled and evaluated global outlooks for 2030 to accommodate each scenario using management frameworks such as five forces analysis, based on international published data from the IEA, IPCC, etc., as well as numerical data published by Japanese government institutions, etc.

	Temperature range	Relevant scenario	Provider
Decarbonization scenario	Less than 1.5°C	NZE2050	IEA
		RCP1.9	IPCC
Global warming scenario	2.5 to 4.0°C	STEPS	IEA
		RCP4.5	IPCC
		RCP8.5	IPCC

For more information on the Global Warming Scenario, see "Disclosure based on TCFD recommendations" on our website. <https://meidensha.disclosure.site/en/themes/139>

Analysis of Climate Change Scenarios

Of the selected scenarios, the following is the outlook under the Decarbonization Scenario.



STEP 2 Evaluation of Importance of Climate Change-related Risks

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

Factors for Risks and Opportunities	Societal Scenario	Opportunities and Risks for Meiden	Relevant Businesses
<ul style="list-style-type: none"> Opportunities to reduce GHG emissions Increased government subsidies 	Decarbonization of the transport industry	Expanded EV-related business	EV business/Battery storage-related
<ul style="list-style-type: none"> Increased government subsidies Accelerated technological developments Transition to a decentralized society 	Increased ratio of renewable energy	Expanded renewable energy business	Wind/Hydroelectric/Photovoltaic storage/Solar generation/Battery storage-related /Hydrogen-related
<ul style="list-style-type: none"> Increased regulations to reduce GHG emissions Electric companies shift toward decarbonization 	Restrictions on chemical substances such as SF ₆	Expanded Power T&D Business	Zero SF ₆ products/Environmentally friendly products
<ul style="list-style-type: none"> Changing stakeholder mindset 	Increased customer demand for being carbon-free	Increased demand for environmentally friendly products and services	Environmentally friendly products and services (including green products)
<ul style="list-style-type: none"> Opportunities to reduce GHG emissions Tightening of legal restrictions 	Introduction of a carbon tax	Increased procurement and manufacturing costs	All companies
<ul style="list-style-type: none"> Opportunities to reduce GHG emissions 	Rising prices from growing demand for EV and renewable energy components	Increased procurement and manufacturing costs	EV business/Renewable energy business
<ul style="list-style-type: none"> Increased frequency of extreme weather events 	More water-related disasters	Suspension of operation/Collapse of supply chain Increased costs to respond to water-related disasters	Production sites
<ul style="list-style-type: none"> Opportunities to reduce GHG emissions Changing stakeholder mindset 	Increased pressure on environmentally burdensome businesses	Reduced sales in relevant businesses	Diesel/Gas engine generators Ceramic membrane business
<ul style="list-style-type: none"> Rising average temperatures 	Worsening working environments	Increased personnel expenses at sites	Manufacturing/Maintenance/Construction service business units
<ul style="list-style-type: none"> Increased proportion of renewable energy 	Increased cost of industrial electricity	Increased power procurement costs	All companies

OUR APPROACH

STEP 3

Business Impact Evaluation

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

In the course of this, we screened matters that have a particularly large impact on businesses by focusing on the two axes of "impact on operating income" and "likelihood of occurrence in an event" in FY2030, and conducted detailed analysis of these matters. We assessed pre-countermeasure outcomes based on the rate of market growth in each scenario for each large-impact item. These

were quantitatively calculated using partial assumptions, and items with unachievable results were organized qualitatively.

Evaluation axes for selection of risks and opportunities (2030)

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

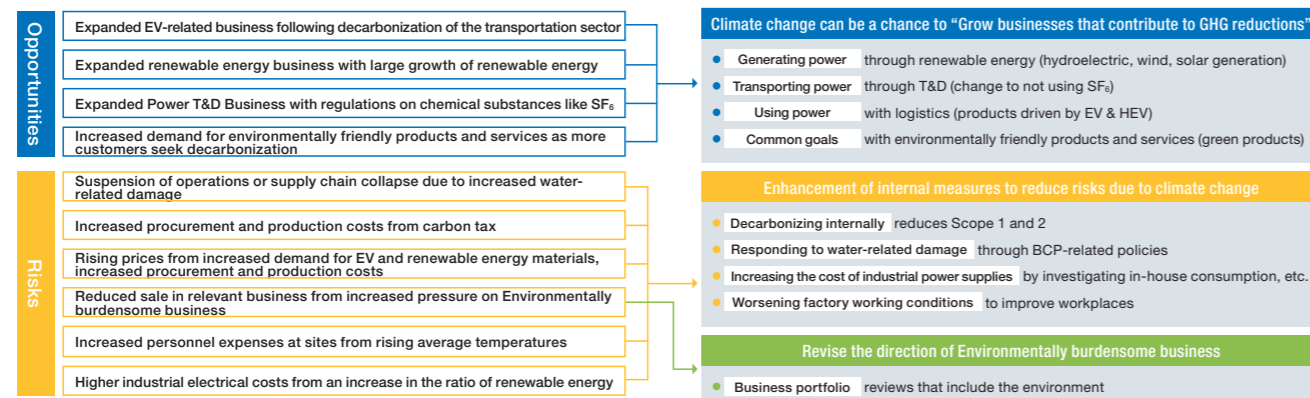
* The following values were calculated with a focus on the market growth rate and do not represent a designated target value for the Company.

	Opportunities and risks for our Company		Relevant Businesses	Calculation formula	Impact on FY2030 operating income	
					Decarbonization scenario (RCP1.9)	Global warming scenario (RCP4.5, 8.5)
Decarbonization of the transport industry	Expanded EV-related business	EV business/Buttery storage-related	Recent average sales × ZEV stock growth ratio	Large	Medium	
Increased ratio of renewable energy	Expanded renewable energy business	Wind/Hydroelectric/Photovoltaic storage/Solar generation/Battery storage-related/Hydrogen-related	Recent sales × growth rate of domestic renewable energy	Small	Small	
Restrictions on chemical substances such as SF ₆	Expanded Power T&D business	Zero SF ₆ products/Environmentally friendly products	Recent sales of relevant products × VCB market growth rate	Medium	Medium	
Increased customer demand for being carbon-free	Increased demand for environmentally friendly products and services	Environmentally friendly products and services (including green products)	* Cannot calculate at this time because green product standards are being revised	-	-	
Introduction of a carbon tax	Increased procurement and manufacturing costs	All companies	2030 Scope 1, 2 emissions × carbon tax 2030 Scope 3 Category 1 emissions × carbon tax	9.6 billion	N/A	
Rising prices from growing demand for EV and renewable energy components	Increased procurement and manufacturing costs	EV business/Renewable energy business	Cost of transitioning relevant business × rate of cost increases	Medium	Small	
More water-related disasters	Suspension of operation/ Collapse of supply chain Increased costs to respond to water-related disasters	Production sites	Assumed cost of each incident in 2030 using Ministry tools × occurrence rate in each scenario, etc.	Large	Large	
Increased pressure on environmentally burdensome businesses	Reduced sales in relevant businesses	Diesel/Gas engine generators Ceramic membrane business	2030 business sales × state of each scenario	Medium	N/A	
Worsening working environments	Increased personnel expenses at sites	Manufacturing/Maintenance/ Construction service business units	Number of site personnel in 2030 × medical and health-care costs	Small	Small	
Increased cost of industrial electricity	Increased power procurement costs	All companies	Power usage in 2030 × rising cost of industrial power	Medium	Small	

STEP 4

Consideration of Response Measures

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



Metrics and Targets

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

From a business perspective, we will particularly contribute to the creation of a carbon-free society through further expansion of the EV and Renewable Energy businesses. We also released the Second Meiden

Environmental Vision as our environmental goals in FY2021, and we have disclosed 2030 GHG reduction targets for scopes 1, 2, and 3 in order to reduce internal risks. These goals have received SBT recognition. We will work with our suppliers to achieve our targets. In addition, we pledged to reach RE100 by 2040 and carbon neutrality by 2050, in November 2021, as our medium- to long-term targets.

Second Meiden Environmental Vision Targets (Targets and results compared to FY2019 levels)

		FY2023		FY2024	FY2030
		Plan	Actual	Plan	Plan
Emissions from business activities (Scope 1+2)	Japan	8% reduction	17% reduction	10% reduction	-
	Overseas	3% reduction	8% increase	4% reduction	-
	Total	5% reduction	11% reduction	6% reduction	30% reduction
Emissions from product use (Scope 3, Category 11)		-	7% reduction	6% reduction	15% reduction

* Second Meiden Environmental Vision including FY2030 targets has received SBT (science based targets) certification.



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

Future Path

Although we have identified the growth opportunities and risks facing the Meiden Group through analysis of scenarios based on the TCFD recommendations, in most instances, calculation of impact is merely a rough estimate, and further precision is needed. Furthermore, we are promoting response to climate-related metric categories across multiple industries in the TCFD

recommendations, which require new disclosure. Along with this, we are considering establishing ESG (environment, social, and governance) metrics, incorporating them in our standards for calculating officers' remuneration, and further strengthening governance, in order to increase the effectiveness of sustainability management promotion.

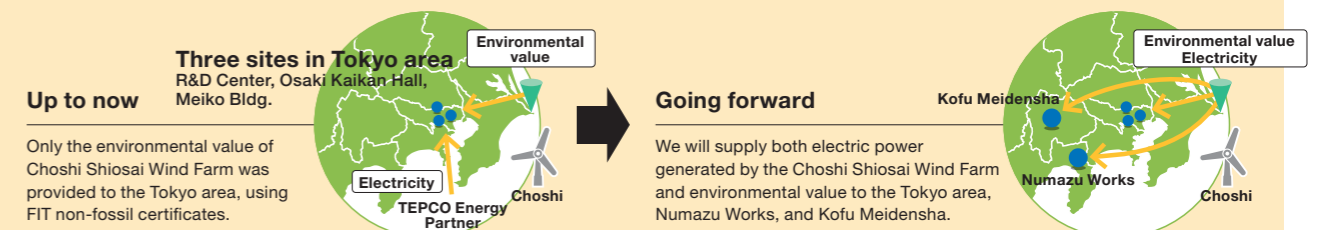
TOPICS

Offsite Physical Corporate PPA Signed, Using Wind Farm Operated by Meiden Group

On April 1, 2024, Meidensha, M WINDS CO., LTD., and TEPCO Energy Partner, Incorporated ("TEPCO EP") entered into an offsite physical corporate PPA ("the PPA"). This arrangement uses electric power from renewable energy ("the renewable power") from Choshi Shiosai Wind Farm ("the power plant") owned and operated by M WINDS, a wholly owned subsidiary of Meidensha.

Concerning the renewable power generated with the plant, the previous arrangement used FIT non-fossil certificates*2 with tracking information by TEPCO EP to provide only environmental value to three Tokyo area sites of the Meiden Group (R&D Center, Osaki Kaikan Hall, and Meiko Bldg.) using the Green Basic Plan.*3

Now that the PPA has been concluded, both the power generated at the plant and the environmental value will be provided, in addition to the Green Basic Plan that TEPCO EP was already offering. With the addition of Meidensha's Numazu Works and KOFU MEIDENSHA ELECTRIC MFG. CO., LTD., a total of five locations will be supplied. Part of the power used at the five Meiden Group locations will be the renewable power from this power plant.



*1 Renewable power refers to electricity generated from renewable energy sources combined with non-fossil certificates derived from renewable energy sources. Therefore, the electricity used by the consumer can be regarded as renewable energy.
 *2 The Ministry of Economy, Trade and Industry issues certificates that certify the environmental value of power such as renewable energy generated without emitting CO₂. Tracking information (information indicating the type of power source and location) for the power plant can be added to the certificate.
 *3 The Green Basic Plan is effectively a renewable power option offered by TEPCO EP. It combines the average power from all power sources with FIT non-fossil certificates (with tracking information) and non-FIT non-fossil certificates with renewable energy designation (with power source attribute information).

OUR APPROACH

The carbon neutral transition plan

Meiden Group is taking the following actions to become carbon neutral by 2050.

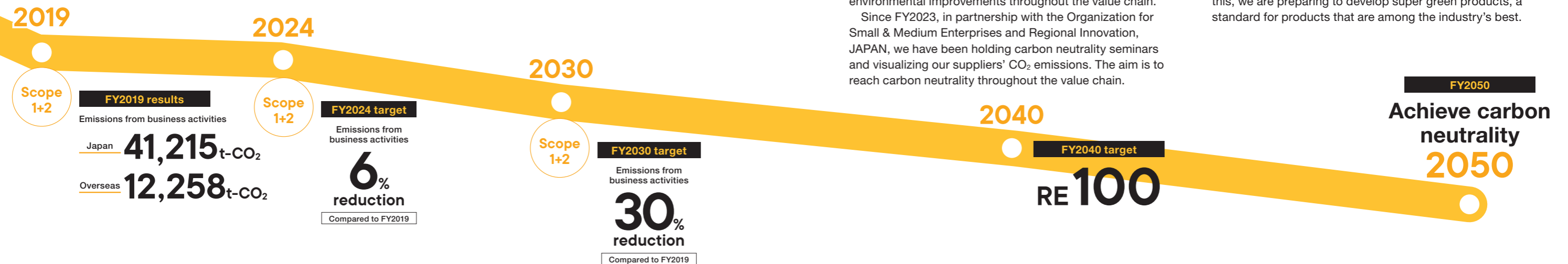
Reducing emissions from business activities (Scope 1+2)

Among our strategic facility investments such as switching from gas to electric power and making lighting, A/C equipment, and manufacturing equipment with more efficient fixtures, we are introducing internal carbon pricing (ICP) as a metric for determining investment within the Company. To accelerate our efforts to decarbonize in FY2023, we revised our price of carbon from 3,000 yen/t-CO₂ to 15,000 yen/t-CO₂. We also experienced power shortages last year and so redoubled our commitment to reducing energy consumption. We now have power-saving initiatives in place at all our offices and factories.

Using Energy More Efficiently

The Meiden Group makes capital investment systematically, such as introducing internal carbon pricing and replacing lighting and air-conditioning with high-efficiency equipment, to lower greenhouse gas emissions caused by energy consumption. We are in addition visualizing our power consumption and improving equipment operations, especially by practicing strict energy consumption control, such as cutting standby energy consumption on holidays and at night. To use energy more efficiently, expand energy conservation awareness, and reduce energy costs, each works and unit is endeavoring to save energy. Energy conservation rankings, showing energy use reductions, are posted on digital signage to foster awareness of energy conservation.

Image of Scope 1 & 2 reductions toward carbon neutrality by 2050



The carbon neutral transition plan

Emissions category	Greenhouse gas reduction measures	FY2021	FY2022	FY2023	FY2024	FY2025 - FY2030	
Emissions from business activities (Scope 1 + 2)	Replacing SF ₆ gas (replacement with dry air, etc.)	Electrical testing	Evaluate replacement gases for SF ₆		Replace SF ₆ gas		
	Capital investment	Update older equipment	Use LED lighting, update air conditioning & production equipment		Implement high-efficiency equipment	Use leading transformers	
	Renewable energy procurement (non-fossil fuel certificate, power menu, etc.)		Procure renewable energy at R&D Center/Osaki Kaikan Hall, Ota Works		Procure renewable energy at Kofu		Procure renewable energy at Numazu, Head Office
			Procure renewable energy in Germany, use solar in India, partially use solar in USA, Vietnam, Thailand				Nagoya
	Switching company-owned cars to electric vehicles		Gradually acquire EVs/hybrids (as fleet is updated)				Entire fleet EVs/hybrid
Emissions from product use (Scope 3, Category 11)	Environmentally friendly product design		Compact, high-efficiency		SF ₆ gas-free	Three elements of green products (reduce GHGs, promote the 3Rs, and eliminate hazardous substances)	
	Revising business portfolio		Increase percentage of EV-related, maintenance services, small to medium hydroelectric systems, etc.				

Reducing emissions in the product use stage (Scope 3 Category 11)

The product use stage (Category 11) accounts for 80% of Meiden Group's Scope 3. We have drafted medium- and long-term targets for greenhouse gas emission levels in the product use stage (Category 11) and are tracking our levels of achievement. We have proposed plans to incorporate environmental considerations into our products (SF₆ gasfree, reducing product size, increasing efficiency, etc.) and updating our business portfolio (expanding low-carbon businesses) as ways to reduce emissions.

Building a Sustainable Supply Chain by Supporting Decarbonization

The Meiden Group supports supplier initiatives to acquire certification and registration under EcoAction 21, the environmental management system recommended by Japan's Ministry of the Environment. In this manner, we aim to promote environmental management systems and make environmental improvements throughout the value chain.

Since FY2023, in partnership with the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN, we have been holding carbon neutrality seminars and visualizing our suppliers' CO₂ emissions. The aim is to reach carbon neutrality throughout the value chain.

Developing Environmentally Friendly Products and Services

Scope 3, Category 11 is emissions from product use and connects directly to our customer's Scope 1 and 2 emissions. Developing and producing environmentally friendly products and services with a low carbon footprint through "a complete life cycle from material procurement through product use and disposal" will lead to the decarbonization of our Company, our customers, and society as a whole.

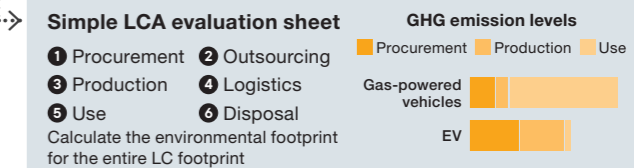
In FY2023, we conducted a series of LCA (life-cycle assessment) measurements of existing products and completed measurements of stand-alone product groups such as vacuum capacitors and inverters for electric forklifts. In parallel with this, we are reviewing our product environmental assessment, including LCA, with the aim of reconsidering standards for green products. As part of this, we are preparing to develop super green products, a standard for products that are among the industry's best.



A carbon neutrality seminar by the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN (at Numazu Works)

Product environmental assessment

- Product environmental assessment sheet**
- 1 Reduce product weight
 - 2 Reduce energy and resources
 - 3 3R
 - 4 Long-term use
 - 5 Banned substance
 - 6 Consider product lifecycle
 - 7 Environmental awards, Top runner products etc.



