

Meiden Group Sustainability 2023



CONTENTS

002	CONTENTS
003	The President's Commitment
005	Sustainability Management
013	Identification of Materiality

■ Environment

023	Promotion of Strategic Environmental Management
031	Environmental Management
038	Third-Party Verification
040	Expand businesses that contribute to the environment
045	Promoting Environmentally Conscious Design
048	Management of chemical substances in products
049	Climate Change
059	Disclosure based on TCFD recommendations
069	Issue of Green Bonds
069	Prevention of Pollution and Effective Utilization of Resources
075	Water Resources
085	Biodiversity
090	Overview of Environmental Impacts by Our Business Activities
091	Environmental Impact Data (FY2022) From the Four Main Manufacturing Sites (Domestic Manufacturing Sites)
095	Promotion of Environmental Communication
097	Foster Environmental Awareness

■ Social

102	Product Responsibility
113	Supply Chain Management
123	Human Rights
128	D X
132	Occupational Safety and Health
142	Health & Productivity Management
150	Community

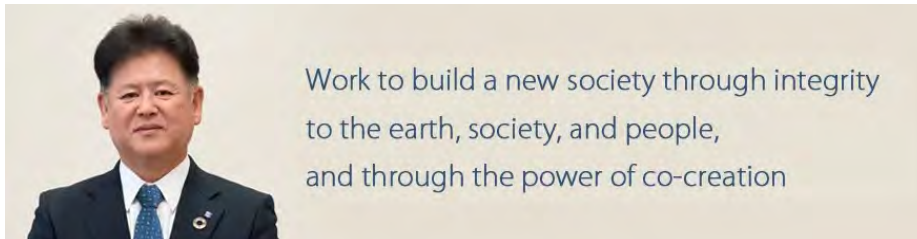
■ HR

157	DEI (Diversity, Equity & Inclusion)
165	Labor Practices
174	HR Development

■ Corporate Governance

183	Corporate Governance
198	Risk Management
208	Compliance
214	Dialogues with Shareholders and Investors
217	Evaluations from External Bodies
225	Editorial Policy
228	GRI Standards Content Index
236	SASB Content Index

The President's Commitment



To adapt to a continually changing world, Meidensha is committed to never losing sight of the values that make up our core identity. As with global environmental problems, there is an increasing number of medium to long-term issues that must be dealt with without delay. With that in mind, we have conducted various internal discussions concerning how we should develop our businesses as the Meiden Group.

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

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

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

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

In order to achieve our Ideal State of Being/Vision, we have articulated our specific form and role as a “sustainability partner” for the achievement of people’s happiness and a sustainable global environment. This label of “sustainability partner” has two meanings. The first is a partner as a member of society to

achieve a sustainable global environment, while the other is our role as a partner to support various stakeholders such as employees, shareholders, investors, and customers, to achieve sustainability.

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

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

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

Representative
Director
President and
Executive Officer
Akio Inoue

井上晃夫

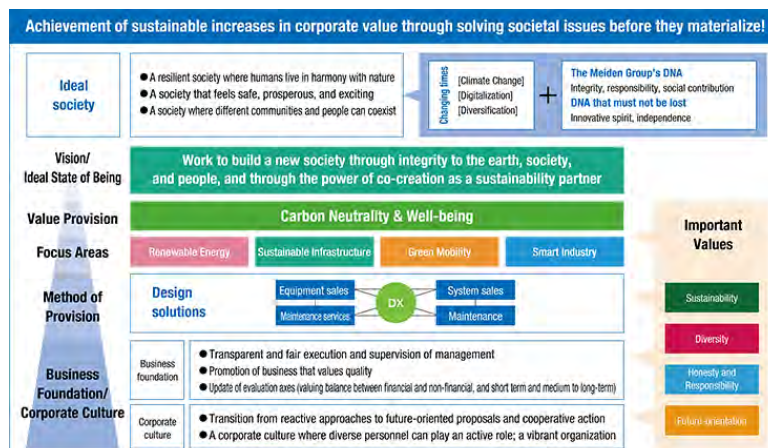
Sustainability Management

The Meiden Group’s Sustainability Management

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

Amid such profound social changes, we have depicted the Meiden Group’s ideal society of 2030 with an eye to the worldview of 2050, by combining Meiden’s DNA of “integrity,” “responsibility,” and “social contribution,” which are our strengths since the establishment of the Group, with the DNA that we must not lose of “innovative spirit” and “taking-initiative mind.” This ideal society is “a resilient society where humans live in harmony with nature,” “a society that feels safe, prosperous, and exciting,” and “a society where different communities and people can coexist.” With such a mindset, the Meiden Group has set its vision of an ideal state of being, which is sustainability partnerships that “work to build a new society through integrity to the earth, society, and people, and through the power of co-creation.”