- Super green products** Best-in-class environmental standards even among green products
- Green products** Products that satisfy Meidensha's green product standards

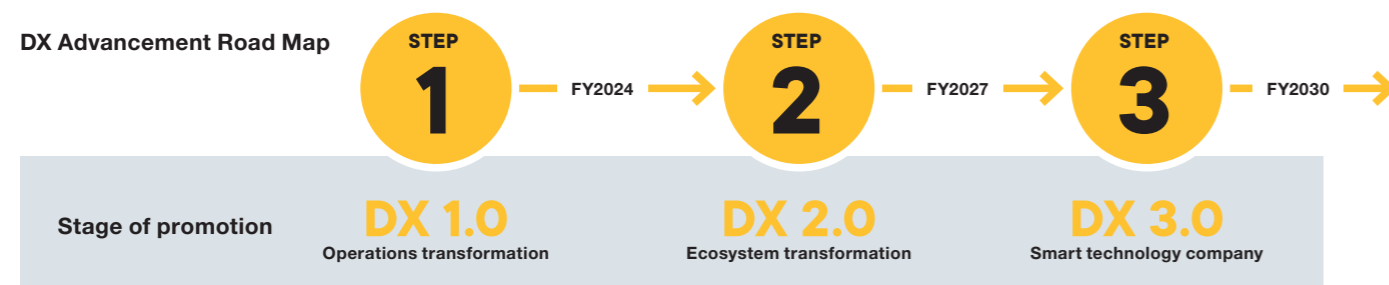
OUR APPROACH

DX strategy

DX at the Meiden Group (Company-Wide Policy)

The Meiden Group has established its vision of an ideal state of being, to create sustainability partnerships that “work to build a new society through integrity to the earth, society, and people, and through the power of co-creation.” Reaching this state requires flexibility in order to operate alongside our stakeholders, including customers and a sharpening of our competitive edge so that we are selected as a partner. Digital transformation is a key component to achieving that state, by “utilizing digital technologies and data to establish a competitive advantage through transformations of each product, service, organizations, HR, and system offered by the Meiden Group” and then deploying those actions laterally throughout all companies. Operations Transformations and Business Model Transformations are provided as core

specific transformations in the Medium-term Management Plan 2024, with numerous members from related divisions participating in those activities. Advancing digital transformations is intimately linked with our business strategy and it is vital that we enact measures such as creating core systems using new digital technologies and data utilization techniques, strengthening information security and governance, and training digital and transformative human resources. In particular, generative AI and sensors represent indispensable cutting-edge digital technologies that we are proactively incorporating. FY2024 marks the final year of the Medium-term Management Plan 2024 and the targeted completion of each transformation and initiative.



Progress and Future Deployment

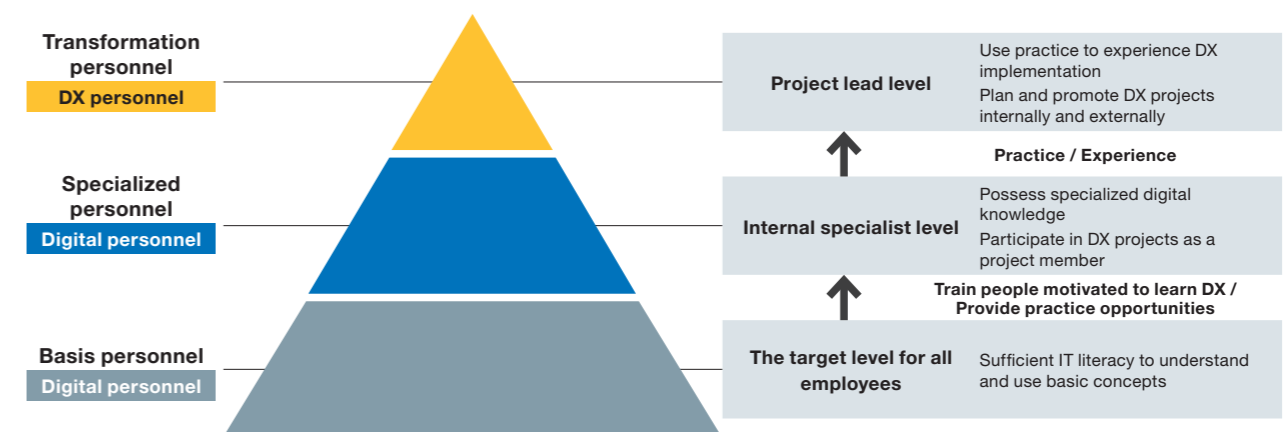
Subject		Key Achievements of Step1	Developments from Step2 Onwards
DX Strategy	Operations Transformation	<ul style="list-style-type: none"> Created the foundation of the project management system Reconsidered business processes (reconsidered internal rules) Created a database of customer contacts across all companies (built a base CRM) 	<ul style="list-style-type: none"> Introduce the project management system internally and externally and strengthen functions Increase productivity by improving business processes Create a company-wide customer database by linking SFA and CRM data
	Business Model Transformation	<ul style="list-style-type: none"> Deployed a services sales business (launched a cloud analysis business for railway overhead contact line inspection systems) Launched a smart maintenance business (ultra-high quality GX products) Created the foundation of the customer center (photovoltaic O&M) 	<ul style="list-style-type: none"> Expand the service sales business Expand the smart maintenance business Centralize operation and maintenance information at the customer center and expand O&M business
Promotion Platform		<ul style="list-style-type: none"> Improve basic digital and IT literacy for all employees and transform the culture by nurturing transformation mindsets Fortify information security and governance Design and implement a company-wide system (including future core systems) Create a data-linking platform (for use in management and to improve decision making) 	

CRM Customer Relationship Management SFA Sales Force Automation

Development of Digital Human Resources

The advancement of digital transformation is rooted in digital and transformation personnel. For that reason, we develop such personnel as part of creating our digital transformation advancement platform. Our human resources training includes opportunities to participate in transformation team activities as they develop, cooperation with cross-functional teams, and lifelong learning and skill advancement. We separate lifelong learning into three categories: basis personnel, specialized personnel, and transformation personnel. Each category is provided

its own program. Specifically, the basis personnel training program aims to increase base digital skills and occupational knowledge for all employees through outside lecturers introducing the latest case studies and technologies, courses on generative AI and data utilization, and SCM (supply chain management) training. We launched a new training program in FY2024 for incoming technical hires to help them learn customer-centric value creation through design mindsets and marketing techniques.



TOPICS

Business Transformation Projects that Advance ONE MEIDEN

In FY2021, we deployed the Meiden Business Transformation Projects concept across all companies.

Under the banner of “connectivity and increased productivity,” this initiative centralized all information and optimized the supply chain across sales and engineering units, plants, construction units, and maintenance service units.

Previously, each business unit and process employed its own system. This made simultaneous management of all processes impossible, so information could not be promptly and accurately conveyed between units, and the productivity of all businesses suffered. It also negatively impacted customer satisfaction and manufacturing, so the issue required an urgent solution from a business standpoint.

The business transformation advanced under this situation, DX1.0 Operation Transformation, aimed to create a project management system platform shared by all companies within FY2024. Productivity increased (FY2023 performance: 30,000 reduced labor hours) because, beginning in FY2023, companies stopped creating paper records of monthly production meetings and could verify project information and progress on the system.

From FY2024 onwards, we expect to improve productivity with the business process transformation, expand group company activities in Japan and overseas, and continue to enact operation transformations through the combined force of ONE MEIDEN.



Katsuaki Shindo
PM Reform & BPR Promotion Division, Corporate DX Promotion Group, Meidensha

OUR APPROACH

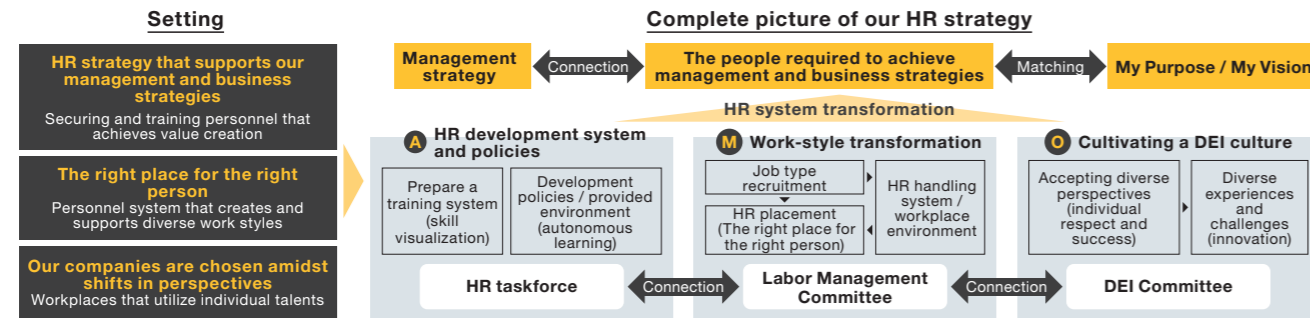
Human Resource Strategy

Our Core Approach

At the Meiden Group, we continuously work to strengthen policies that secure the human resources that are the source of our value creation. Specifically, we enact human capital management focused on the three pillars of “human resource development systems and policies,” “Work-style

transformation” and “Cultivating a DEI culture” around the core concepts of “securing and training human resources that can solve business challenges” and “transforming to an organization that respects individuality” through the AMO framework*.

*AMO: Raising each person's Abilities (A) and Motivation (M), then providing Opportunities (O) where all employees can utilize their skills.



Human Capital Management KPIs that Creates Value

The Medium-term Management Plan 2024 aims to promote DEI, transform working styles, and increase engagement while setting targets (KPIs) for materiality and management strategies while simultaneously fine-tuning activities through the development and measurement of results of each personnel policy.

Primary KPIs	KPI advancement			Target value	Details of initiatives & future developments
	2021	2022	2023		
Ratio of female employees in management	3.6%	4.1%	5.1%	FY2023 12% *Meidensha only	<ul style="list-style-type: none"> Increase the amount of experience through deployment to different industries and training with external organizations Conduct detailed interviews to transform management perspectives and employee mindsets Implement scheduled training and assignment of young and mid-career employees through the system where executives support employees
Percentage of male employees acquiring paternity leave	40%	70%	88%	FY2025 100% *Meidensha only	<ul style="list-style-type: none"> Thoroughly explain the system and obtain the understanding of on-site managers Introduce a system for paternity leave at the time of birth and a short-term childcare leave system to promote paternal leave (1-month paid leave) Introduce special leave to promote paternal involvement in child-raising (spousal childcare leave)
Female executive class employees (full-time)	0	0	1	FY2024 at least 1 people FY2030 at least 3 people (including +1 executive officer)	<ul style="list-style-type: none"> Create opportunities for talent and skill training through executive management training by external organizations Broaden opportunities to gain experience through transfers and assignments to outside departments Foster motivation via meetings with executives Initiate the Women's Executive Training Program within each business group so that female employees can picture a leadership style that reflects their true selves.
Number of non-Japanese local CEOs	0	1	2	FY2024 at least 3 people FY2030 at least 5 people (including one or more executive officer)	<ul style="list-style-type: none"> Hold periodic executive candidate meetings with supervisors to foster a management mentality Utilize the coaching program to hone the management capabilities of overseas local candidates for executive positions Link multiple Chinese local companies with business planning departments in Japan in a spirit of organization development and conduct group training
eNPS (employee NPS®) (vs. FY2021)	Base year	-1.4%	-2.6%	FY2024 10% improvement *Meidensha & Meiden Engineering	<ul style="list-style-type: none"> Review the HR treatment system to achieve equitable and just treatment by role and ability by transforming the organizations and mindsets such that each employee can play an active role (DEI promotion) Deploy the My Vision, My Challenge initiative across all companies Create learning opportunities that support employee growth

Transforming to organizations and mindsets where each employee can play an active role (DEI promotion)

Promoting DEI at our company carries a double meaning of Dedicated work in Environments that are Inclusive. We are creating an organization and work culture where each person can work actively while utilizing their individual talents. In FY2023, we created the DEI Committee, a support organization chaired by the company president, to strengthen advancement efforts and enact policies and

initiatives for DEI as a whole. In order to create grassroots DEI actions, we created lunchtime DEI MeetUP! Sessions to provide opportunities to achieve mental wellness, promote internal communication, and create the awareness tools for DEI to take root in our company. Over 600 employees joined these sessions.

A DEI MeetUP! Session



Securing and Training Human Resources that Can Solve Business Challenges

Securing and training the human resources that can solve business challenges is essential for the Meiden Group to achieve its target state. That is why we hire from a diverse range of sources, including new graduates, mid-career transfers, and overseas labor pools, then organize environments and personnel that enable autonomous learning so that each employee can increase their abilities and motivation, all while utilizing internal personnel through reskilling and education.

Specifically, we publish Occupational Skills as study guidelines so that individuals can reach their desired career, assign people internally and externally to expand their knowledge and make interpersonal connections, and offer an Internal Internship System that provides opportunities to consider different careers and their suitability in order to provide employees with opportunities to challenge themselves.

TOPICS

Educating Local Staff

To train executive candidates at local companies overseas, the Meiden Group improves the knowledge required for top management positions and the mindset needed to be a Meiden Group executive, offers coaching programs for organizational development, holds town meetings to foster appropriate attitudes of local staff, and organizes meetings between HR Departments in overseas local companies so that they can share and resolve issues. We also create career paths to act as guides toward a career path and help local staff attain their desired career.

Feedback from the CEO of an overseas local company

The Meiden Group's surge arresters are vital components in maintaining global power infrastructure. Our company established a base in the Chinese market as one of the three primary locations in the Meiden Group's surge arrester business, where we work to drive global development. I strive to contribute to the continued growth of the Meiden Group by utilizing local strengths and developing both our employees and our company.

Wang Peng
General Manager
MEIDEN ZHENGZHOU
ELECTRIC CO., LTD.



Increasing Employee Engagement

To increase employee engagement, we established an employee engagement KPI (eNPS*1) and analyze the underlying factors behind the results of our annual employee opinion survey to understand current issues and implement measures.

Reviewing Each System

Formed in FY2022, the Labor Management Review Committee examines revisions to HR treatment policies and the welfare system. Since April 2024, it has reviewed part of the system that ensures proper treatment by role and has also reviewed the promotion system in order to select and advance exceptional personnel early in their careers.

Affirmation rate by category (%)	Vision	FY2021 Respondents: 4,325 people	FY2022 Respondents: 4,349 people
		76.0	75.6 (-0.4)
	Culture	53.4	52.2 (-1.2)
	Work environment	53.6	53.5 (-0.1)
	Each system	40.1	37.8 (-2.3)
	HR utilization	46.0	44.9 (-1.1)
eNPS (%)**		-63.6	-65.0 (-1.4)

Perspectives for Analysis

Vision	Mission, Vision, Strategy Permeation, etc.
Culture	Open culture, Communication, Intent to achieve and challenge, Engagement (hopes for the company's future), etc.
Work environment	Productivity, Work-life balance, etc.
Each system	Evaluation, Compensation, Advancement, HR Development System, etc.
HR utilization	Empowerment (drive to work), Employee utilization & assignment, etc.

*1 eNPS: Employee NPS® (Net Promoter Score). NPS® is a registered trademark of Bain & Company, Fred Reichheld, and Satmetrix Systems.
*2: eNPS is recorded as a percentage. eNPS applies to Meidensha and Meiden Engineering.



Dialogue

| Special contents | President x Employee Roundtable discussion

The Power to Create the Future

From left: President Inoue, Ms. Takahashi, Ms. Ichikawa, Mr. Tsutsui, Mr. Hagiwara, Mr. Hokoyama

Moderator



Hideaki Noguchi

Human Resources Planning Division,
Human Resources Management
Group, Meidensha

The theme of this roundtable discussion was “The Power to Create the Future.” At the Meiden Group, human resources are the source of value creation and the key to sustainable growth. In this discussion, we unravel the thoughts and feelings of Group employees and how they have built their careers.

Looking back on their careers so far

Tsutsui Currently, I work as the EV unit leader at our Nagoya plant. I started working for an automotive parts manufacturer in 1998 and was involved in production engineering for most of my career until I changed jobs in 2020, and have had a broad career in production engineering operations from upstream to downstream. There is no single right answer in production engineering, and there is a great deal of creativity involved. Although it is possible to make a product by copying those who came before, to be competitive requires a daring spirit to take on challenges different from others. As a young man, I was in charge of designing large lines, and since things did not tend to go as expected on the manufacturing floors, I learned quite a lot. The experiences I had, struggling in a situation where saying “I can’t do it” would be utterly unacceptable, form the basis of who I am today. I was asked to join Meidensha when the Company was planning to mass-produce an integrated motor and inverter for electric vehicle drives at its Nagoya plant in 2020, and became a mid-career hire. Today, we are able to produce more than 600 units per day, but when I first joined Meidensha, we could barely produce about 10 units per day. Coming from the automotive industry, I remember being taken aback at this situation at a time when mass production was just around the corner (laughs). In my school days, I was a member of the track and field team, and showed a few strong results in relay races. That formative experience has led me to love processes that require teams to unify in order to overcome, and that one person cannot do alone. Now that I am in a management position, I want my subordinates to have the experience of accomplishing something as a team and sharing joy together from a young age.



A company that makes employees feel like their work will lead to a brighter future and contributions to society

Naoya Hokoyama

Policy Planning Section, Policy Planning Division, Corporate Policy Planning Group, Meidensha

Takahashi I joined Meidensha in 2014. Because of my major in mechanical engineering in university, I was assigned to structural design, hoping to make use of my knowledge. When I first joined the Company, I was not good at languages and had no interest in going abroad, but when I visited my alma mater as a recruiter, I was shocked to see how many students wanted to work abroad. This led me to start English conversation lessons through the Company’s language training program, and when I had overcome my weakness, I decided to apply for the overseas trainee program and take on the challenge of going abroad. I was transferred to a local subsidiary in Singapore, where my supervisor suggested that “if you’re going to work for an electronics manufacturer, it would be more interesting if you could do electrical design as well,” and I learned electrical design under the tutelage of my supervisor and local staff. Thanks to the limited pool of employees in Singapore handling a wide range of duties, I myself experienced a variety of

tasks, such as procurement and production management, while working on electrical design for railroads. Every day some kind of difficulty would arise, and I enjoyed gaining knowledge and experience every time I solved a problem, and it also gave me confidence that I could do it if I tried. I also discovered an interest in electrical design and continued to work in the field after returning to Japan.

Hokoyama I joined the Company in 2017 and was assigned to the Corporate Policy Planning Division. In my fourth year with Meidensha, I was dispatched to the Ministry of Economy, Trade and Industry (METI), where I worked for about three years as a national civil servant in formulating and implementing policies to support Japanese companies entering emerging countries such as India and Africa. My work is currently the formulation of medium-term management plans at Meidensha, and I can feel the importance of working from multiple perspectives, a broad viewpoint, and a high-level perspective, which I have gained

through my career as a dispatched employee outside the Company. I feel that it was a very meaningful experience for me to be involved in the work of how to use the tools of policy to move and grow the economy, and how to create major trends while involving companies in my own country.

Hagiwara I joined the Company in 2013 and work in the Production Engineering Division maintaining the infrastructure, buildings, etc. at our production sites. I am a graduate of an industrial high school in the city of Numazu, where Meidensha has a location, and while I knew that Meidensha existed when I was job-hunting, I honestly didn't even know what they made. My specialization at that high school was electrical work, and when I toured the Meidensha factory, I figured I would be involved in manufacturing there, but when I finally joined the Company, I was surprised to be assigned to the Production Engineering Division. Although I am on a completely different career path than I had envisioned, I am enjoying the freshness of it. In 2022, when I was finally getting used to construction and other work, my boss told me to go see a new EV factory being built in China, and I spent six months in China working on the construction of the new factory. It was a good experience for me because I never dreamed that I, who was hired in the Numazu area, would

be working overseas. I feel that building up experiences like these has helped me feel more positive in taking on new challenges, since I remember that I have overcome difficulties somehow before and that I can likely figure things out when facing new challenges. I know that my future career will not be exactly as I envisioned, but I hope to make the most of everything as a valuable experience to be utilized ahead.