In order to contribute to the creation of a new society through business activities, we will focus on the four areas of “renewable energy,” “sustainable infrastructure,” “green mobility,” and “smart industry,” based on the infrastructure-related technology and know-how that we have developed over many years, and the trust and results of our customers. The values that must be held by everyone who works in the Meiden Group are “sustainability,” “diversity,” “integrity and sense of responsibility,” and “future orientation” to achieve this society. We will apply these four values to our day-to-day activities, and under Medium-term Management Plan 2024, which commenced in FY2021, the Meiden Group aims to take a “Big Jump” in our growth and achieve sustainable corporate growth, by promoting management focused on ESG and sustainability.



Sustainability Partnerships

We defined the term “Sustainability Partnerships” to specifically articulate the Meiden Group’s ideal form. “Sustainability Partnerships” fulfil dual roles to realize the Meiden Group’s goals of achieving people’s happiness and a sustainable global environment.

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

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

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

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

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

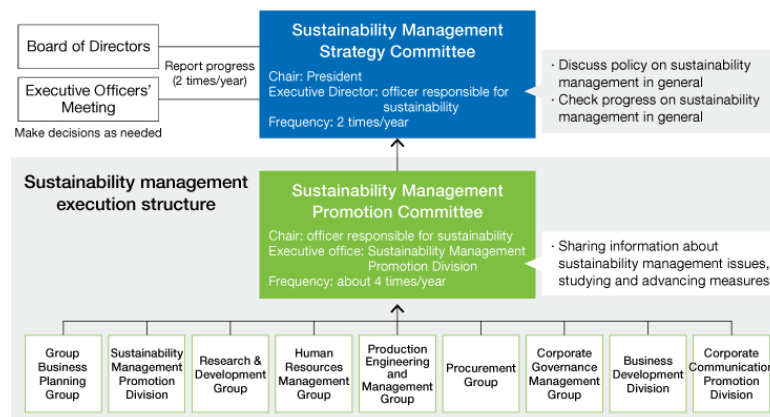
Promoting Sustainability Management

(1) Governance

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

Since FY2022, the ESG Management Promotion Committee, which had been in place until the previous year, has been reorganized into a two-tiered structure consisting of the Sustainability Management Strategy Committee and the Sustainability Management Promotion Committee. The aim is to separate management decisions from the monitoring of progress. Matters discussed by these bodies are regularly reported to the Executive Officers’ Meeting and the Board of Directors twice a year.

Relevant divisions are currently discussing the selection of target indicators and evaluation ratios to tie executive compensation to sustainability.



Topics of Discussion by the Two Committees (FY2022)

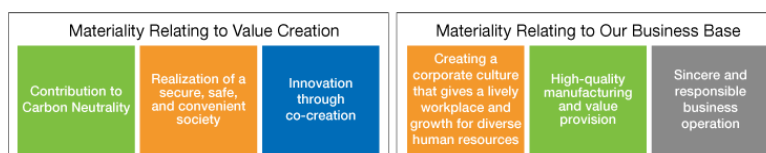
	When	Topic
Sustainability Management Strategy Committee	1st half	The Meiden Group's materiality, direction for water Infrastructure update at Numazu Works
	2nd half	Decarbonization progress and future direction, human capital management, external evaluation analysis, and future development
Sustainability Management Promotion Committee	1st quarter	Sharing an overview of sustainability management and measures for it
	2nd quarter	Environment (progress reducing Scope 3 emissions, green products) Progress on measures to foster human capital and the corporate culture (Meiden Mirai Meeting)
	3rd quarter	Environment (progress reducing Scope 1 & 2 emissions, ICP price changes) Fostering human capital and the corporate culture (Meiden Mirai Meeting, My Vision/My Challenge, fostering human capital)
	4th quarter	Environment (TCFD, progress reducing Scope 1, 2, & 3 emissions) Fostering human capital and the corporate culture (Meiden Mirai Meeting, My Vision/My Challenge)

(2) Risk Management

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

(3) Strategy

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



[Identification of Materiality >](#)

(4) Indicators and Targets

In light of the above, the Group has set non-financial indicator targets in Medium-term Management Plan 2024.

	Targets	FY2022 results
GHG emissions from business activities (Scope 1 and 2, compared with FY2019)	FY2024: Reduce by 6% FY2030: Reduce by 30%	Scope 1 and 2 reduced by 7%
GHG emissions during product use (Scope 3, compared with FY2019)	FY2024: Reduce by 6% FY2030: Reduce by 15%	Scope 3 reduced by 10%
Achieve RE100 by 2040 and carbon neutrality by 2050		
Female officer class (inside officers)	FY2024: At least 1 FY2030: At least 3 (of which, at least 1 executive officer)	0
Non-Japanese presidents of local subsidiaries	FY2024: At least 3 FY2030: At least 5 (of which, at least 1 executive officer)	1
eNPS (NPS® for employees)* (compared with FY2021)	FY2024: 10% improvement	1.4% poorer
New businesses net sales	Fiscal 2024 net sales: ¥5 billion	¥400 million

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

* NPS® is a registered trademark of Bain & Company, Fred Reichheld, and Satmetrix Systems.

Spreading the Sustainability Vision

Meiden Mirai Meeting: A Conversation between Employees and Management

In FY2022, we updated our event bringing employees and management together for a conversation and renamed it Meiden Mirai Meeting. The meeting is a chance for each person to learn what their own work means in terms of our business strategy and achieving sustainability management. It is also a chance to reconsider how their actions bring value to society.



Meiden Mirai Meeting (Numazu Works)

My Vision/My Challenge

Meidensha strives to respect individual diversity and draw out each employee's taking-initiative mind and motivation. To that end, we launched "My Vision/My Challenge," an initiative for employees to reflect on their own life vision, compare it with the company's vision, and put into words what challenges they will take on in the Meiden Group. We believe that employees take true sustainability management personally when the vision and mission of the company and each division overlap with the individual's vision. We furthermore believe that increasing the overlap and our efforts to support employees who take these challenges will lead to greater individual satisfaction and growth as well as to the achievement of the vision and mission of the company and each division at the same time. In FY2022, members of upper management put their "My Vision/My Challenge" into words. We plan to expand this to executive officers and employees with management responsibilities in FY2023.



Meiden Group Initiatives for Sustainable Development Goals (SDGs)

At the UN Sustainable Development Summit in 2015, the world adopted common goals known as the Sustainable Development Goals (SDGs)*. The SDGs are challenges the international community is addressing over the 15 years from 2016 to 2030.

The targets of the SDGs are very compatible with the ESG Vision and business activities of the Meiden Group. They include many areas where we can contribute to a solution with technologies and expertise we have cultivated over the years. Thus, to really learn and take advantage of the opportunities and challenges presented by the SDGs, we laid out the effects that our business activities have on the environment and society. This process considered the entire value chain and issues specific to the countries where we do business. It even included any negative impacts of our business activities.

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

* Sustainable Development Goals (SDGs): Seventeen goals incorporated into the 2030 Agenda for Sustainable Development adopted by world leaders at the United Nations Sustainable Development Summit in September 2015. Based on these new goals—universally applied to all nations—each nation

will end all forms of poverty, combat inequality, and take steps to address climate change while ensuring that no one is left behind over the next 15 years.

The Meiden Group's Approach to SDGs

As a heavy electric equipment manufacturer supporting the future of social infrastructure, the evolution of industry, and achieving sustainable growth and development, the Meiden Group contributes to the Seventeen goals of the SDGs through all business activities. Furthermore, in order to continue contributing to the SDGs in the future, it is necessary to seriously address the expectations of society and accurately grasp key social issues as important issues for the Company. To do this, we have established areas that contribute to solving social issues through business strategies.