Ichikawa I joined the Company in 2021 and work as a domestic sales representative in the Power Infrastructures Business, where I handle transformer products. I was originally enrolled in a university seminar to study CSR and SDGs, and after experiencing the water, electricity, and gas outages at my home in Sendai City due to the Great East Japan Earthquake, I narrowed my job search to infrastructure-related manufacturers that support the very foundations of society. One of the key points in selecting a company was whether or not I wanted to work with these people, and I felt that my intuition during the recruitment interview was very correct. I was assigned to a sales position because I wanted to be the link between the factory and the customer, and now, in my fourth year with the Company, I have been entrusted with a variety of projects. In my work, I occasionally feel like I am lacking experience, but I feel that I am able to work proactively



Hoping to be involved in the development of products that will make a significant contribution to the world by building relationships of trust with customers

Yoko Ichikawa

Sales Section 2, PIB National Sales Division, Power Infrastructure Business (PIB) Sales & Engineering Group, Meidensha

because I have colleagues who encourage me and work closely alongside me. In the future, I would like to challenge myself by tackling sales in areas other than electric power and gain experience at a branch or branch office that handles multiple fields.

President Inoue I felt a connection between your stories and my own beliefs. My first assignment was in a factory's accounting division, where I was close to day-to-day manufacturing work. Later, I experienced a variety of tasks, including project management in the planning division of a business division and medium-term management planning in the Corporate Policy Planning Division. All of the experiences I have had along this career path have provided me with the foundation to lead the Company as President. It doesn't matter what work you do; as long as you put everything into it, you can go anywhere. It has been very encouraging to see my

colleagues grow in the process of taking on new challenges and gaining experiences beyond their own imagination, while enjoying and savoring these experiences at the same time. The Meiden Group values people. This part of our corporate culture will remain cherished and unchanged for as long as we exist. At the same time, my idea is to make these companies a stage where each and every one of you can realize your dreams of what you want to accomplish. The modern world is the fruition of someone's dream in the past. In Japan just after World War II, that dream might have been strong economic growth; in today's world, it might be new urban development that harmonizes lush nature with cutting-edge technology based on the SDGs. As society is created based on the dreams envisioned in this way, it is our job as manufacturers to transform abstract visions into concrete forms. The mission of the Meiden Group is not limited to a mere equipment manufacturing function, but also includes providing value to realize the society envisioned by our customers. To achieve this, we must also talk about dreams, and unless each of us has the desire to realize them, they will not lead to the value we provide to our customers. I would like to unite the dreams of each individual with our corporate philosophy and vision, and give shape to them as the dreams of the Meiden Group, providing them to our customers.

Providing spaces where people can work with vigor in the hope that it will lead to the provision of value to customers

Makoto Hagiwara

Facility Management Planning & Administration Section, Production Engineering Division, Production Engineering and Management Group, Meidensha



The Dreams We Each Seek to Fulfill

Ichikawa My dream is to make my company one where people say, "only Meidensha can get this job done." First, I would like to build relationships of trust between myself and customers, and develop the ability to elicit what the customer is potentially seeking and accurately convey it to the factory. It would make me happy if my customers were sincerely pleased with what we provide them, and felt that what they get is what they wanted. I would like to take on larger and larger projects as I gain experience. I also hope to be involved in the development of new products as a sales representative that will one day make a significant contribution to the world. Each and every task helps build relationships of trust, so I will engage with customers and factory workers without forgetting my core intentions or neglecting the basics. I have been fortunate to have a great deal of support from many people so far, and I want to do the same for my less experienced colleagues and make the workplace a facilitative place for everyone to work and create a good atmosphere. To make that happen, I will work hard each and every day to build this up.

Hagiwara My customers are the employees of the Meiden

Group, and my dream is to provide spaces where the people who actually work at factories can work with vigor. I believe that if I can do better for everyone in the field, the result will be better value for our end customers. Even within a single factory, there are people in diverse positions such as manufacturing, testing, production control, design, etc., and each of them will have different needs. Sometimes, something you provide that you yourself think is good may not be very usable for the actual user. For this reason, I am in constant communication with people in various departments and making trial-and-error efforts on a daily basis. Like Mr. Hokoyama said, I too would like to acquire a broad viewpoint. I would like to consistently provide work environments where people working for the Meiden Group want to work until retirement age.

Hokoyama My dream is to make the Meiden Group a place where all employees can share in the future that we seek, and where working for the Group itself leads to brighter futures and contributions to society. I believe that such an organization will be able to provide sustainable value to society and help bring about a world in which its technologies and products become even more indispensable to people's lives, supporting convenience and enriching lifestyles. What I experienced firsthand when I visited India, countries in Africa, and other fast-growing countries during my dispatch assignment was the intensity of change and growth, and the overwhelming enthusiasm. While these things surprised me, when I turned my eyes to Japan, I felt a sense of anxiety about the future and a vague sense of stagnation, and I strongly felt the need for change. When I thought about how we





Creating workplaces where people can work without worry, regardless of their position, by paying attention to colleagues

Yuriko Takahashi

SEF Products Electrical Design Department, System Equipment Manufacturing Unit, System Equipment Factory Complex, Meidensha

could break through this sense of stagnation, I realized that it is important for a great deal of people to believe in a shared future and to seriously think about what they should do to achieve it. I would like to make an impact on the world by transforming the Meiden Group into such an organization, where we all aim for the same direction, work independently, and overcome difficulties through dialogue.

Takahashi My dream is a little closer to home. The department I was assigned to after joining the Company had no other female designers besides myself. Of course, I was warmly welcomed and my coworkers said they hoped I would work there for a long time, but the start of my career was full of times when I felt it would be logistically challenging for me to balance work and family life in the future. However, my visit to Singapore completely changed my mind. There were many female engineers working hard while raising children, which gave me great hope. It is my dream to extend this feeling to the Japanese workplace. Even in my workplace, we are seeing more and more women at junior levels, and many of them seem to have the same concerns and worries as I did before. If you only look at one workplace, you may inevitably experience a kind of tunnel vision. I want to make my

company a place where people can work without these kinds of worries, no matter their department or role. Everyone is in a different position, in a different situation, and has a different way of thinking, and they should also be able to work in different ways, and the way they achieve results and the process to get there should also be different. I also want to convey the message that challenges are interesting, too, because I myself believe that a career path that I had not envisioned when I joined the Company has changed my life dramatically. I would like to improve my workplace and working style by paying attention to my colleagues and using my imagination to see if there are any problems or inconveniences in their respective positions.

Tsutsui The thing I have definitely wanted my customers to say now that I'm with Meidensha is that their products absolutely have to be Meidensha. I feel that this kind of praise from customers is what brings fulfillment to our work. In order to realize my dream as a leader of a manufacturing unit, there must be organic connections between not only the manufacturing field that I lead, but all divisions, including sales, product development, production engineering, and procurement. To this end, I believe that it is critical for the field to communicate

information outwardly. The EV Components business is a new challenge for Meidensha, which has a long history of build-to-order production. When I first joined the Company as a mid-career hire, I was concerned about the many issues I saw and intended to keep quiet when I had opinions. However, partly due to my personality, I was already out sharing my opinions with everyone around me just one month after coming onboard (laughs). I remember being impressed by how the Company, despite its long history, was so open-minded, because they listened to my opinions as a newcomer and acted on them. The thought to communicate without hesitation and to share a firm desire internally to realize the same dream creates great strength. I am confident that this is a company where I can make my dreams come true together

Uniting as a team to realize manufacturing that makes customers believe their products absolutely have to be Meidensha's

Satoshi Tsutsui

EV Components Manufacturing Unit, Nagoya Factory Complex, Meidensha



with everyone involved. When I first joined Meidensha, although there was a goal of producing more than 200 units per day, we were only capable of producing 10 units per day. The gap between our lofty goal and reality was exhausting for those of us in the field. Even so, as someone who hates the word "can't," I continued to patiently be a beacon of "breakthrough thinking," telling people that we should accept the negative elements that make us want to say we can't, and think of ways to make it possible. As we discussed and implemented what we needed to do to be able to achieve this goal someday, even if it was not possible right away, we gradually increased production units. There is true joy feeling the happiness of my team when they cheerfully tell me that we finally made it. The strength that enabled us to produce far more units than our initial goal is not mine, but the strength of all of us. As my dream continues, I would like to consistently reach out to others with my beliefs and bring them along with me.

Conclusion
The Meiden Group's Value Creation: Creating a New Society through Human Resource Development and Manufacturing

President Inoue I firmly believe that the positive motivation you have shared with us, your awareness of the need to solve problems to improve society, and your ability to persuade and take action will enhance the significance of the Meiden Group's existence and lead to the return of value to society. To this end, I believe that my role in upper management is to create a stage where the dreams and aspirations of everyone can be realized through the Meiden Group. We must become a Meiden Group that many people will choose to work with to create a better society. In addition, showing how those who are active in the Meiden Group are striving to solve social issues and fulfill their dreams will help to create a centripetal force among many people who want to work

for the Meiden Group. It is the way they work, dreaming of the future, that inspires people. Because the future is not for certain, your dreams and aspirations will lead to the creation of a better society. We believe that by bundling these thoughts into our corporate philosophy and vision and pushing them forward, we can transform them into a stronger force. Through this roundtable discussion, we have heard your strong desire to improve society, and at the same time, we learned about the efforts you are making to achieve this goal and the concerns you are facing. I will continue to lead the Meiden Group toward the realization of our vision, while adjusting the systems and corporate culture so that we can meet the aspirations of all our stakeholders.



Respect for Human Rights

Thoughts on human rights

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

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

In 2022, Meidensha signed a statement of support for the United Nations Global Compact and was registered as a participating company.


We also support the National Action Plan on Business and Human Rights (2020-2025) formulated by the Japanese government in 2020, and through its implementation, we strive to promote responsible corporate behavior with regard to respect for human rights.

Specifically, we identify, prevent, and mitigate potential human rights risks and impacts in our activities, including those in our supply chain, and disclose how we address them on an ongoing basis.

The Meiden Group Human Rights Policy


As a policy for the concrete implementation of the above ideas, we have made the Meiden Group Human Rights Policy available in three languages (Japanese, English, and Chinese). In addition, we are working to ensure that it becomes ingrained in all employees through our human rights training.

Further, for the sake of both internal and external stakeholders, we regularly revise the Group’s Sustainable Procurement Guidelines, which include human rights considerations, to reduce human rights risks in our supply chain, and these guidelines are distributed to our business partners.

 The Meiden Group Human Rights Policy and Sustainable Procurement Guidelines can be found on our website. <https://meidensha.disclosure.site/en/themes/96>

Promotion Framework

Twice a year, human rights progress reports are presented to the Board of Directors and the Executive Officers’ Meeting as part of Meidensha’s framework for promoting sustainability management. In particular, incidents of harassment are reported at regular meetings of the Compliance Committee, which oversees our response to them, and the nature of such incidents is also reported to management.

 The promotion framework can be found on our website. <https://meidensha.disclosure.site/en/themes/96>

Relief and Remedy

Regarding relief measures

[Establishment of a Compliance Hotline]

The Meiden Group has established whistleblowing systems available to internal and external stakeholders, and accepts reports concerning a wide range of human rights issues, from those that may arise on a daily basis to serious human rights violations. The internal Compliance Hotline and the Harassment Consultation Hotline are available for reports within the Group. We have established the Compliance Whistleblowing Hotline (for compliance issues) and Workplace Harassment Hotline (for harassment issues) as external whistleblowing services, and all stakeholders (including individuals and local residents) can use these systems to share their concerns through a contact form.

In accordance with national guidelines, the above whistleblowing services are designed to ensure information management and whistleblower protection, including the name of the whistleblower, and to allow for anonymous reporting. We take care to ensure that whistleblowers are not disadvantaged and strive to improve the credibility of our whistleblowing systems. Information received through our internal and external whistleblowing services is investigated by the Compliance Committee after confirming its content, and is handled in consultation with attorneys as necessary. Additionally, in the event that we confirm that there has been an impact on human rights, we are committed to providing redress to the affected parties in accordance with the Group’s Code of Conduct and other relevant standards.

Human Rights Due Diligence

Meidensha practices human rights due diligence to identify, manage, prevent, and mitigate human rights risks in our business activities for all stakeholders. We also investigate the state of human rights using a questionnaire for our stakeholder suppliers on their sustainability and environmental protection initiatives.

In FY2023, for the first time we gave an impact assessment survey on human rights risks to our employees. Aiming to conduct a fact-finding investigation regarding current risks relating to human rights, we identified issues in this area. Going forward, we will conduct more in-depth investigations into these issues and further strengthen our response to prevent and mitigate negative impacts on human rights.

Schedule of initiatives to promote respect for human rights (scope: Meidensha)

Step	FY2022 and earlier	FY2023	FY2024		
			1st half	2nd half	
Initiative	Join UN Global Compact				
Initiatives to promote and train	<ul style="list-style-type: none"> Training for officers Workplace discussions (Human Rights Week) 	Workplace discussions (Human Rights Week)		Workplace discussions (Human Rights Week)	
Establish policy	<ul style="list-style-type: none"> Revise Human Rights Policy Revise Corporate Code of Conduct Establish Sustainable Procurement Guidelines 				
Conflict minerals	3TG* survey	Survey 380 business partners with CMRT (Conflict Minerals Reporting Template)	FY2023 survey		
	Cobalt survey	EMRT (Extended Minerals Reporting Template)	FY2023 survey (cobalt & mica survey)		
Human rights due diligence	Self-assessment	Survey scope	Japanese subsidiary self-assessments		
		Risk inventory			
	Risk assessment	Study of impacts and countermeasures		Japanese subsidiary risk assessments	
		Measures			
Issue list creation					
Impact assessment	Departmental interviews				
	Identify issues				
Impact assessment	Sort out discussion points				
	Survey, tabulation and analysis using assessment sheets for employees				

*3TG: Tin, Tantalum, Tungsten, Gold

Human Rights Education for Officers and Employees

Meiden Group conducts various training programs to promote respect for basic human rights. We offer periodic group training and videos (in Japanese, English, and Chinese) on compliance and harassment to raise all Group employees’ awareness of these issues. We also increase understanding and awareness by providing

opportunities for individuals to reconsider their workplace and ways of thinking. We have also expanded anger management training for managers to include all employees. Through the training, we raise awareness to respect the personalities and ideas of others.

Content of Human Rights Training (FY2023)

Training type	Targets	Human rights themes dealt with	No. of persons taking training
Workplace discussions relating to human rights	All Group employees	Link between business and human rights	5,867
Harassment education	All Group employees	Prevention of various types of harassment	6,575
Compliance manager training	Compliance managers	Responses to consultations regarding harassment, etc.	124
Anger management training	All Group employees	Understanding and controlling anger, which can lead to harassment	1,921

OUR APPROACH

Manufacturing Strategy

Enhancing Manufacturing Capabilities

We gave divided products manufactured by the Meiden Group into “mass production,” “equipment,” and “systems,” and established manufacturing strategies suited to the features of each group, and we will enhance product competitiveness by improving quality, cost, delivery, safety, and environment.

In this way, we will not only improve the quality of products, but by reforming the awareness of employees involved with manufacturing, we will foster worksites with a sense of achievement and growth, and remain a company that is attractive to the earth, society, and people.

Progress of FY2023 Initiatives

In the second year since the introduction of our factory complex system, in which our 12 manufacturing units are divided into five large factory units for integrated management, we saw acceleration and advancement in the integration of people, technology, and products across manufacturing organizations.

In FY2023, we undertook initiatives to reform production and initiatives to innovate manufacturing by using DX in production activities. In terms of production systems, we increased the rate of automation on the EV drive unit mass production line in Nagoya to enhance quality and productivity. On distribution board assembly lines and assembly lines for various large machines, moreover, we streamlined our factory lines to improve productivity, reduce work in process, and shorten lead times.

Policy for Initiatives from FY2024

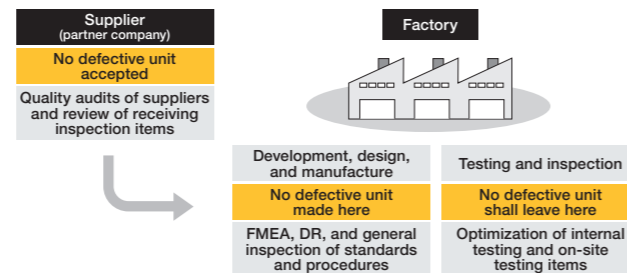
Company-wide improvement initiatives are divided into three groups: “mass production,” “equipment,” and “systems.” Through these initiatives, we are working to build up our manufacturing capabilities and product competitiveness. Initiatives in the “mass production” group include automating simple tasks as well as using image processing to automate inspections. Under “equipment,” we will establish core manufacturing technologies and develop and implement tools to support human work. And under “systems,” we will continue to streamline factory production lines, eliminate waste by visualizing production processes, and link design data to manufacturing and testing processes.

In addition, for the production of vacuum products such as vacuum interrupters and vacuum capacitors, we will work to improve quality and productivity by augmenting production capacity and using automated equipment.

In the EV business, we will work to further improve productivity by continuing to ensure stable production at our four bases in Numazu, Nagoya, Kofu, and China, including the second line in China, which started operating in FY2023.

Quality Control

At the Meiden Group, which is involved with social infrastructure, each employee is not only aware of social responsibility in relation to the Meiden Group’s products and services, as well as the scale of the impact that defects could have on society, but engage in quality control activities from the perspective of “no defective unit accepted,” “no defective unit made in our factory,” and “no defective unit shall leave our factory,” satisfying customers and improving profitability by reducing unnecessary costs.



Preventing Quality Fraud

In FY2023, we established a new Quality Assurance Audit Section in the Production Engineering and Management Group (Quality Control Department) to bolster our efforts to prevent fraud. The section has focused on (1) identifying fraud risks and making improvements and (2) raising awareness of fraud prevention.

01 Identifying Fraud Risks and Making Improvements

We double-checked the validity of test reports for products manufactured by each unit. Each department checked its own results (as a first line of defense) and the Quality Assurance Supervisory Section also checked (second line). We particularly focused on confirming the operational status of type test results, which are fundamental to product performance and quality. We also tested sampled products, performing detailed inspections of the items listed in their test reports. We discovered no cases of fraud. However, departments made improvements on items that were determined to be high-risk, for example by reviewing procedures and making sure they are thoroughly practiced.

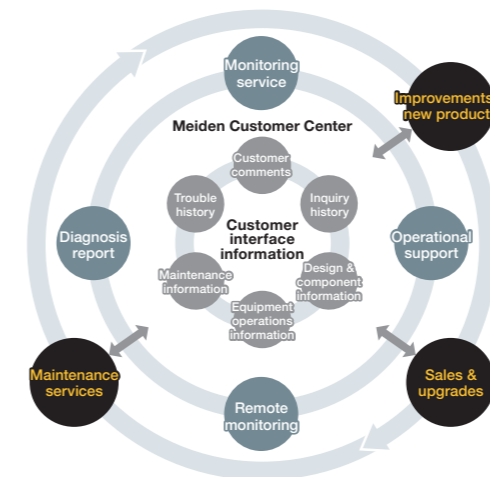
02 Raising awareness of fraud prevention

We conducted fraud prevention education and awareness by watching fraud prevention education videos, exchanging opinions within the workplace after watching them, and implementing e-learning. In addition, we conducted a questionnaire survey after the training to confirm the level of understanding and penetration of the training. The survey results showed that the percentage of people who work with an awareness of fraud prevention has increased significantly compared to the previous year, indicating that employee awareness of the prohibition of quality fraud and inappropriate conduct has further increased.

Meiden Customer Center

The Meiden Customer Center is the point of contact for inquiries and trouble calls for all Meiden Group products. Our remote monitoring service connects the Meiden Customer Center with Meiden Group products installed in infrastructure facilities and renewable energy power stations. The service monitors the operating status of customers’ facilities and, if an abnormality occurs, asks maintenance service personnel to address the situation or even makes the first response to the failure itself.

In addition, by analyzing and utilizing equipment operating data, past issue data, plant design data, and on-site maintenance data centrally managed at the Meiden Customer Center, we will be able to make proposals to customers that will contribute to appropriate maintenance, reduction of life-cycle costs, and reduction of greenhouse gas emissions.



Enhancing sensitivity to danger through hands-on safety training

Hands-on safety training is offered to each of our locations to enhance sensitivity to danger. In this training, we dispatch a safety simulator trailer equipped with safety simulation training equipment in the container it carries.

The safety education is not limited to classroom lectures, but also features simulated work-related accidents using virtual reality (VR), etc., offering strong learning potential. As of FY2022, we have newly developed a Metaverse hands-on safety educational program, which enables participants to receive non-contact safety experience education within the Metaverse using their own avatars. We have also started external sales of VR safety training content through a subscription service for external customers, providing an environment where the latest safety training content can be accessed at any time.



A VR hands-on safety educational program in progress

Safety Promotion Center Preserves Lessons from Industrial Accidents

In order to ensure that the facts about past industrial accidents continue to be told, we have established the Safety Promotion Center as a place to provide these facts and a forum to consider them. We believe that our mission is to never turn away from a sad truth, and to consistently tell stories of past experiences to ensure that similar fates do not befall future employees and their families.

The Meiden Group will continue its efforts to raise safety awareness and achieve zero accidents, achieved by recording safety memories in our bodies through our safety simulator, and by having our hearts moved at the Safety Promotion Center.

While the Safety Promotion Center has a physical exhibition space at Numazu Works, for employees who live too far away to visit the museum, a new Metaverse Safety Promotion Center has opened as of October 2022, utilizing virtual space. This enables multiple employees to participate without location restrictions, whether in Japan or overseas, as long as they have a VR head-mounted display, and also allows them to exchange opinions while gathering as their respective avatars over the Metaverse.



Safety Promotion Center (actual scene shown on left, metaverse simulation on right)

Occupational Safety and Health

At the Meiden Group, employee health and safety is a core management value. We work to “ensure a safe environment that is conducive to work, as well as achieve comfort and affluence for employees,” as it says in Meiden Group Corporate Code of Conduct, and aim to be a leading health and safety company.

Confirmation of unsafe behavior using AI

Finding unsafe behavior by on-site patrol is an important way to prevent industrial accidents, but in terms of resources, it is difficult to constantly check worker movements and images sent by cameras. To address this issue, in FY2023, we began using our Safety AI Camera System to check for all unsafe behaviors.

AI detects speed violations or driving in the opposite direction when operating a vehicle on premises, walking outside the green belt, not wearing a helmet in the factory, dangerous forklift operation, working at heights, presence of persons at night, and so on. It then provides guidance to those who are acting in an unsafe manner.

OUR APPROACH

Supply Chain Management

Addressing Rising Material Prices and Long Lead Times

While the situation in FY2023 did not return to the pre-COVID-19 normal, the impact from slow delivery times for parts and materials eased significantly. On the other hand, unit prices for purchases continue to rise due to the soaring cost of raw materials, energy, transportation, and labor.

Facing this reality, we are working with the production management department of each plant and unit on several measures to minimize the impact of longer delivery times and price increases for the goods we procure while taking account of production and shipping plans. These include making advance arrangements, studying alternative goods, stocking up, and strengthening negotiations with suppliers. In addition, we are working to counter rising transportation costs by obtaining shipping information early and coordinating with departments concerned to establish the optimal manner of transportation.

Sustainable Procurement

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

Based on the Corporate Code of Conduct that we established in line with the Meiden Group Corporate Philosophy, we ask all our suppliers to take initiatives similar to the Meiden Group's sustainability initiatives, and then we do business on that basis.

When we start doing business with a new supplier, we give them the Meiden Group Sustainable Procurement Guidelines and ask them to communicate them to their own staff and adhere to them. We are also stepping up supply chain capabilities in several other ways. Each year, we hold a production plan briefing at each works, which is where production happens, to explain our basic procurement policy. We hold study sessions on carbon neutrality. We introduce the various types of support we offer to help suppliers adhere to the Sustainable Procurement Guidelines (in such areas as legal compliance, human rights, labor, health and safety, environment, quality, information security, and business continuity planning). We work on communication such as by sharing information and opinions on how to enhance technical capabilities and by showcasing examples of outstanding improvements that suppliers have made.



Production plan briefing at Numazu Works

Building a Sustainable Supply Chain

When we start doing business, we investigate the company's efforts for sustainability and environmental conservation. Each year, we issue a scorecard with evaluation results.

With our evaluations, we are trying to understand the actual state of business operations and identify high-risk suppliers with respect to social issues such as climate change, biodiversity, environmental management, human rights, and the work environment. When necessary, we conduct site audits and support suppliers' initiatives.

1 Promoting and Supporting EcoAction 21 Certification and Registration

We support our suppliers in registering and applying for certification in the EcoAction 21 environmental management system promoted by the Ministry of the Environment, with the aim of spreading environmental management systems and environmental improvements throughout the entire value chain. In FY2023, in cooperation with the Organization for Small & Medium Enterprises and Regional Innovation, Japan, we also started supporting visualization of our business partners' CO₂ emissions. As of FY2023, the ninth year of this program, 137 suppliers had earned EcoAction 21 certification.

Through these programs, the Meiden Group will work to promote environmental management systems, make environmental improvements, and reduce CO₂ emissions throughout the value chain.

2 Environmental Audits

We conduct environmental audits of our suppliers. During these, we look at actual work sites as we confirm and provide guidance on compliance with laws and regulations regarding chemical substances, waste, and the like. Suppliers who do not pass the audit are asked to take corrective measures and given a follow-up audit (this happened with eight companies in FY2023). If suppliers do not yet have an environmental management system (EMS), we have them take part in an EcoAction 21 study session (Green Program).

3 Holding Various Seminars

We hold seminars on process improvement and information security measures at our suppliers' manufacturing sites as needed to improve their capabilities. At product exchange meetings, we communicate and exchange opinions with workers on-site. We also conduct workplace checks of our suppliers using our Health and Safety Support Project.



Health and Safety Support Project



The Transformer Business, Reborn

Meidensha Numazu Works: Crossing Borders to Overcome Bottlenecks

With the growing use of renewable energy and expanded capital investment in Japan to ensure electricity supply stability, transformers that support the power infrastructure are again in robust demand that is reminiscent of their peak era.

This is the story of how Meidensha overcame a difficult period and worked closely with a "facilitator" from an overseas base to eliminate bottlenecks and increase production capacity for high-quality products.

"Shouts of Joy" When Site Achieves Full Operation: Overcoming Bottlenecks and Raising Production Capacity

"We've already taken orders for delivery in 2030. It makes me want to shout for joy."

After a long struggle following the collapse of Japan's "bubble economy" in the early 1990s, the transformer factory at Numazu Works is now undergoing major changes. Forecasts say that electricity demand will rise into the future, and at the same time, there is a growing need for more resilient power transmission and distribution networks. After remaining flat for several years, orders received more than doubled in FY2022 and have shown steady growth in FY2023 and FY2024.

Taking these changes in the external environment as an opportunity, we have considered a rapid succession of measures to increase production capacity at factory. To meet the strong demand, we plan to gradually increase large transformer production capacity by reconsidering the layout of production sites and the scope of in-house production. At the same time, we are digitizing blueprints and using AI for design work that would otherwise depend on a limited number of personnel.

Ito ▶ "We're trying to eliminate wasteful work. Moreover, we want to propose the most suitable designs for our customers and increase our production efficiency."

Helping Temporary Support Staff from India Bridge Cultures, On and Off the Job

Numazu Works is also striving to secure human resources, a challenge shared by many domestic manufacturers. In the spring of 2024, Indian affiliate MEIDEN T&D (INDIA) LIMITED, which shares transformer manufacturing work processes with Numazu, sent five employees as operations supporters for the first time. Each brought a high degree of skill as well as a sincere attitude toward monozukuri, which was a good stimulus for the Numazu staff.

Ruta Ono, who originally came from India, provided support in turn for the Indian staff and their lives in a foreign land. Ono came to Japan two decades ago and her language fluency has made her an indispensable help on the Japanese side.

Ono ▶ "For these operations supporters, language and religious differences, food, and medical care were just some of the things they were confused or had questions



R Yasuhisa Ito

Electric Design Section, Transformer Design Department, Power Transformer Manufacturing Unit, Power Equipment Factory Complex, Meidensha

Joined Meidensha in 2016. After a period working in transformer development, he is now engaged in electrical design of large transformers and in the building and operating of systems related to design work.

L Ruta Ono

Manufacturing Section, Transformer Manufacturing Department, Power Transformer Manufacturing Unit, Power Equipment Factory Complex, Meidensha

Joined Meidensha mid-career in 2018. She translates technical documents for overseas affiliates, does general office work, and interprets for operations supporters coming from India.

about. My hope is that they will feel comfortable working with me as a bridge while they are learning about Japanese technology, where there's such an emphasis on unseen details. Hopefully they can use this knowledge for manufacturing in their own country."

The transformer business is expected to remain brisk into the future. "Team MEIDEN" has diversity that crosses national borders, yielding high-quality, competitive products that support the electric power infrastructure. This diversity forms a core of innovation by bringing together a variety of perspectives and technological capabilities.

Relevant SDGs



OUR APPROACH

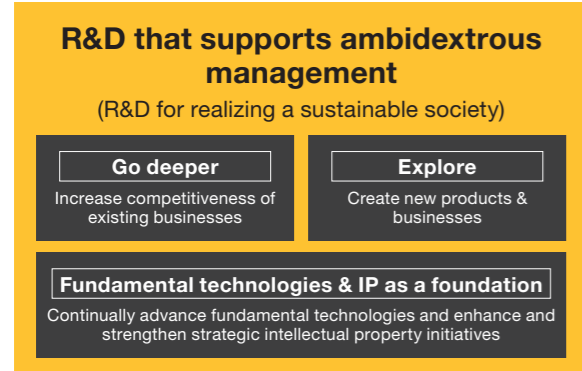
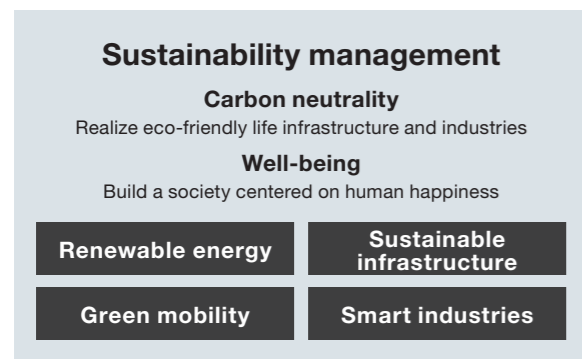
Research and Development

Research and Development Policy

Our basic policy in Medium-term Management Plan 2024 is research and development that supports ambidextrous management. As such, we are working to build up the competitiveness of existing businesses and develop new products and businesses. In recent years, the challenges facing society have grown increasingly serious and complex. They include global climate change and the resulting intensification of natural disasters, and the decrease and aging of Japan's working population. There have also been big changes in how people live and work. One example is the use of information communication to monitor our lives more closely and advocacy for achieving zero emissions to ensure eco-friendly lifestyles.

To develop the capacity to transform ourselves and foresee the future in a changing business environment, and to get closer to our ideal of R&D, which is to constantly create new value, we must deepen development capabilities that support ambidextrous management. This means both building up the competitiveness of existing businesses and creating new products and businesses. To firm up the foundation for this, we must continuously evolve the fundamental technologies that support our products and technologies, and expand and strengthen strategic intellectual property initiatives that support business and R&D.

Basic R&D Policy under Medium-term Management Plan 2024



Outcomes of Initiatives in FY2023

Following our FY2023 basic policy of research and development that supports sustainability management, we endeavored to build up the competitiveness of existing businesses and create new products and businesses. To build up the competitiveness of existing businesses, we emphasize development aimed at expanding our lineup of eco-friendly products and development to keep up with the electrification of vehicles. On the first point, a representative eco-friendly product is vacuum technology that avoids the use of SF₆ gas with its high global warming potential. In particular, we have focused on developing fundamental technologies for products built for high voltages (123/145 kV and up). There is strong demand for these in the North American market, where growing environmental awareness is leading to tougher regulations.

The second point is the electrification of vehicles. We have been developing 800 V high-voltage EV drive units to provide quick charging, which will grow more common going forward. In addition, we aim to make next-generation EV drive units smaller and more efficient by using silicon carbide (SiC).

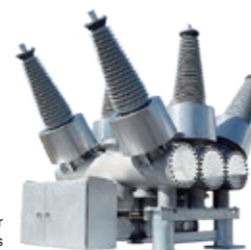


Engineers developing an EV drive unit

R&D for Carbon Neutrality and Well-Being

In the effort to create new businesses, we are creating themes that could become the next pillars of the Meiden Group. As part of this, we are constantly soliciting new R&D themes internally that contribute to carbon neutrality and well-being. Some of the R&D themes already initiated are getting close to commercialization. One of them is an ultra-concentration/high-purity ozone water generator using a pure ozone generator that is one of Meidensha's feature products. Pure ozone water is excellent for cleaning and benign to the environment because it self-decomposes into oxygen and water. Applications include cleaning, surface modification, and other uses in the semiconductor and other industrial fields.

We will continue our contribution to social sustainability through research and development that facilitates carbon neutrality and well-being.



A 145 kV vacuum circuit breaker that uses no SF₆ gas

Initiatives in 2024 and Beyond

Development of "Oriented Research"

Our medium- to long-term research and development is aimed at systematically creating themes that could become pillars of new businesses for the Meiden Group, and at the same time, pursue "oriented research" in which we backcast from the vision of the society we want to see in the future, debate what technologies the Meiden Group needs to have, and then implement them.

In the future, technological advances and changing values will transform traditional social systems. This may result in the creation of new markets and the ability to expand into areas that were once physically off-limits to us. Scenario planning and materiality in Meiden Group R&D are some of the tools that will help us to sort out these changes. Through this process, we will find areas where we can use our technological strengths and focus on acquiring core technologies.

Focus Themes Going Forward

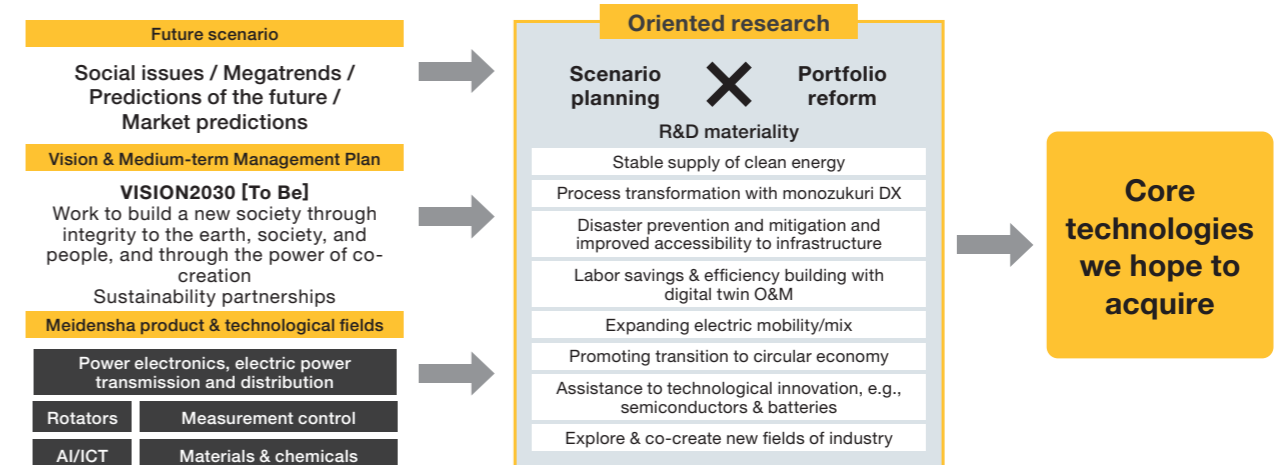
We will continue conducting research and development that contributes to carbon neutrality and well-being. In the area of carbon neutrality, we will focus on expanding our lineup of products using vacuum technology and not using SF₆ gas with its high global warming potential. Another focus will be developing high-voltage, high-capacity products, a category for which demand is especially growing. In response to the electrification of vehicles, we will work to make EV drive units smaller and more efficient. We will also work to increase the capacity of battery charge and discharge test equipment, which is becoming increasingly necessary with vehicle electrification.

In the area of well-being, we will improve the quality of vacuum capacitors for semiconductor production equipment, thus contributing to a stable supply of semiconductors, and expand our lineup of pulse power supplies.

Additionally, to increase the added value of our products and services, we will develop cloud-based fundamental technologies, expand our services for selling both services and physical goods, and transform our business model.

We will also use generative AI technology as part of research and development to ensure more efficient and speedy development.

Writing Scenarios for 2030–2040 and Exploring and Strengthening Core Technologies



TOPICS

First Delivery of Catenary Eye, Cloud-Ready Overhead Line Inspection System Realization of Combined Solution Offering Both Products and Services

In March 2024, we delivered Meiden Overhead Catenary System (OCS) inspection system to Kintetsu Railway Co., Ltd. The overhead line inspection system for the railroad sector is now compatible with cloud analysis services. The product uses camera images to accurately measure and analyze height, displacement, and wear of railroad overhead lines. This data is needed for the maintenance that supports safe operation.

Now that the product is cloud-compatible, measurement data collected on-site is uploaded to the cloud for analysis. This eliminates the need for dedicated hardware and allows analysis results to be viewed from any location. Going forward, instead of just selling individual measuring devices, our aim is to provide new value that can facilitate maintenance DX of overhead line facilities. We will work continually to improve the customer experience and further expand combined solutions offering both products and services.