The Meiden Group will continue to actively challenge itself to create new technologies and new value, in order to contribute to the realization of a vibrant and comfortable future society.



Education for Application of SDGs in Business Strategy and Activities

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

External Support Initiatives

Initiative	Outline	Date of agreement/participation
CDP	An initiative begun by a coalition of major institutional investors around the world. It calls on the world's enterprises to disclose their climate change strategies (risks and opportunities) and their GHG emissions, among other information.	March 2017
Task Force on Climate-related Financial Disclosures (TCFD)	An initiative established by the Financial Stability Board to encourage disclosure of information about climate-related risks and opportunities.	June 2019

Initiative	Outline	Date of agreement/participation
Japan Climate Initiative (JCI)	A network of diverse non-state actors such as corporations, municipal governments, groups, and NGOs, that actively work to combat climate change.	December 2020
United Nations Global Compact (UNGC)	A global framework that sets 10 principles implementation relating to protecting human rights, eliminating inappropriate labor, attending to the environment, and preventing corruption, in order to achieve sustainable growth.	September 2022
GX League	A forum for companies that aim to achieve sustainable growth in the present and future society by taking on the challenge of GX (Green Transformation) to achieve carbon neutrality and social transformation by 2050. Here, they can collaborate with other companies making similar efforts and with government and academia.	May 2023 (became a participating company)

Participation in Japan Climate Initiative (JCI)

Meidensha has participated in the Japan Climate Initiative (JCI) since 2020.

We endorse JCI's declared goal of "Joining the front line of the global push for decarbonization from Japan." We support JCI's effort to step up energy efficiency and renewable energy use and to bolster efforts to contribute to the achievement of net zero emissions by 2050.

As of 2022, we endorsed the following messages as a participating company:

"Now Is the Time to Accelerate the Implementation of Renewable Energy: A Call to Strengthen Climate Change Solutions Even During an Energy Crisis."

"Overcoming Two Crises with Renewable Energy and Carbon Pricing"

Meidensha is implementing climate change solutions by participating in the initiative.

Participation in GX League

Meidensha endorses and participates in GX League.

The Meiden Group has set carbon neutrality and well-being as the values we provide, and we declare that sustainability partnerships are our aspiration and vision for achieving the society we aim for. Our goal is to contribute to the decarbonization of society through our products, businesses, and solutions. We also aim to achieve carbon neutrality in our business activities by 2050. As an intermediate step, we have set the following GHG emissions reduction targets that we are working to achieve by FY2030: 30% reduction of emissions from business activities (Scope 1 and 2; compared with FY2019) and 15% reduction of emissions during product use (Scope 3 Category 11; compared with FY2019). Convinced that the vision and direction of the Meiden Group are in line with the purposes of GX League, we became a formal participant in May 2023.

Group Membership Credentials

- KEIDANREN (Japan Business Federation)
- The Japan Electrical Manufacturers' Association (JEMA)
- The Institute of Electrical Engineers of Japan (IEEJ)
- Electric Technology Research Association
- The Japan Electric Association
- The Japan Society of Mechanical Engineers

Active Participation in Industry Groups

The Meiden Group actively participates in the following industry groups and has declared our intention to decarbonize. The Meiden Group sees no disagreement or contradiction between its policies and directions on environmental issues and the policies and directions of these industry groups, and we are committed to furthering the initiatives of each.

- Ministry of the Environment Network for Promotion of Decarbonization Management
- JEMA Environmental Business Policy Committee
- JEMA Environmental Business Policy Steering Committee
- JEMA Environmental Technology Expert Committee
- Coalition of four electrical and electronic equipment groups, Environmental Strategy Liaison Committee
- Coalition of four electrical and electronic equipment groups, Product Chemical Substances Expert Committee
- Coalition of four electrical and electronic equipment groups, Expert Committee on Measures for Chemical Substances Related to Business Establishments
- Coalition of four electrical and electronic equipment groups, Expert Committee on Waste and Recycling Measures Related to Business Establishments
- Coalition of four electrical and electronic equipment groups, Liaison Committee on Global Warming Countermeasures for Electrical and Electronic Equipment

Identification of Materiality

Background of identification

We are currently surrounded by drastic changes in the social environment in which we operate, such as the impact of accelerating climate change since the industrial revolution, digitalization through technological innovation, and diversification of values and lifestyles of people.

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

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

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

Major Issue (Materiality) Identification Process

STEP 1

Management of Major Opportunities and Risks for the Meiden Group

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

Referenced Frameworks and Guidelines, etc.

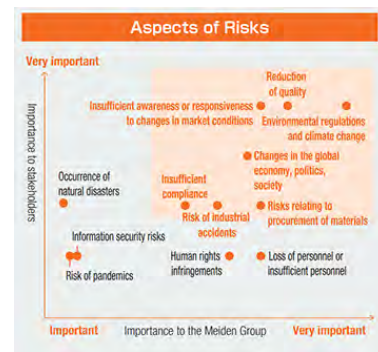
- SDGs
- GRI standards
- SASB standards
- ISO26000
- ESG evaluation items required by ESG evaluation organizations
- The Ten Principles of the UN Global Compact

Evaluation of Importance

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

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

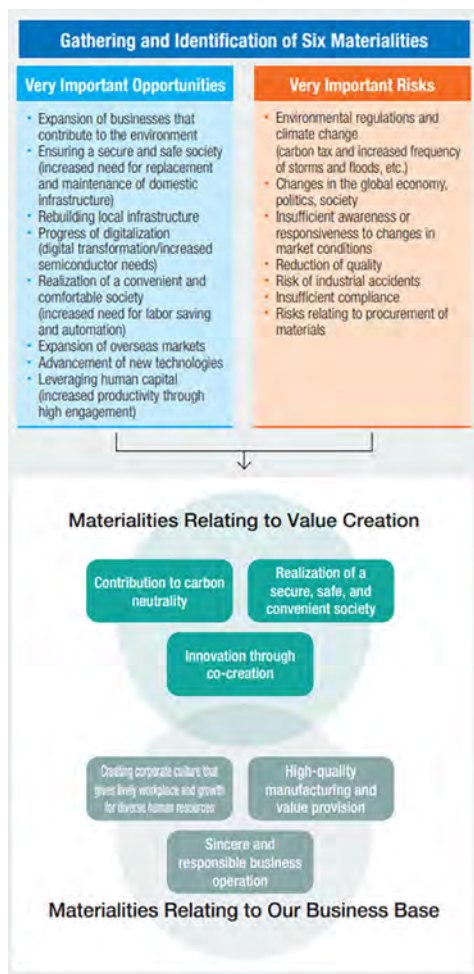
Evaluation of Importance to the Meiden Group and Stakeholders



Identification and Determination of Materiality





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

Gathering and Identification of Six Material Issues












Materiality Relating to Value Creation

Materiality that has been identified	Reasons for Identification as a Materiality	Outlook	Related SDGs
Contribution to carbon neutrality	The Meiden Group operates many decarbonization businesses, but there is also an environmental impact from manufacturing. It is essential to launch a response to the significant impact on operations.	<ul style="list-style-type: none"> Climate change is accelerating, and the movement to reach the Paris agreement target (1.5°C) is gaining momentum. Markets relating to decarbonization are expanding, and it is essential to respond to legal restrictions relating to carbon taxes, etc., and prepare for increasing large-scale disasters. 	     
Realization of a safe, secure, and convenient society	The Meiden Group operates many relevant businesses. On another front, it is essential to respond as business continuity risks may arise.	<ul style="list-style-type: none"> Review of the state of local infrastructure will proceed due to the declining birthrate and aging population, difficulties with local government finances, and aging facilities in Japan. Digitalization is expected to proceed, leading to increased semiconductor-related demand and increased demand for reduced manpower and automation in the industrial sector. 	    

Materiality that has been identified	Reasons for Identification as a Materiality	Outlook	Related SDGs
Innovation through co-creation	It is extremely important to embrace the challenge of developing next-generation technology, and create and furnish social value along with partners that share the same conviction.	<ul style="list-style-type: none"> Existing social systems have reached the end of their usefulness, and global-scale social issues have arisen, including climate change issues. These issues cannot be solved by any individual organization, so it is necessary to enter partnerships to embrace the challenge of solving them. 	   