OUR APPROACH

Intellectual Property Strategy

Intellectual Property Policy

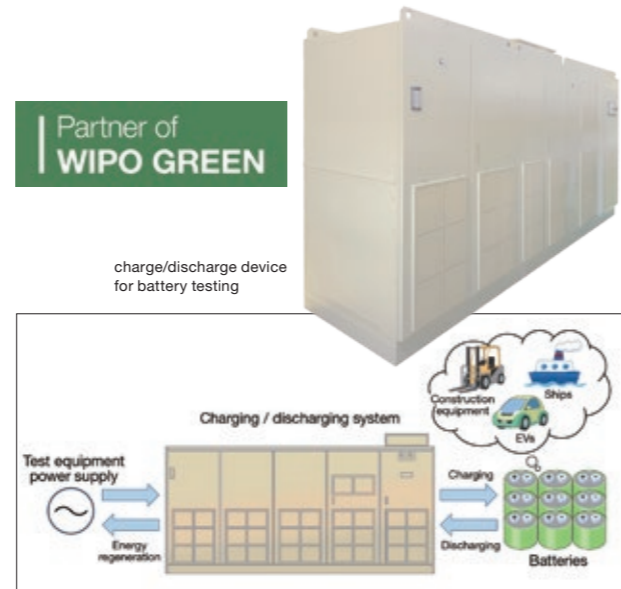
Achieving the society that the Meiden Group aims for will require research and development that deepens our development capabilities and thus supports the ambidextrous management of building up the competitiveness of existing businesses and creating new products and businesses. The foundation for this is to continuously evolve the fundamental technologies that support our products and technologies and take strategic intellectual property initiatives to support business and research and development. As such, it is critical to see intellectual property as a management resource and use it strategically.

The Meiden Group's basic policy for intellectual property strategy is to create, acquire, and use intellectual property that helps enhance corporate value. In line with this, we are forming collaborations between research and development and business divisions to identify and acquire rights to technologies that we need to have. Because they are a management resource for the future, we will protect and strengthen our intellectual property rights. Also, we will use those rights to solve social issues and undertake intellectual property initiatives that contribute to sustainability management.

Contributing to Sustainability through IP Initiatives

As part of our intellectual property initiatives to contribute to sustainable management, we are increasing the number of our environmental technologies registered to WIPO GREEN. This environmental technology platform is hosted by the World Intellectual Property Organization (WIPO), a United Nations specialized agency with jurisdiction over intellectual property systems. This effort promotes co-creation with global companies and organizations and spreads our environmental technologies. In FY2023, we newly registered our charging and discharging device for battery testing technology with WIPO GREEN. This technology helps to increase the reliability of evaluation testing of batteries used for electric mobility and other applications.

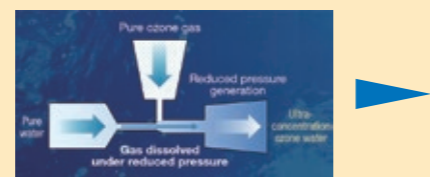
In addition, we actively disseminate information about environmental technologies to parties outside of the Meiden Group, for example by introducing these efforts at exhibitions.



TOPICS

Acquiring IP Rights for Seed Technologies

For new businesses to succeed, it is important to turn seed technologies into intellectual property. To maximize the potential of seed technologies, therefore, we are establishing the scope of rights and building a portfolio with a focus on practical applications. These efforts protect our proprietary technologies and stimulate innovation, helping to ensure our competitive advantage.



Ultra-concentration/high-purity ozone water generator

- Reduced pressure generation method (patent pending)** Technology that uses an ejector method to dissolve pure (nearly 100%) ozone gas that is supplied under reduced pressure from an ozone gas generator into water
- Accelerated oxidation method (patent pending)** Technology that generates a large amount of radicals in pure ozone water

Innovation Strategy

Promoting Innovation (MAST Project)

By promoting ambidextrous management, as called for in Medium-term Management Plan 2024, our business activities aim to accelerate the creation of a new society through innovation. The MAST Project, begun in FY2022 and led by the officer in charge of innovation, seeks to create new businesses. To achieve this, the mission of the project is to take ideas conceived by individuals who are up to the challenge of creating a new society and pursue these ideas as research themes, create businesses, and firmly establish these activities.

The MAST Project name is an acronym of "Meidensha," "ashita" (tomorrow), "sozo" (creation), and "thinking," while also carrying the meaning of a ship's mast. The MAST project emphasizes dialogue that brings people together so they can share their wisdom. When people working on a theme are exposed to other people's ideas and information, it helps them to grow and fosters the development of themes from individual ideas to actual businesses. In concrete terms, participants approach each theme from both a technical development and business development perspective. As they do so, they polish up their business ideas and collaborate with business divisions and internal and external experts. To promote exchanges among people, we also regularly convene the Mirai Theme Community, making it easier for colleagues to come together.



Mirai Theme Community

New Businesses by Promoting Ambidextrous Management

Among the themes promoted by the MAST Project in FY2023, we established several "focus themes," including an ultra-concentration/high-purity ozone water generator, realizing a service sales service by making Catenary Eye cloud-ready, and motor analysis and remote monitoring via IoT in a collaboration with start-up Elmodis Sp. z o.o. As we worked on these, we concentrated on developing our business structure and cultivating new customers. Our efforts resulted in getting inquiries and first orders from new clients.

To discover and foster innovators, we hold such events as the MEIAN Challenge Idea Contest and Innovation Salon, which brings people together to share their wisdom. By so doing, we are strengthening our efforts to create an environment that encourages diverse human resources to engage in innovation.

Moreover, to create new businesses, we are actively searching for start-ups with the potential to bring business synergies with us and pursuing co-creation initiatives with partner companies. We use venture capital funds and other resources to lead these efforts. We will continue such innovation initiatives that lead to the creation of new businesses while emphasizing the need to connect proactively with parties outside the company and facing the latest world trends and social issues.



MEIAN Challenge Idea Contest

TOPICS

Won First Order for Motor Analysis and Remote Monitoring Via IoT, a Collaboration with start-up Elmodis:

Start of Analysis and Remote Monitoring Service by Subscription

In July 2023, Meidensha received its first order for a motor analysis and remote monitoring system using IoT for a cooling water circulation pump. The sale, to Mitsui Sumitomo Insurance Company, Limited, took the form of a subscription service. The system is the result of a collaboration with Elmodis Sp. z o.o., a Polish start-up in which we have a minority stake. It uses the analysis and remote monitoring technology that Elmodis offers for pump facilities in Europe and North America. By adding our own motor business expertise to this technology, Meidensha has developed a new service customized for Japan.

Then, in January 2024, Meidensha launched a new service in which any abnormalities detected by this system will be monitored by its customer center, providing customers with the support they need around the clock, every day of the year. This is an example of how we are expanding the value we offer.















Example of a remote monitoring system installation

Board of Directors & Executive Officers

as of July, 2024

To facilitate a highly effective supervisory function and decision-making on important management issues by the Board of Directors, Meidensha has established a skills matrix of the expertise that directors should possess. Based on this matrix, we appoint directors and structure the Board of Directors based on the abilities, insight, and experience of individual directors to ensure the diversity of the Board as a whole and to ensure the appropriate allocation of human resources.

Meidensha's Board of Directors (Skill Matrix)

Skills expected from candidates for Directors	 Takeshi Miida Representative Director & Chairperson & Senior Officer Chairperson of the Board of Directors	 Akio Inoue Representative Director & President & Executive Officer	 Masahiko Suzuki Representative Director & Executive Vice President & Executive Officer	 Masayuki Iwao Director & Senior Managing Executive Officer	 Hiroyuki Takenaka Director (Outside Director) Head of the Nomination & Compensation Committee	 Hiroji Adachi Director (Outside Director)	 Manabu Kinoshita Director (Outside Director)	 Kumiko Shirai Director (Outside Director)	 Seiji Kato Director & Audit & Supervisory Committee Member (Standing Audit & Supervisory Committee Member) Head of Audit and Supervisory Committee	 Keiko Hayashi Director & Audit & Supervisory Committee Member (Outside Director)	 Takashi Kuroda Director & Audit & Supervisory Committee Member (Outside Director)	 Toshiya Nishino Director & Audit & Supervisory Committee Member (Outside Director)	Reasons why such skill is required
Business management	■	■		■	■	■	■	■			■	■	With the diversification of values as social conditions change dramatically, to promote sustainability management and to strengthen the corporate governance structure by clarifying management direction by rapidly and flexibly making management decisions in order to continuously grow with the challenge to build a new society.
DX/Business transformation	■	■	■		■	■	■	■					It is essential to work on innovation through co-creation, operational reforms through Digital Transformation (DX), and business transformation in response to changes in society for illuminating a more affluent tomorrow.
Sales/Marketing	■		■		■		■				■	■	To formulate and execute sales strategies aimed at rapid progress in growth businesses and strengthening the competitiveness of the earnings base by realizing high quality growth in order to provide customer peace of mind and satisfaction.
Research and Development/ "Monozukuri"			■			■		■					To enhance product competitiveness which is necessary for high quality "Monozukuri" (design, manufacture, construction, and maintenance) to maintain a safe and secure social infrastructure and for provision of value, along with creating new technologies and new products.
Global				■		■							To promote initiatives aimed at building a strong business base for overseas business and further enhancing the earning power necessary to meet the world's new infrastructure demands.
Finance/ Accounting		■		■				■	■			■	To manage capital efficiently, invest in growth businesses, and deliver shareholder returns, together with making accurate financial reports.
Legal affairs/ Internal control	■			■	■			■	■	■			To strengthen internal control and compliance / risk management structure, the base for honest and responsible business operations.
HR development	■			■	■		■	■	■	■		■	To enhance wellbeing and employee engagement and to promote initiatives such as DEI (Diversity, Equity & Inclusion), in order for diverse human resources, who are the source of corporate value, to be able to grow and play an active role in a lively way, where each person can derive fulfillment from their work.
Environment		■	■					■					To expand businesses that contribute to the environment and to promote green strategies focused on internal decarbonization which are necessary to realize carbon neutrality.

*The above Skill Matrix presents the specific skills that Meidensha particularly expects from the candidates. It does not present all knowledge and experience possessed by them.

Messages from Newly Appointed Outside Directors



Kumiko Shirai
Director
(Outside Director)

Using Dialogue between Executives and Outside Directors to Promote Effective Governance

I believe that the cornerstone of the Meiden Group's corporate value is a desire for creativity and innovation on the part of management and employees, and the depth and breadth of the Group's experience and technological capabilities for meeting the expectations of society, customers, and partners. I will draw on the management experience I have gained in Japan and overseas, including experience in general ICT, DX, personnel/human resources/corporate culture transformation, ESG, human capital enhancement, and risk/security. Based on this, I will bring diverse perspectives and stakeholder points of view to meetings of the Board of Directors to help enhance corporate value and further strengthen the Board's supervisory function.

I will work to increase business, financial, and investment efficiency and economic value and promote visualization of intangible asset value (such as non-financial and human capital) and of diversity by promoting DEI, while striving to promote effective governance through ongoing sincere dialogue between executives and outside directors.



Toshiya Nishino
Director & Audit & Supervisory Committee Member
(Outside Director)

Ensure Sustainable Company Growth by Enabling the Group's Entire Diverse Staff to Participate Actively and Speak Freely

During my time at a trust bank, I worked in a wide range of areas, especially individual and corporate sales, as well as corporate planning, personnel, IT, and corporate pensions. I later served as president of a finance company. Through this experience, I became convinced that for a company to achieve sustainable growth, it needs a corporate culture where a diverse range of personnel can all play an active role and everyone can say what they want to say.

We can make the Meiden Group indispensable to our stakeholders and society if all employees respect its 127-year history and strong traditions, take pride in working for the Group, and build ideal relationships as colleagues who share common aspirations.

As a member of the Audit & Supervisory Committee, I will audit and supervise management and business execution. As an outside director, I will contribute to the Meiden Group's sustainable growth and enhancing corporate value by drawing on my experience and knowledge.

Corporate Governance

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.

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.

Message

Chairperson of the Board of Directors

We are working to strengthen corporate governance as a company with an audit and supervisory committee so that we can enhance the Group’s sustainable corporate value. Since I became its chair in June 2023, the Board of Directors has regularly discussed how to improve its effectiveness and has implemented the following main initiatives.

I believed that the Board of Directors needed to discuss management issues in greater depth and exercise a more supervisory function. Therefore, we revised the criteria for placing items on the agenda of Board meetings, wherein some of the important decisions regarding execution of duties are delegated to company executives. We also established the “On-site Meeting,” a body of which all Directors are members. This provides a forum in which participants can freely exchange opinions on important matters affecting management. The On-site Meeting is designed to be a useful reference for executive decision-making, as executives also take part in these discussions.

Twice a year, the Board of Directors trades views on what management issues should be discussed by the Board and by the On-site Meeting, and these are incorporated into the Board of Directors topics of discussion. The topics thus set, for the next month and the month after that, are confirmed again during the regular monthly meetings of the Board of Directors and revised if necessary. We have also strengthened the mechanism by which councils share information relating to the execution of important duties. We did so because we believed that a prerequisite for the Board of Directors’ supervisory function is to enhance the supervisory function of outside directors, who comprise a majority of the Board.

The Meiden Group achieved record orders, sales, and operating income in FY2023. Now, we are tackling Group management issues one by one to achieve the targets of the now-in-effect Medium-term Management Plan 2024 and to aim for further growth under the next Medium-term Management Plan and beyond. We believe that financial targets are important, but so are non-financial targets. We especially need to foster a corporate culture in which human resources, the source of our value creation, can grow and flourish.

It is these ideas that inspire me, as Chairperson of the Board, to enhance the effectiveness of the Board of Directors and On-site Meeting so we can realize our Ideal State of Being/Vision for 2030 and increase our corporate value.

I thank our stakeholders for their continued support.

Takeshi Miida
Representative Director
Chairperson & Senior Officer



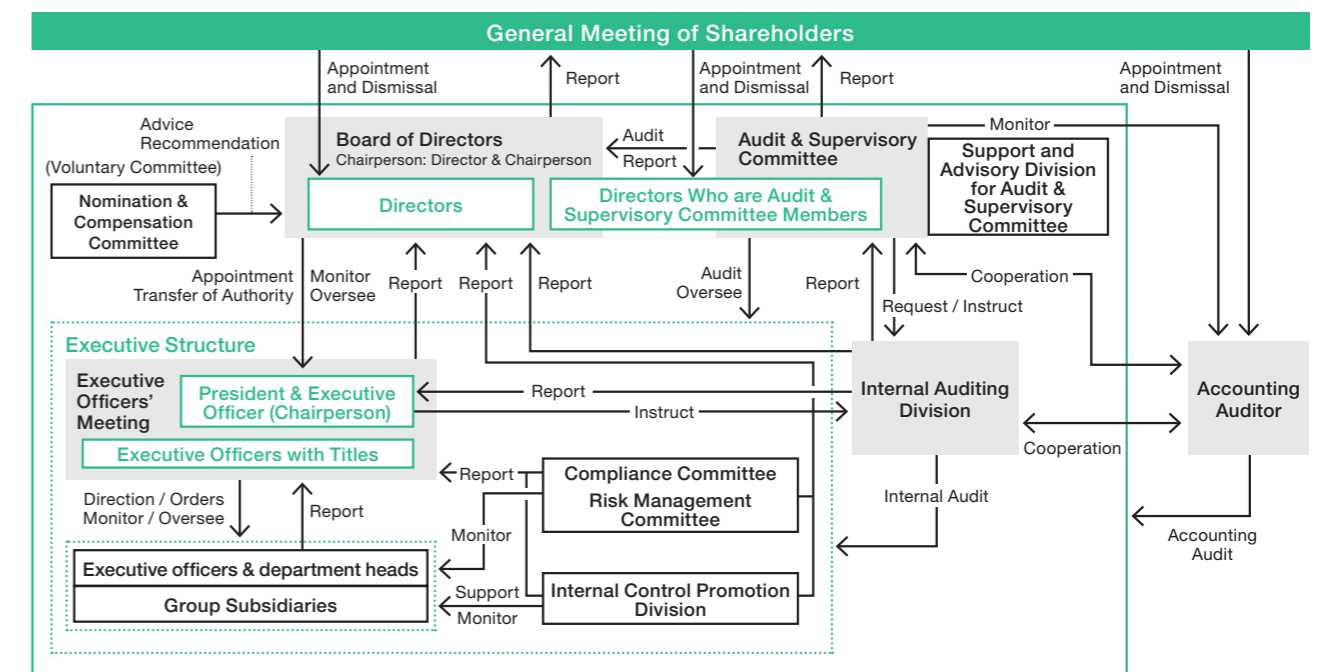
Outline of Corporate Governance Structure

Form of Organization	Company with an Audit & Supervisory Committee	Number of directors (Audit & Supervisory Committee members)	4 (including 3 outside directors)
Number of directors	8 (including 4 outside directors)	Number of Independent Officers	7 (4 outside directors and 3 outside directors (Audit & Supervisory Committee members))

Transition to a Stronger Corporate Governance System

Purpose/results	From FY2003	From FY2015	From FY2020
Enhancement of Decision-making and Supervisory Functions of the Board of Directors	<ul style="list-style-type: none"> 2003 • Introduction of executive officer system 2012 • Revision of the rules of internal approval 	<ul style="list-style-type: none"> 2015 • Revision of Board of Directors agenda standards 2018 • Separation of the roles of Chairperson of the Board of Directors and Chairperson of the Executive Officers’ Meeting 2019 • Elimination of quotas for number of directors 	<ul style="list-style-type: none"> 2020 • Revision of the Board of Director’s Meeting agenda, standards and rules of internal approval • Transition to a company with an Audit & Supervisory Committee • Proportion of outside directors at least 1/3 • Election of female outside director (1 person) 2022 • Review of the officer system (Clarification of execution and supervision) • Increase of outside directors’ ratio to majority 2024 • Revision of Board of Directors agenda Standards
Separation of Supervision and Execution of Management			
Enhancement of transparency and soundness of management	<ul style="list-style-type: none"> 2006 • Revision of the Basic Policy regarding Establishment of a System to Ensure the Appropriateness of Business Activities (the Basic Policy on Internal Control Systems) 2012 • Commencement of reporting to the Board of Director’s Meeting on internal control adjustment status 	<ul style="list-style-type: none"> 2015 • Revision of the Basic Policy on Internal Control Systems 2016 • Commencement of verification of effectiveness of the Board of Directors • Commencement of evaluation of cross-shareholdings 2017 • Establishment of the voluntary Compensation Committee 2018 • Establishment of the voluntary Nomination & Compensation Committee 2019 • Change of directors’ term of office to 1 year • Abolition of Senior Advisor system 	<ul style="list-style-type: none"> 2020 • Revision of basic internal control policy • Establishment of the Group for Promotion of Internal Control 2022 • Increase of outside directors’ ratio to majority on the voluntary Nomination & Compensation Committee • Establishment of the Corporate Governance Management Group • Revision of the Basic Policy on Internal Control Systems
Revitalizing and enhancing debate by the Board of Directors	<ul style="list-style-type: none"> 2013 • Enhancement of information sharing with outside directors 2014 • Commencement of meetings to exchange opinions with outside directors 	<ul style="list-style-type: none"> 2015 • Commencement of training for newly appointed outside directors 2018 • Commencement of advance explanation of Board of Directors agenda items to outside directors 	<ul style="list-style-type: none"> 2021 • Establishment of Board of Directors’ discussion 2023 • Meidensha created the On-site Meeting

Corporate Governance Structure



CORPORATE GOVERNANCE

1 The Company's Board of Directors

In principle, the Board of Directors convenes on a regular monthly basis and holds ad-hoc meetings as necessary, to discuss major executive matters, business issues, and management issues related to the our business execution. In FY2023, the Board of Directors held 13 meetings, and the attendance rate was 100% for all directors.