Materiality Relating to Our Business Base

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

Establishment of Targets and KPIs

- Based on our materiality, we are developing strategies and implementing measures under Medium-term Management Plan 2024.*¹
- With regard to implementation of measures, we establish KPIs to the extent possible and conduct internal progress management.
- We will regularly review materiality and KPIs.

★★★ 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 50%)

Materialities	Major opportunities and risks	Medium-term Management Plan 2024	Major KPIs and targets () are externally disclosed targets for FY2024	Externally disclosed targets for FY2025 onwards	Progress in FY2022	Assessment
Contribution to carbon neutrality	<p>[Opportunities]</p> <ul style="list-style-type: none"> • Expansion of markets for businesses that contribute to the environment <p>[Risks]</p> <ul style="list-style-type: none"> • Increased costs due to carbon taxes, etc. • Risks from frequent storms and floods • Decline in competitiveness due to late response 	<p>[Basic Policy 1] Realization of high-quality growth</p> <p>1. Expansion of growth businesses</p> <p>Expansion of EV-related, renewable energy business, and environmentally friendly products, and high profitability</p>	<ul style="list-style-type: none"> • EV business net sales (47.0 billion yen) • GHG reduction contribution by Environment Contributing Businesses*² (10.00 million tons) • Scope 3 reduction rate (6% reduction compared to FY2019) • Proportion of green products • Number of super green products 	<ul style="list-style-type: none"> • EV business net sales (100.0 billion yen in FY2028) • Scope 3 reduction rate (15% reduction compared to FY2019 in FY2030) 	<ul style="list-style-type: none"> • EV business net sales (38.2 billion yen) • GHG reduction contribution (13.54 million t-CO₂) • Scope 3 reduction rate (10% reduction) 	<p>★★</p> <p>★★★</p> <p>★★★</p>
		<p>[Basic Policy 2] Promotion of sustainability management</p> <ul style="list-style-type: none"> • Promotion of decarbonization within the Company 	<ul style="list-style-type: none"> • Scope 1,2 reduction rate (6% reduction compared to FY2019) 	<ul style="list-style-type: none"> • Scope 1 and 2 reduction rate (30% reduction compared to FY2019 in FY2030) • Achievement of RE100 (FY2040) • Achievement of carbon neutrality (FY2050) 	<ul style="list-style-type: none"> • Scope 1 and 2 reduction rate (7% reduction) 	★★★

Materialities	Major opportunities and risks	Medium-term Management Plan 2024	Major KPIs and targets () are externally disclosed targets for FY2024	Externally disclosed targets for FY2025 onwards	Progress in FY2022	Assessment
Realization of a secure, safe, and convenient society	<p>[Opportunities]</p> <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 <p>[Risks]</p> <ul style="list-style-type: none"> Decline in competitiveness due to late response 	<p>[Basic Policy 1] Realization of high-quality growth</p> <p>1. Expansion of growth businesses</p> <ul style="list-style-type: none"> Expansion of motor drive and semiconductor-related businesses <p>2. Enhancement of competitiveness of earnings-based businesses</p> <ul style="list-style-type: none"> Expansion of the maintenance business Promotion of public private partnerships and provision of design solutions <p>3. Improvement of profitability of overseas businesses</p> <ul style="list-style-type: none"> Rebuilding and improving profitability of overseas businesses 	<ul style="list-style-type: none"> Motor Drive business net sales Semiconductor-related businesses net sales Maintenance business net sales (\41.6 billion) Overseas net sales (\73.0 billion) 	—	<ul style="list-style-type: none"> Field Service Engineering Business Group net sales (39.7 billion yen) Overseas net sales (74.2 billion yen) 	★★ ★★★
Innovation through co-creation	<p>[Opportunities]</p> <ul style="list-style-type: none"> Growing new needs due to sustainability and ESG trends Advancement of new technologies <p>[Risks]</p> <ul style="list-style-type: none"> Decline in competitiveness due to late response 	<p>[Basic Policy 3] Promotion of Ambidexterity Management</p> <ul style="list-style-type: none"> Creation of new business themes and promotion of commercialization through co-creation Development of and furnishing society with next-generation technology 	<ul style="list-style-type: none"> New businesses net sales (\5.0 billion) Number of innovation themes Number of innovation personnel 	—	<ul style="list-style-type: none"> New businesses net sales (400 million yen) 	★
Creating corporate culture that gives lively workplace and growth for diverse human resources	<p>[Opportunities]</p> <p>Improvement of productivity through high engagement of employees</p> <ul style="list-style-type: none"> Generation of innovation by leveraging diversity <p>[Risks]</p>	<p>[Basic Policy 2] Promotion of sustainability management</p> <ul style="list-style-type: none"> Implementation of measures to improve engagement Expansion of diversity and inclusion measures 	<ul style="list-style-type: none"> Improvement rate of employee engagement metrics (10% improvement compared to FY2021) Female officer class: number of inside 	<ul style="list-style-type: none"> Female officer class: number of inside officers (at least 3, of which 1 is an executive officer, in FY2030) Number of non-Japanese presidents of 	<ul style="list-style-type: none"> Improvement rate of employee engagement metrics (1.4% worse) Female officer class (number of inside officers) (0) Number of non-Japanese presidents of 	★ ★★

Materialities	Major opportunities and risks	Medium-term Management Plan 2024	Major KPIs and targets () are externally disclosed targets for FY2024	Externally disclosed targets for FY2025 onwards	Progress in FY2022	Assessment
	<ul style="list-style-type: none"> Outflow of personnel or insufficient personnel due to low engagement Worse employee health due to factors including occurrence of industrial accidents and pandemics 	<ul style="list-style-type: none"> Expansion and fulfillment of professional development programs Enhancement of occupational health and safety Promotion of health management 	<ul style="list-style-type: none"> officers (at least 1) Number of non-Japanese presidents of local subsidiaries (at least 3) Total education and training expenses Number of industrial accidents 	local subsidiaries (at least 5, of which 1 is an executive officer, in FY2030)	local subsidiaries (1)	★★
High-quality manufacturing and value creation	<p>[Opportunities] Creating safe and secure infrastructure and industrial underpinnings</p> <p>[Risks]</p> <ul style="list-style-type: none"> Loss of customer trust or orders by reason of lower quality 	<p>[Basic Policy 2] Promotion of sustainability management</p> <ul style="list-style-type: none"> Establishment of the Meiden Monozukuri(Ma nufacturing) Standards to improve QCDSE Enhancement of quality assurance (QR map, reconstruction of the Meiden Customer Center, etc.) 	<ul style="list-style-type: none"> Manufacturing process metrics (product production time, production time per unit, units produced per person, production/ma nufacturing lead time) Number of defects and cost of dealing with defects (reduced by half compared to FY2020) 	—	<ul style="list-style-type: none"> Number of defects and cost of dealing with defects (reduced by 51%) 	★★★
Sincere and responsible business operation	<p>[Risks]</p> <ul style="list-style-type: none"> Infringement of human rights by the Meiden Group or suppliers Information security risks Insufficient compliance measures 	<p>[Basic Policy 2] Promotion of sustainability management</p> <ul style="list-style-type: none"> Enhancement of stakeholder engagement Introduction of respect for human rights and human rights due diligence Enhancement of information security and internal training Enhancement of compliance Enhancement of corporate governance 	<ul style="list-style-type: none"> Stakeholder engagement improvement rate Human rights training attendance rate Information security training attendance rate Compliance training attendance rate 	—	—	—

*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.

Environment

Vision, Environmental Management

Promotion of Strategic Environmental Management >

- [Basic Policy >](#)
- [Action Guidelines >](#)
- [Environmental Vision >](#)
- [Activities to Realize Our Environmental Vision >](#)
- [The Meiden Group's Medium to Long-term Environmental Targets >](#)
- [Promotion of Ongoing Activities >](#)
- [Deployment to the Action Plans >](#)
- [FY2022 Environmental Targets and Results >](#)
- [FY2023 Environmental Targets >](#)

Environmental Management >

- [Environmental Management Promotion Organization >](#)
- [Responding to Environmental Risks and Opportunities >](#)
- [ISO 14001 Certification Status \(as of March 31, 2023\) >](#)
- [Internal Environmental Audits >](#)
- [Environmental Information Management System >](#)
- [Compliance with Environmental Regulations >](#)
- [Environmental Accounting \(FY2022\) >](#)