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 12 directors, including 4 who are Audit & Supervisory Committee members. The 12 directors also include 7 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 on page 65.

② Activities of the Board of Directors

The Board of Directors considers "matters for discussion" in addition to matters to be resolved and reported. "Matters for discussion" includes following the progress of and tracing matters related to basic management policies such as the Medium-term Management Plan and important management themes. At their meetings, directors actively exchange opinions on our management issues and strategies and on corporate governance, while drawing on the knowledge of the outside directors. The Board of Directors use the meeting as a forum to reach consensus on the direction of us in the conceptual and planning stages prior to making a board resolution. In FY2023, Meidensha created the "On-site Meeting" consisting of all directors, and began using it as a forum for directors to exchange opinions and discuss important matters impacting management flexibly and early.

Major topics discussed by the Board of Directors in FY2023 included the following.

Topic	Summary of discussions at Board of Directors meetings
Enhancing the agenda-setting of the Board of Directors	<p>Management issues and topics to be discussed at the Board of Directors meetings were discussed at the Board of Directors in April and in October for the purpose of enhancing the agenda-setting of the Board of Directors, which was identified as an issue in the FY2022 Board of Directors effectiveness evaluation. The following topics extracted from discussions were reflected in Board of Directors meetings and the On-site Meeting held in FY2023.</p> <p>DX promotion Directors confirmed the DX promotion policy and the status of efforts focused on the DX Promotion Committee, and exchanged opinions on promoting transformation combined with changes to the corporate culture, developing DX human resources, and more for further promotion.</p> <p>Human capital efforts Directors shared the results of analysis of employee engagement surveys and exchanged opinions on personnel system revisions, human resource development efforts, and fostering a DEI culture as measures to address the issues revealed by the analysis.</p> <p>Next Medium-term Management Plan For considerations of the formulation of the next Medium-term Management Plan for FY2024, directors exchanged opinions on management issues and topics to be discussed, and incorporated them into the annual schedule for FY2024.</p>
Revising criteria for submitting matters for discussion to the Board of Directors and improving operations to strengthen supervisory functions	<p>To further discussion of management issues and facilitate the supervisory functions of the Board of Directors, directors discussed and executed (1) revisions to criteria for submitting matters for discussion to delegate some important business execution decisions and (2) improvements to operations to enhance information sharing on important business execution and streamline explanation and reporting.</p>
Actions to implement management that is conscious of cost of capital	<p>At the request of the Tokyo Stock Exchange, the Board of Directors confirmed the Meidensha's cost of capital and return on capital, analyzed and evaluated the current situation based on market assessments, discussed measures to improve our corporate value in a cost of capital-conscious manner, and disclosed the results in the Corporate Governance Report.</p>

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 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 FY2023, 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.

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

Major issues in FY2022	Status of efforts in FY2023
1 Improve agenda-setting to further enhance the supervisory functions of the Board of Directors	As described previously (②Activities of the Board of Directors), in FY2023, management issues and topics to be discussed at Board of Directors meetings were discussed at the Board of Directors twice a year and incorporated the topics identified in these discussions into the agendas of Board of Directors meetings and On-site Meetings in FY2023 and beyond in an effort to improve the agenda setting of the Board of Directors.
2 Organize matters for delegating important business execution decisions	As described previously (②Activities of the Board of Directors), we revised the criteria for submitting matters for discussion to the Board of Directors and changed operations to enhance information sharing on business execution at meetings of executive-side bodies and committees.
3 Establish executive-side system	In conjunction with the aforementioned revision of the criteria for submitting matters for discussion to the Board of Directors, we revised the criteria for submitting matters for discussion to the Executive Officers' Meeting on the executive side. We then made changes to streamline meeting operating methods.

FY2023 analysis and evaluation

- 1 **Formulation of questionnaire**
The Chairperson and Secretariat of the Board of Directors formulate a questionnaire (34 questions (6 multiple choice, 28 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 FY2023.
- 2 **Conducting of questionnaire survey**
All 11 directors are asked to fill out the above questionnaire in April 2024.
- 3 **Discussions at Board of Directors meeting**
Based on the responses to the questionnaire survey, at the Board of Directors meeting in May 2024, 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.
- 4 **Analysis and evaluation results**
Results of questionnaire evaluation from each director are summarized and discussed by the members of the Board of Directors, and the opinions are summarized as follows.
 - The composition of the Board of Directors is appropriate
 - The operating methods and agenda-setting of the Board of Directors has improved from the previous year, and the quality of discussions has improved
 - Opinions and advice from outside directors have been adequately received, and follow-up on these has improved since last year.
 Based on the above, we have judged that our Board of Directors is effective.

Effectiveness evaluation items (questionnaire items)

- ① Composition, deliberations, and operations of the Board of Directors (size, independence, diversity, skills, etc.)
- ② Operations of the Board of Directors (criteria for submitting matters for discussion, deliberation time, information sharing with outside directors, attendance rules for executive officers, etc.)
- ③ 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))
- ④ Ensuring the effectiveness of the Board of Directors (effectiveness as a monitoring-type Board of Directors, how to further separate execution and supervision, etc.)
- ⑤ Methods of evaluating effectiveness next year and beyond
- ⑥ Other (free description)

Issues and Future Initiatives

Major issues in FY2023	Initiatives in FY2024
1 Improve the operations of the Board of Directors to further enhance its supervisory functions	The On-site Meeting, which began in FY2023 as a forum for directors to exchange opinions and discuss important matters impacting management flexibly and early, has proven to be effective, and we will take steps to improve its operation to further facilitate exchange of opinions and discussion in addition to striving to further improve methods of information sharing and the operation of briefings prior to Board of Directors meetings to enable outside directors to fulfill their supervisory functions.
2 Consider skills matrix based on medium- and long-term management strategies	Based on the discussion of the next Medium-term Management Plan and the long-term vision, the Board of Directors will discuss revisions to current skills after consulting the Nomination & Compensation Committee.

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

CORPORATE GOVERNANCE

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.

Message

Head of the Nomination & Compensation Committee

Hiroyuki Takenaka
Director (Outside Director)



In June of last year, we got a new President, and in FY2025, we will start a new Medium-term Management Plan. In light of these transitions, the Nomination & Compensation Committee, working with the executive departments, is redefining the qualities, abilities, and diversity required of the top executive and management team. We are working to select a group of successor candidates to take over five to 10 years from now and improving the ways we develop these candidates and our standards for evaluating them. In addition, we are having outside directors who are not members of the Nomination & Compensation Committee interview candidates. Through approaches like these that refer to the opinions of "outsiders" on candidate selection and evaluation, we will further increase objectivity and transparency. As for Director remuneration, we increased the percentage of it that comes from incentive remuneration. In this way, we are placing greater emphasis on Director contributions to improving medium- to long-term business performance.

A new feature in FY2024 is compensation linked to the eNPS, our index of employee engagement. In this manner, we are using the compensation system to encourage stronger human capital management and sustainability management. By so doing, we will achieve sustainable growth for the Meiden Group and increase its corporate value over the medium-to long-term.

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.

5 Successor Planning

Meidensha selects several candidates to succeed the

top executive from among those appointed as directors or executive officers with titles who have undergone education and training and who meet certain requirements and contribute to enhancing our corporate value.

In replacing the top executive, it is identified which of the candidates should be the successor after consulting with the Nomination & Compensation Committee. The Executive Officers' Meeting and the Board of Directors scrutinize the requirements and eligibility, identify a candidate, and finally decide who will be the top executive.

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.

In principle, the Audit & Supervisory Committee is held once a month before the Board of Director's Meeting. The purpose is to enable the Audit & Supervisory Committee to form its own intentions on matters to be discussed at Board of Director's Meetings prior to the Audit & Supervisory Committee. In case there is a quarterly audit report from the accounting auditor, Audit & Supervisory Committee is held on the same day as the Board of Director's Meeting. In that case, the Audit & Supervisory Committee is held twice a month. In FY2023, The meeting was held 16 times, and the attendance rate of all Audit and Supervisory Committee members was 100%. Meetings lasted minutes, and there were 60 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 4 members with legal, sales, factory, quality control, R&D, overseas business planning, and internal auditing experience (as of March 31, 2024).

8 Internal Auditing System**① Organization**

Meidensha has established the Internal Auditing Division (17 members as of March 31, 2024).

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

Message

Head of Audit & Supervisory Committee

Seiji Kato
Director & Audit & Supervisory Committee Member
(Standing Audit & Supervisory Committee Member)



Sustainably increasing our corporate value is the cornerstone for continuing to manage based on the Meiden Group Corporate Philosophy. Besides increasing sales and profits to ensure a stable return to shareholders, building up integrity and trust will also enhance corporate value.

To achieve this type of corporate management, we need to instill in each individual an awareness and systems of internal control that are convincing to them. Efforts to instill and improve this awareness and systems are based on the basic policy for the establishment of internal control systems as prescribed by the Board of Directors.

The Audit & Supervisory Committee checks and verifies that these efforts are performed effectively. Checks and verifications are conducted by auditing the execution of duties by executive officers and through internal audits by the Internal Auditing Division. In addition, other bodies such as the Corporate Governance Management Group support and monitor the establishment and improvement of systems.

We will share details and results of our checks and verifications with the Board of Directors and will ensure sound governance that meets our shareholders' expectations.

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 promotes efforts to strengthen the system by hiring certified internal auditors and other qualified personnel with the aim of further improving audit quality.

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

In FY2023, 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 9 divisions selected based on risk factors focused on by management and other risks.

To improve the coverage of risks in audits of subsidiaries, we conduct standardized audits with audit standardization tools. We plan to conduct standardized audits of all subsidiaries between FY2021 and FY2024. In FY2023, we audited 8 domestic subsidiaries and 11 overseas subsidiaries.

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 FY2023, 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.

CORPORATE GOVERNANCE

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.

Major Initiatives in FY2023

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, all domestic subsidiaries finished revising their basic policies for internal control systems and establishing important rules and regulations in line with their circumstances.

Furthermore, to strengthen internal control throughout the Meiden Group, we conducted internal audits of 8 domestic subsidiaries and 11 overseas subsidiaries to confirm the status of internal control development and operation, and visited 8 overseas subsidiaries to foster a common understanding of the importance and challenges of strengthening governance and compliance.

10 Basic Policy and Current Status of Cross-Shareholdings

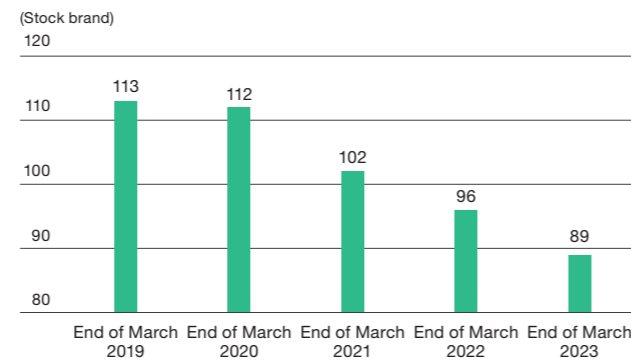
Our basic policy is to hold cross-shareholdings that contribute to enhancing our corporate value and consider selling those that no longer seem reasonable to own for the purpose to maintain and expand transactions and to secure and strengthen medium- to long-term cooperative relationships with partners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

Under this policy, we decide 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 FY2023, the 96 listed and unlisted stocks held as of March 31, 2023 (balance sheet amount: 16,418 million yen), we sold our entire holdings of 2 listed stocks, and 5 unlisted stocks were liquidated or went bankrupt, resulting in a decrease in the number of stocks held to 89 as the end of March, 2024. However, due to a substantial increase in the share prices of the listed stocks we continue to hold, our balance sheet amount of cross-shareholdings was 26,280 million yen. This represents 20.3% of consolidated net assets as the end of March, 2024.

Based on the aforementioned policy, the Board of Directors annually reviews and reduces our cross-shareholdings as shown in the table below. In addition to the basic policy, in FY2024, we will examine the ideal state of cross-shareholdings and take appropriate actions while devoting attention to improving asset efficiency and securing resources for growth investments during the next Medium-term Management Plan.

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



Directors' Compensation

Directors compensation policy
i Level and System of Compensation

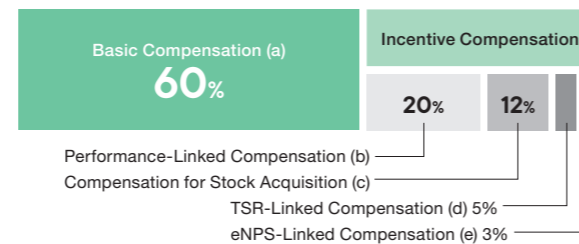
The level of compensation of Meidensha's directors is determined based on external objective compensation market data, economic conditions, industry trends, and Meidensha's business circumstances, etc. Giving consideration to this level, the content of the director's compensation system is determined 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)*1 as medium- to long-term incentives.

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



*1 eNPS: Net Promoter Score (NPS[®]) for employees. NPS[®] is a registered trademark of Bain & Company, Fred Reichheld, and Satmetrix Systems. The addition of eNPS-linked compensation was approved by the Board of Directors on May 10, 2024, and went into effect following the 160th Ordinary General Meeting of Shareholders held on June 25, 2024, and the Board of Directors meeting held on the same date.

(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

(a) 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 FY2022 was 8.539 billion yen compared with a target of 12 billion yen, which represents an achievement rate of 71.2%.

Calculation formula

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

(b) 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.

- 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.
- 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 is 1, the indicator is 100.

Notably, since FY2023 was the year we introduced TSR-linked compensation, we paid the standard amount of TSR-linked compensation by position.

Calculation formula

$$\text{Position-specific basic TSR-linked compensation} \times \text{A factor based on relative TSR (0.8 to 1.2)}$$

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.

Notes 1. Amounts are rounded down to the nearest 1 million yen. 2. The totals above include 2 directors (including 1 outside director) who stepped down from their positions at the end of the 159th Ordinary General Meeting of Shareholders held on June 28, 2023. 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.

Calculation formula

$$\text{eNPS-linked compensation standard amount by position in accordance with internal regulations on officer compensation} \times \text{Coefficient commensurate with change in eNPS score (0.6 to 1.4)}$$

*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 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 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 are in line with the decision-making policy. In FY2023 the Board of Directors resolved at its meeting on June 28, 2023, to delegate President Akio Inoue to determine the specific details of the amount of compensation for directors.

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.

FY2023 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)	233	154	79	5
Outside directors (excluding Audit & Supervisory Committee members)	32	32	—	4
Directors who are Audit and Supervisory Committee members (excluding Outside Directors)	28	28	—	1
Outside directors who are Audit & Supervisory Committee members	29	29	—	3
Total	323	244	79	13

RISK MANAGEMENT AND COMPLIANCE

Risk Management/ Compliance

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.

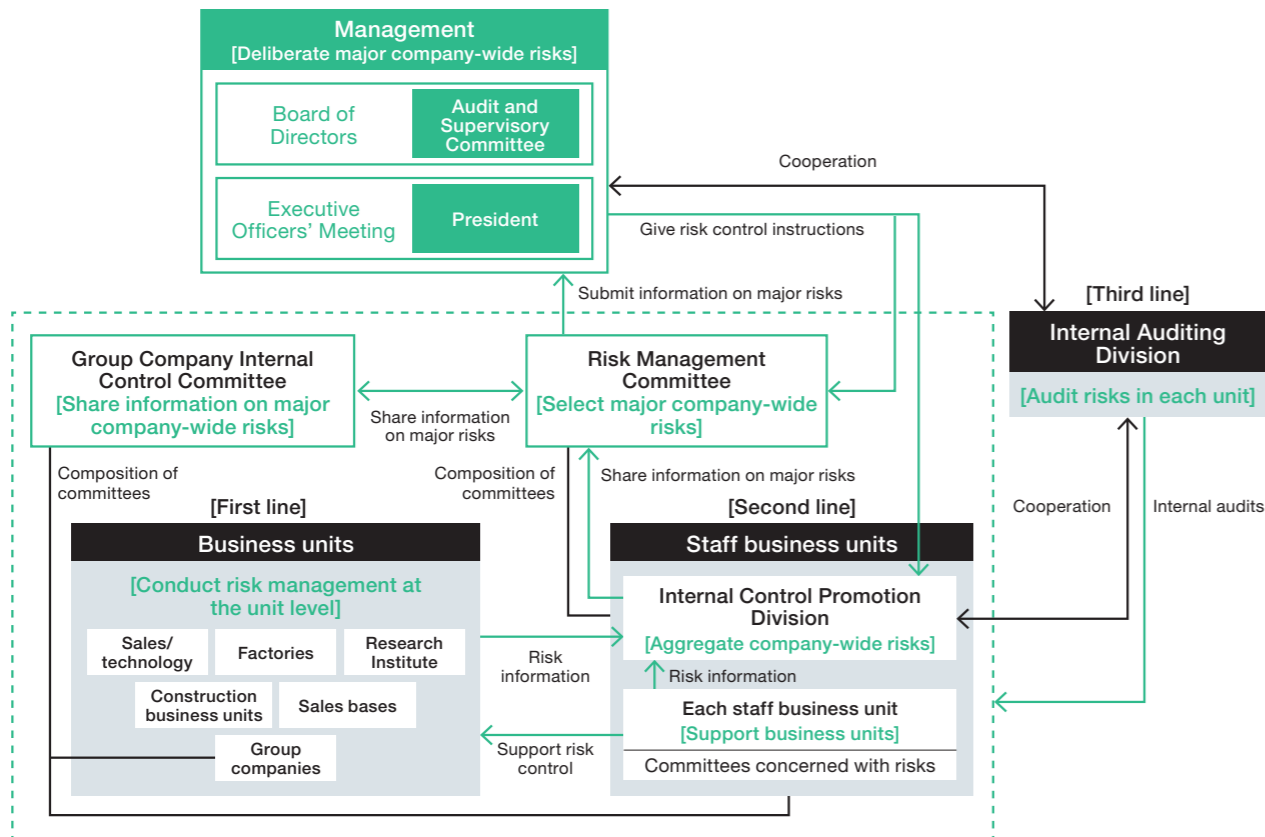
The Meiden Group has created an ERM (Enterprise Risk Management) system designed to identify all types of major business risks to the Group as a whole so that management can discuss them and control them in an integrated manner.

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.

Risk Management Structure



Compliance Initiatives

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

Based on these action plans, the staff business units, led by the Legal Affairs Division, 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 Japanese company in the Meiden Group has a similar compliance committee and compliance manager system to Meidensha. Moreover, we take a survey of overseas Group companies that helps us continually develop our internal control system such as promoting understanding of on-the-ground conditions of compliance systems at each company.

Operations of the Risk Management Committee

The Risk Management Committee consists of the heads of Headquarters staff business units. 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.

Process through Deciding Major Company-Wide Risks



Major Risks Facing the Group

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 (as of March 31, 2024).

No.	Risk	Impact	Likelihood	Risk assessment	
				Speed of materialization	Likelihood of harm to brand
1	Climate change	Large	High	Somewhat slow	High
2	Reduced quality	Large	High	Normal	Somewhat high
3	Geopolitical risks	Large	Medium	Extremely fast	Somewhat high
4	Occurrence of industrial accidents	Large	Medium	Extremely fast	Somewhat high
5	Human rights violations	Large	Medium	Somewhat slow	High
6	Inadequate labor management	Large	Medium	Normal	Somewhat high
7	Insufficient awareness or responsiveness to change in market conditions	Large	High	Somewhat slow	Normal
8	Occurrence of a natural disaster	Large	Medium	Extremely fast	Normal
9	Insufficient personnel	Large	High	Extremely slow	Normal
10	Inadequate cyber measures	Large	Medium	Extremely fast	Normal
11	Insufficient internal information management	Large	Medium	Somewhat fast	Normal
12	Inadequate procurement management	Large	Medium	Somewhat fast	Normal
13	Breach of Antimonopoly Act or bribery	Large	Low	Extremely fast	High
14	Quality fraud/inspection fraud	Large	Low	Normal	High
15	Losses due to fluctuations in exchange rates, interest rates, stock prices, and land prices	Medium	High	Normal	Normal
16	Breach of Construction Business Act	Medium	Medium	Normal	Somewhat high
17	Incomplete control of overseas subsidiaries	Large	Low	Normal	Somewhat high
18	Misconduct by an individual	Large	Low	Normal	Somewhat high
19	Insufficient or poor internal communication	Medium	High	Extremely slow	Normal
20	Environmental regulations	Large	Low	Somewhat fast	Somewhat high

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

RISK MANAGEMENT AND COMPLIANCE

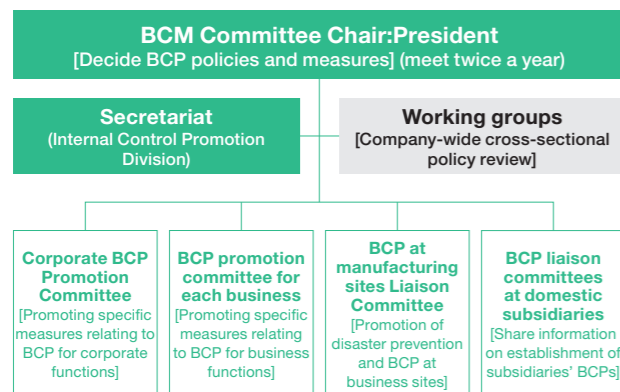
▶ Basic BCP (Business Continuity Plan) Policy

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.

▶ BCM (Business Continuity Management) 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.



▶ Medium-term Management Plan 2024 Initiatives

We will promote the Medium-term Management Plan 2024, paying particular attention to the following items relating to disaster-prevention and BCP.

Ongoing BCP initiatives

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

Improving corporate and organizational resilience

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

Contributing to society and communities

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

▶ BCM Activities

Works Prevention and BCPs Workshop

The activities implemented in affected areas are of particular importance in the early stages of disaster response. Meidensha has been conducting workshops on disaster prevention and BCP at its business sites since FY 2022. In FY 2023, we held workshops at the Ohta Works and for the Tokyo area. Participants reconfirmed hazardous areas on the premises of their site as well as disaster supply storage locations, and discussed evacuation methods as well as what to do in the event of a need to stay on-site.

Since all divisions, including subsidiaries at the same production site, had not previously come together under the theme of disaster prevention and BCP, the sharing of information held by the area disaster response headquarters as well as measures implemented at each workplace helped to deepen understanding of disaster prevention and disaster management trends within the area.

The content of the workshops was reflected in BCPs and disaster prevention plans, helping the participating sites to prepare for a disaster.



The workshop at the Ohta Works

Establishing BCPs at Overseas Subsidiaries

Meiden Group subsidiaries outside Japan have also begun establishing BCPs. Japanese and local staff work together to design the optimal BCP for each company. This effort is starting with the ASEAN region, India, and China. Subsidiaries in these regions aim to complete their BCP manuals by the end of FY2023. We are committed to advancing this initiative to ensure business continuity for the entire Meiden Group, including overseas subsidiaries.

Employee Education on Disaster Prevention and BCP

Disaster prevention and BCP training is included in the curriculum of personnel education for each level of

employment and is provided continually. In FY2023, we again gave training for new employees and mid-career hires. We have also conducted extensive awareness-raising initiatives, including 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.

▶ 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.

Information Security Control System

Taking into consideration the risks posed by increasingly sophisticated cyber attacks in recent years, Meidensha has undertaken a company-wide system review to strengthen its information security control system.

To enhance our information security measures for the products and services we provide to customers, we established the new PSIRT.*1 To enhance internal information security, we established the FSIRT.*3 to oversee factories under the CSIRT.*2 In addition, we established the PrSIRT,*4 which aims to reduce supply chain risks. These specialized teams will take the lead in routine countermeasures and incident response.

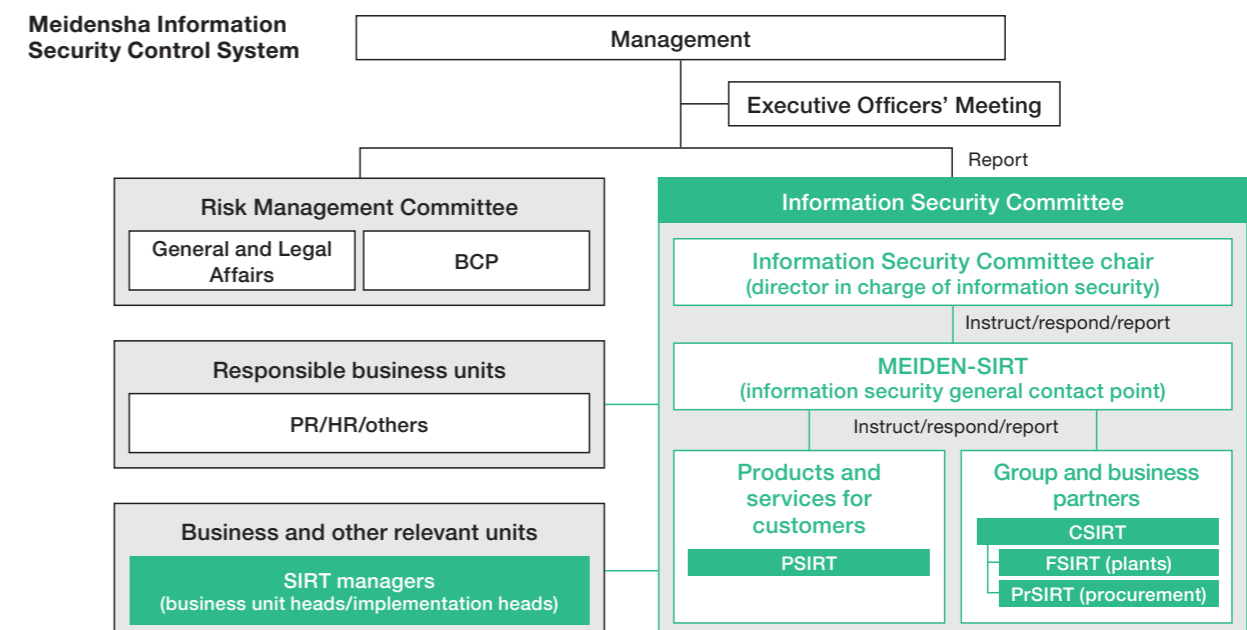
Further, we have assigned a SIRT manager in charge of information security to each unit to ensure that employees throughout the unit are familiar with relevant rules, provide education, and scrutinize and improve information security implementation on an ongoing basis. In addition, we have established 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.

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 cyberattacks 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.

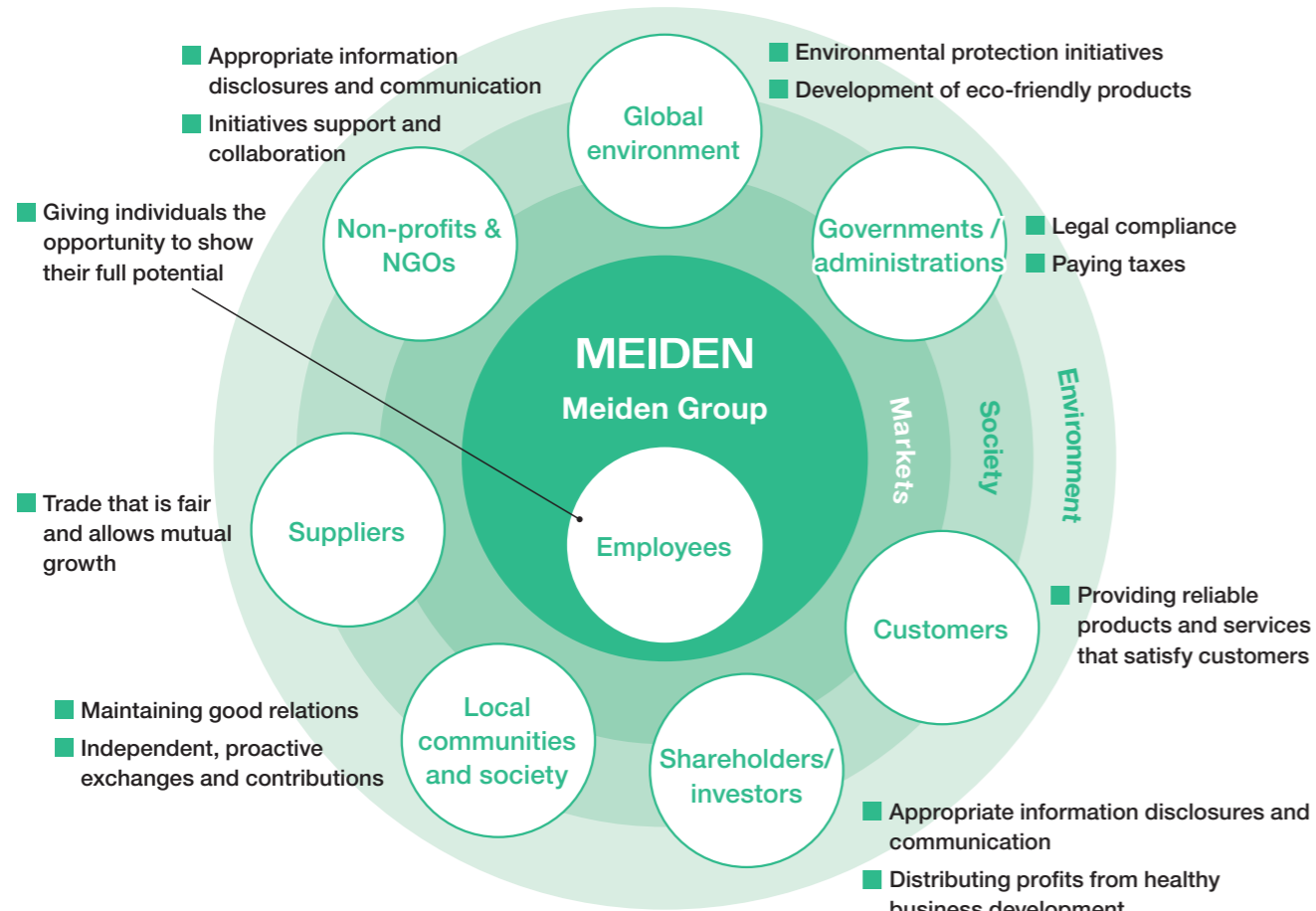


*1 PSIRT: Product Security Incident Response Team *2 CSIRT: Computer Security Incident Response Team *3 FSIRT: Factory Security Incident Response Team *4 PrSIRT: Procurement Security Incident Response Team

STAKEHOLDER ENGAGEMENT

Stakeholder Engagement

Stakeholder Correlations



Examples of Dialogue with Stakeholders

1 | Suppliers

First Partners Meeting Held in India, Where the Work Performed is Rapidly Growing

In December 2023, the Group held its first Partners Meeting in India to strengthen our ties with partners (i.e., suppliers) there. MEIDEN T&D (INDIA) LIMITED, which manufactures and sells transformers, hosted the meeting as it is one of the most important bases for the Group's overseas T&D business. On the day of the event, 72 individuals attended from 50 local partner companies, including companies involved with tanks, bushings, insulating oil, and distribution. At the meeting, we shared our business strategy and demand forecasts and asked our partners for the support we will need to develop our business quickly and efficiently in such a vast country as India. We will continue to hold meetings like this with the aim of mutual development with our partners.



2 | Shareholders & Investors



Holding Events for Individual Investors with Aim of Enhancing Contacts with Potential Shareholders

In FY2023 we exhibited at an event organized by the Nagoya Stock Exchange and took it as an opportunity to speak directly with individual investors. Our goal was to strengthen IR/SR activities for institutional investors, analysts, and the like and forge deeper relationships with individual investors who may be shareholders in future. More than 460 persons visited our booth over a two-day period, learning about the nature of our business, our growth strategy, and more. During these exchanges, visitors made comments that will be valuable input when we formulate management strategies, so our IR department widely shared them with inside and outside directors, staff members, and managers.

3 | Employees

More than 1,000 Employees Take Part in Town Hall Meeting with President

In August of 2023, we held an online Town Hall Meeting built around the theme "Leveraging our individuality to transform into a growing organization." On the day of the meeting, President & Executive Officer Inoue expressed his commitment to transforming the organization into one that maximizes individual performance and corporate value by focusing on each person's My Vision and My Challenge. President Inoue shared his own thoughts on his work and his My Vision, as well as some incidents that were formative to him. This led to a lively two-way exchange. For example, participating employees used the chat function to share their impressions and opinions, to which the president responded and replied. As a company that values the wishes of its employees, the Meiden Group will continue to expand dialogue and contact between them and management.



Basic Approach

Dialogue with stakeholders is indispensable if we are to increase medium- to long-term corporate value and realize a sustainable society. As such, the Meiden Group takes the following initiatives.

We will continue to proactively seek constructive dialogue with our stakeholders and reflect their opinions in our management, aiming to create new corporate value and charting a path to continuous growth.

Dialogue with Stakeholders

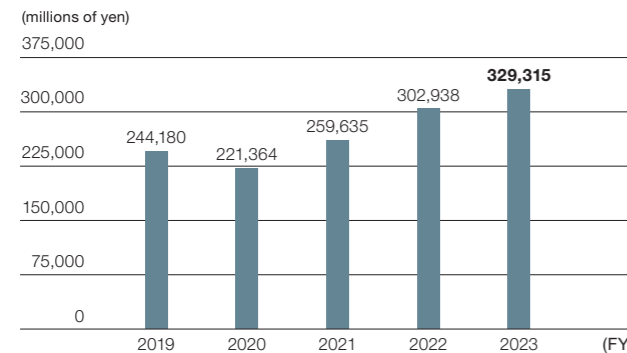
Stakeholders	Relationship with stakeholders	Form of dialogue (frequency)	Department in charge
Customers	The founder of the Meiden Group wanted to "enrich society through the power of electricity," a passion that we still carry today, 127 years later. We work to design, develop, and manufacture products that use the power of electricity to solve problems for our customers. At the same time, we strive to build long-term trusting relationships with our customers by maintaining and servicing our products so that customers can use them for a long time.	<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	The Meiden Group aims to build sustainable relationships with its business partners and, taking collaboration and co-creation as basic concepts, strives to improve engagement with those partners.	<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	The Meiden Group strives to ensure timely, fair, and accurate disclosure of information to shareholders and investors. To enhance corporate value over the medium-to long-term, we proactively engage in constructive dialogue with shareholders and investors, while senior management responds to the extent possible.	<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 (once/year) 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	For Meiden Group employees to fully demonstrate their individual strengths, it is important to promote diversity, equity, and inclusion (DEI) and create a workplace where diverse human resources are given fair opportunities and are healthy in mind and body. We promote two-way communication between company and employees to foster just such an environment.	<ul style="list-style-type: none"> President's management policy briefing (once/year) Town Hall Meeting (once/year) Meiden Mirai Meeting (30 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
Local communities and society	The Meiden Group conducts social contribution initiatives that reflect our character. These initiatives use technologies and products we have developed through our business and the skills and knowledge of our employees. We strive to build positive, trusting relationships by communicating with the communities where we operate.	<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

CORPORATE INFORMATION

Financial / Non-Financial Highlights

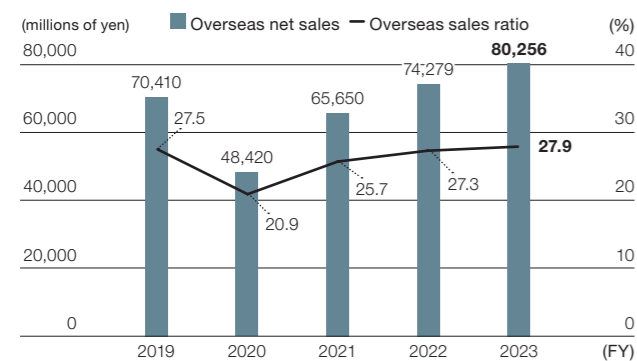
Financial indicators

Orders



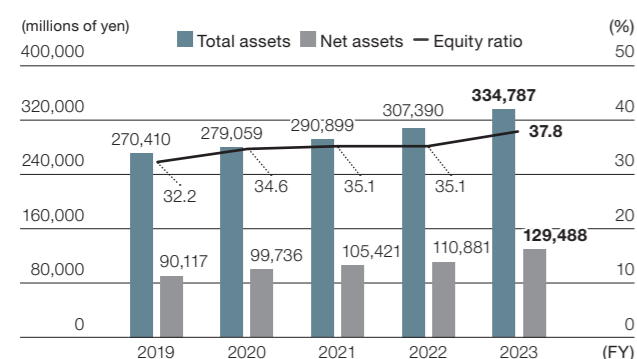
Orders were up 8.7% from the previous fiscal year, setting a new record high. The Power Infrastructure segment in particular grew by a wide 25.7% overall from the previous fiscal year, benefiting from robust demand for substation equipment in Japan and abroad.

Overseas net sales/Overseas sales ratio



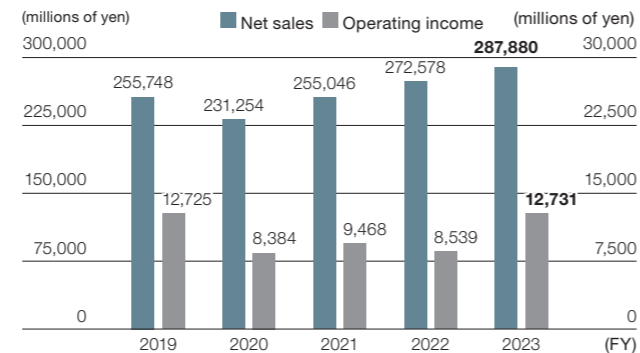
There is rising momentum for environmental protection as well as growing demand for electric power in Singapore, North America, India, and other countries that account for a major part of our substation business, which mainly occurs overseas. These, combined with the yen's weakness in the foreign exchange market, helped result in an 8.0% rise in overseas sales since the previous fiscal year, with the ratio of overseas to total sales at 27.9%.

Total assets/Net assets/Equity ratio



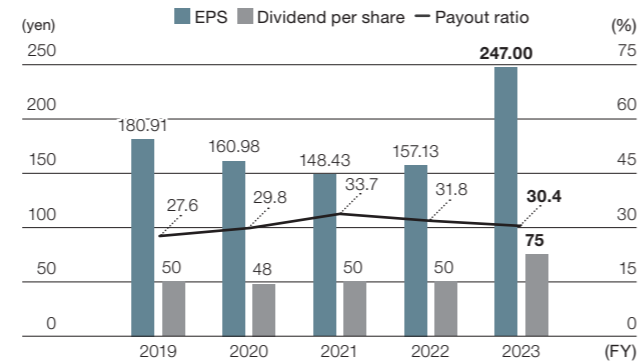
Total assets increased by 8.9% from the previous fiscal year, in part because of an increase in inventory as we expanded business operations in Japan and abroad. Our equity ratio was 37.8%, up 2.7 points from the previous fiscal year.

Net sales/Operating income



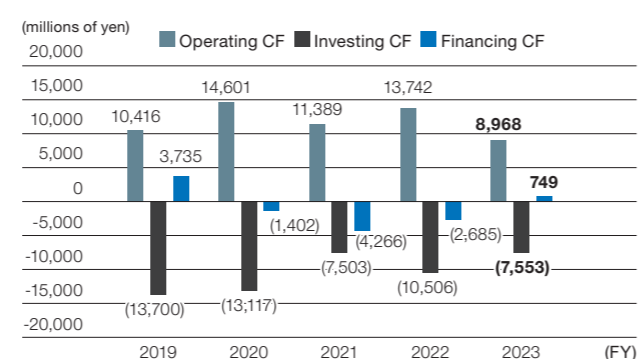
Net sales increased by 5.6% from the previous fiscal year, setting a new record high. Three of the four major segments increased their sales; only the Public, Industrial & Commercial Sector segment did not. The Power Infrastructure and Field Service Engineering segments drove operating income, which set a new record for the first time since FY2019.

EPS/Dividend per share/Payout ratio



In FY2023, EPS grew significantly to 247 yen due in part to gains from the sale of idle assets. During the current medium-term management plan, we aim to return profits to shareholders by paying stable dividends with a target consolidated payout ratio of 30%. This time, we paid an annual dividend of 75 yen per share.

Cash flows (operating, investing, financing)

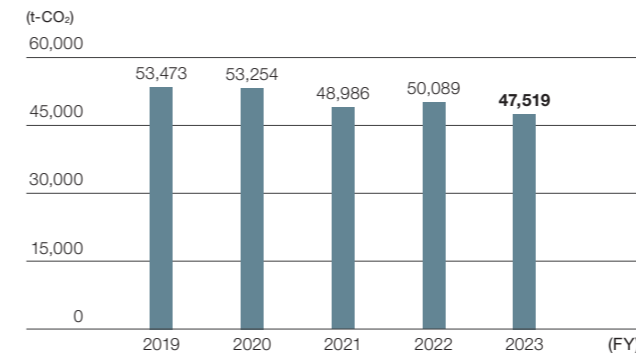


Operating CF decreased from the previous fiscal year due to an increase in trade receivables and a decrease in trade payables. As for investing CF, expenditures decreased from the previous fiscal year, due to such factors as reduced acquisition of new fixed assets. Funds were raised primarily through borrowings and commercial paper.

Non-financial indicators

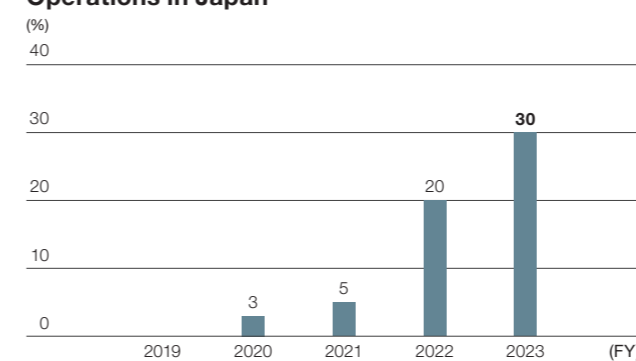
*Meidensha only (non-consolidated)
Indicators other than the above are presented on a consolidated basis.

Scope 1 & 2 emissions



Scope 1 & 2 emissions amounted to 47,519 t-CO₂, a decline of 5.1% from the previous fiscal year and a decline of 11.1% from FY2019. Although SF₆ gas emissions rose due to increased production in the electric power equipment business (Scope 1 increase), Scope 2 emissions declined due to the expanded scope of renewable electricity usage, leading to an overall reduction compared to the previous fiscal year.

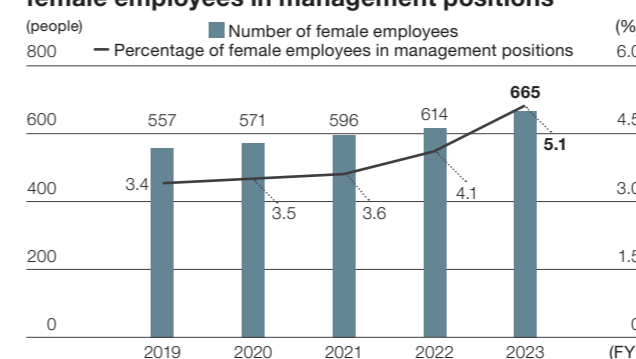
Renewable Energy Use Ratio in Business Operations in Japan



Our renewable energy use ratio in Japan was 10 points higher than in the previous fiscal year and 30 points higher than in FY2019. In July 2023, we began sourcing 20% of the power used at Numazu Works in the form of CO₂-free electricity, and in November of the same year, we effectively switched to 100% CO₂-free electricity from M WINDS Co., Ltd.'s Choshi Shiosai Wind Farm (Choshi City, Chiba Prefecture) for the electricity used at our headquarters office in Osaka, Shinagawa-ku (the 28th to 30th floors of ThinkPark Tower). These moves helped us to increase renewable energy use compared to the previous fiscal year.

Notes 1 Calculated as "renewable energy ÷ amount of electric power used" in Japan.
2 Data calculations began with FY2020.

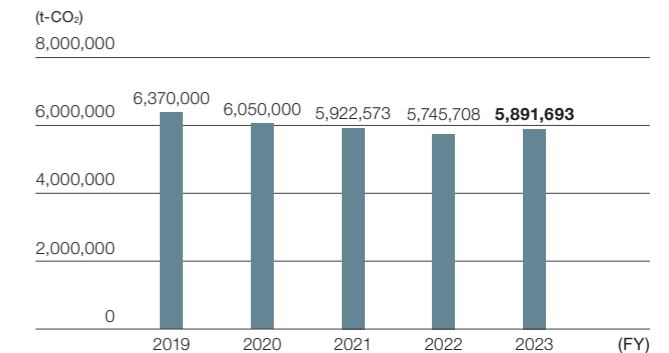
Number of female employees*/Percentage of female employees in management positions*



Recognizing that continuously recruiting female employees and developing female managers is important for the Company, we have launched a company-wide organization to promote diversity, equity, and inclusion (DEI) and are implementing various measures to achieve these goals. We have set a goal to increase the percentage of female employees in management positions to 12% by FY2030. The percentage of female managers increased by one point in FY2023, thanks in part to systematic training of young and mid-career employees under our support officer system begun in FY2022, among other programs.

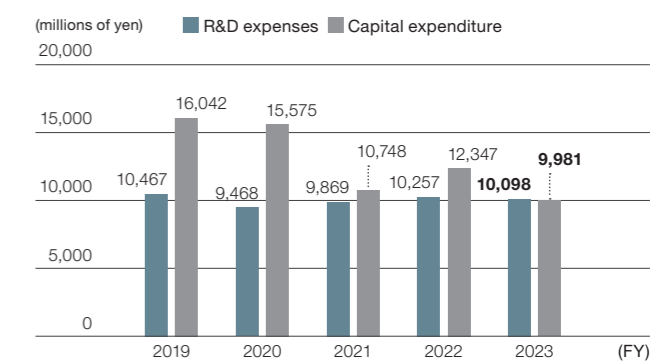
Note The percentage of female employees in management positions is calculated by dividing the number of female managers by the total number of managers.

Scope 3 (Category 11) emissions



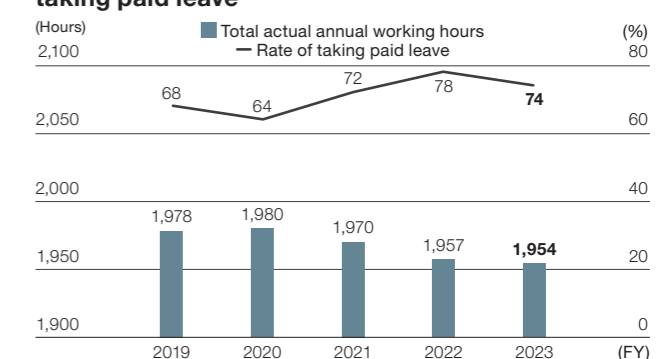
Scope 3 (Category 11) emissions were 5,891,693 t-CO₂, 2.5% greater than in the previous fiscal year but 7.5% lower than in FY2019. In the Field Service Engineering Segment, emissions from gas turbine generators rose sharply from the previous fiscal year, resulting in the overall increase over the previous fiscal year.

R&D expenses/Capital expenditure



R&D expenses declined 1.5% from the previous fiscal year. We expanded our lineup of eco-friendly power T&D products and conducted development using SiC to make EV drive units smaller and more efficient. Capital expenditures declined 19.1% from the previous fiscal year. Some acceptance inspections for investments for increased production of power T&D products were deferred to FY2024.

Total actual annual working hours*/ Rate of taking paid leave*



We are rolling out the Smart Work program, which takes advantage of work efficiencies and productivity improvements to reduce overtime work and encourage employees to proactively use their vacation time, thereby reducing total actual annual working hours. We have set a target of between 1,800 and 1,899 annual total working hours per person in FY2024.

Notes
1 The paid leave usage rate is calculated as "average number of days off taken annually ÷ 23 days granted annually."
2 Scope includes salaried managers at Meidensha (non-consolidated).

CORPORATE INFORMATION

Outline of the Meiden Group

Corporate Data (as of March 31, 2024)

Corporate Name	MEIDENSHA CORPORATION	Capital	17,070 million yen
Established	June 1, 1917 (Since December 22, 1897)	Consolidated Sales	287,870 million yen
Representative	Director & President & Executive Officer Akio Inoue	Consolidated Number of Employees	9,810
Head Office	ThinkPark Tower, 2-1-1, Osaki, Shinagawa-ku, Tokyo, 141-6029 Japan	Consolidated Subsidiaries	39 (20 in Japan, 19 overseas)

Main Subsidiary Companies (as of March 31, 2024)

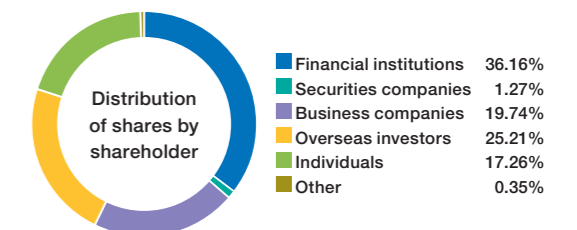
Country/Region	Company Name	Business Entity
Japan	M WINDS CO., LTD.	Development, design, manufacture, testing, and consulting for wind power generation systems
	M WINDS HACHIRYU CO., LTD.	Wind power generation business
	NOTO COMMUNITY WIND POWER CO., LTD.	Wind power generation business
	EAML Engineering CO.,LTD.	Design, manufacture, sale, and repair of hydroelectric generators and peripherals, hydroelectric generation business
	MEIDEN TECHNO SYSTEMS CO., LTD.	Maintenance, inspection, renovation and refurbishment of transformers and switchgear, manufacture of products and parts for transformers and switchgear, installation of transformers and switchgear
	MEIDEN FACILITY SERVICE CORPORATION	Upkeep, operation, maintenance, etc., of facilities etc.
	SADO MEIDEN SERVICE CORPORATION	Upkeep, operation, maintenance, etc., of facilities etc. in Sado region
	MEIDEN AQUA BUSINESS COMPANY	Maintenance and operation management for water, sewerage and industrial water treatment facilities, industrial wastewater treatment facilities, and general and industrial waste treatment facilities
	MEIDEN SYSTEM MANUFACTURING CORPORATION	Manufacture and sale of switchboards, control panels, and their components
	MEIDEN PLANT SYSTEMS CORPORATION	Design and contracting for electricity and building construction, and manufacture, repair, refurbishment of electrical equipment, etc.
	MEIDEN KIDEN KOGYO CO., LTD.	Repair and overhaul of eddy current dynamometers, mechatronic equipment, motors, generators, and dynamometers, and high-precision machining
	MEIDEN NANOPROCESS INNOVATIONS, INC.	Development, design, manufacture, and sale of pure ozone generators and thin film deposition equipment
	KOFU MEIDENSHA ELECTRIC MFG. CO.,LTD.	Manufacture and sale of PM motors, elevator motors, industrial vehicle motors, brushless motors, and induction motors
	MEIDEN ENGINEERING CORPORATION	Manufacture, sale, installation, and wiring of electrical equipment, machinery, tools, and devices, maintenance and inspection services, refurbishment, and repair
	CHUO ENTERPRICE CORPORATION	All tasks relating to management and operation of facilities, maintenance and safety inspections, sanitation, cleaning, security, construction, energy-conservation measures, and other building management
	MEIDEN CHEMICAL CO., LTD.	Manufacture of electrical equipment mold products, and insulating varnish, resin, etc.
	MEIDEN HOKUTO CORPORATION	Manufacture and sale of electrochemical measurement devices, and manufacture of water quality measurement devices
	MEIDEN KOHSAN CO., LTD.	Sale of goods and materials, insurance agency, and real estate business
	MEIDEN MASTER PARTNERS CORPORATION	Worker dispatch business
	MEIDEN UNIVERSAL SERVICE LTD. *1 *2	Cleaning, security for buildings, structures, and incidental facilities, and greening and maintenance of land
MEIDEN SYSTEM SOLUTION CORPORATION	Software development, design, production, sale, and rental, and maintenance and management of computer systems and networks	
China	MEIDENSHA (SHANGHAI) CORPORATE MANAGEMENT CO., LTD	Chinese regional presiding company (Management consulting services for affiliates), sale of electrical equipment, import and export operations, procurement, maintenance, and after-sale service
	MEIDEN PACIFIC (CHINA) LIMITED	Sale of switchboards and engineering tasks
	MEIDEN ZHENGZHOU ELECTRIC CO., LTD.	Manufacture and sale of lightning arresters for electric power and electrical railways, zinc oxide blocks for lightning arresters, and accessories for lightning arresters
	MEIDEN HANGZHOU DRIVE SYSTEMS CO., LTD.	Manufacture and sale of elevator motors and traction machines, inverters for synthetic fiber machine, and automated guided vehicles (AGV)
	MEIDEN (HANGZHOU) DRIVE TECHNOLOGY CO., LTD.	Manufacture and sale of motors and inverters for EVs

Country/Region	Company Name	Business Entity
India	MEIDEN INDIA PRIVATE LIMITED *2	Import and sale of Meiden Group products, engineering tasks, construction, after-sale service
	MEIDEN T&D (INDIA) LIMITED	Manufacture and sale of transformers and peripheral businesses
Indonesia	PT. MEIDEN ENGINEERING INDONESIA	Sale and design of electrical equipment, installation, construction, and engineering tasks
Korea	MEIDEN KOREA CO., LTD. *2	Sale, installation, testing of dynamometer products, servicing and maintenance, and import and export operations
Malaysia	MEIDEN MALAYSIA SDN BHD	Electrical construction, engineering tasks, EPC business, sale of Meiden Group products and systems, and servicing & maintenance
	MEIDEN METAL ENGINEERING SDN. BHD.	Manufacture and sale of transformer housing and radiators, etc.
Singapore	MEIDEN ASIA PTE. LTD.	ASEAN regional presiding company
	MEIDEN SINGAPORE PTE. LTD.	Manufacture and sale of transformers, switchboards, and circuit breakers, assembly and sale of ceramic flatsheet membrane unit, and engineering tasks
Thailand	THAI MEIDENSHA CO., LTD.	Electrical construction, mechanical construction, engineering, EPC business, and maintenance
Vietnam	VIETSTAR MEIDEN CORPORATION	Manufacture and sale of low and medium-voltage switchgear
Germany	MEIDEN EUROPE GmbH	Sale and import/export of electrical equipment
	TRIDELTA MEIDENSHA GmbH	Manufacture and sale of lightning arresters for electrical and railway, and peripherals for lightning arresters
North America	MEIDEN AMERICA, INC.	System engineering and after-sale service for dynamometer products, and sale of component products
	MEIDEN AMERICA SWITCHGEAR, INC.	Manufacture and sale of vacuum circuit breakers, and sale of vacuum interrupters

*1 Special subsidiaries *2 Non-consolidated subsidiaries

Share data (as of March 31, 2024)

Stock Listing	Tokyo Stock Exchange, Nagoya Stock Exchange
Total number of authorized shares	115,200,000
Total number of issued shares	45,527,540 (Including treasury shares of 160,777)
Number of shareholders	13,107



Major Shareholders

Names of Shareholders	Number of Shares Held (shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (account in trust)	5,055,400	11.14
Custody Bank of Japan, Ltd. (account in trust)	3,028,000	6.67
Sumitomo Electric Industries, Ltd.	2,631,385	5.80
Sumitomo Mitsui Banking Corporation	2,241,835	4.94
Sumitomo Mitsui Trust Bank, Limited	1,500,000	3.31
NEC Corporation	1,309,650	2.89
Meidensha Employees Stock Ownership Group	1,162,271	2.56
J.P.MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMS SP RE CLIENT ASSETS-SETT ACCT	1,129,579	2.49
Sumitomo Life Insurance Company	1,061,400	2.34
Meiei Stock Ownership Group	699,444	1.54

* Note: The shareholding ratio excludes treasury shares.