Third-Party Verification >

- [Target Items >](#)
- [Assessment Standards >](#)

Product and Service Initiatives

Expand businesses that contribute to the environment >

- [Contributions to the Mitigation of Climate Change by Reducing Product and Service CO₂ Emissions >](#)
- [Wind Power Sales Business >](#)
- [Power Conditioner System for Photovoltaic Generation >](#)
- [Hydroelectric Power Generation Equipment >](#)
- [Electrical Component for Electric Vehicles >](#)
- [Ecotank Type Vacuum Circuit Breakers \(VCB\) >](#)
- [Field Engineering Business \(Maintenance and Servicing\) >](#)

Promoting Environmentally Conscious Design >

- [Promote environmentally conscious design >](#)
- [Life cycle assessment \(LCA\) initiatives >](#)

[Management of chemical substances in products >](#)

Toward the realization of a decarbonized society

[Climate Change >](#)

[Monitoring of Climate Change by the Board of Directors >](#)

[Amount of Greenhouse Gas Emissions >](#)

[Amount of CO₂ Emissions from Energy Sources >](#)

[Energy Consumption \(crude oil equivalent\) >](#)

[Reduction of CO₂ Emissions from Business Activities >](#)

[Reducing Emissions of Greenhouse Gases Other than CO₂ >](#)

[Reduction of CO₂ Emissions from Product Transport >](#)

[Calculation of Greenhouse Gas Emissions in the Supply Chain >](#)

[Disclosure based on TCFD recommendations >](#)

[Governance/risk management >](#)

[Strategy >](#)

[Metrics and Targets >](#)

[Issue of Green Bonds >](#)

[Meidensha Green Bonds >](#)

[List of investors that have declared their investment in corporate bonds >](#)

[External Evaluation of Compliance >](#)

[Green bond framework >](#)

Toward the realization of a circular society

[Prevention of Pollution and Effective Utilization of Resources >](#)

[Commitment to Waste and Pollution Prevention >](#)

[Targets for Measures to Combat Waste and Pollution >](#)

[Targets and Initiatives for Reduction of Raw Material Usage >](#)

[Tightening Management of Chemical Substances >](#)

[Reduction of Volume of Volatile Organic Compounds \(VOC\) Released >](#)

[Promotion of Disposal and Processing of Devices that Include PCBs >](#)

[Promoting the 3Rs for Waste \(Reduce, Reuse, and Recycle\) >](#)

Toward the realization of a Society in Harmony with Nature

[Water Resources >](#)

[Water Risk Assessments >](#)

[Conservation of Water Resources: Initiatives through Business >](#)

[Collaboration with Stakeholders: Partnerships with Outside Parties >](#)

[Biodiversity >](#)

[Policy on the Conservation of Biodiversity >](#)

[Meiden Group Biodiversity Guidelines >](#)

[A Head Office Building That is Considerate of Biodiversity >](#)

[Initiatives at Each Site for the Conservation of Biodiversity >](#)

[The Biodiversity Working Group, the Four Electrical and Electronic Industry Associations >](#)

[Overview of Environmental Impacts by Our Business Activities >](#)

[Environmental Impact Data \(FY2022\) From the Four Main Manufacturing Sites \(Domestic Manufacturing Sites\) >](#)

[Numazu Works >](#)

[Ota Works >](#)

[Nagoya Works >](#)

[KOFU MEIDENSHA ELECTRIC MFG. CO., LTD. >](#)

HR,Communication

[Promotion of Environmental Communication >](#)

[Promotion of Environmental Communication >](#)

[Initiatives >](#)

[Foster Environmental Awareness >](#)

[Foster Environmental Awareness >](#)

[Environmental Education Results \(FY2022\) >](#)

Promotion of Strategic Environmental Management

Basic Policy

The Meiden Group ensures that each employee contributes to the protection of the global environment and the creation of a prosperous society through their day-to-day work according to our Basic Environmental Philosophy, and promotes sustainability management to achieve sustainable growth of society and improved corporate value.

Basic Policy

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

Action Guidelines

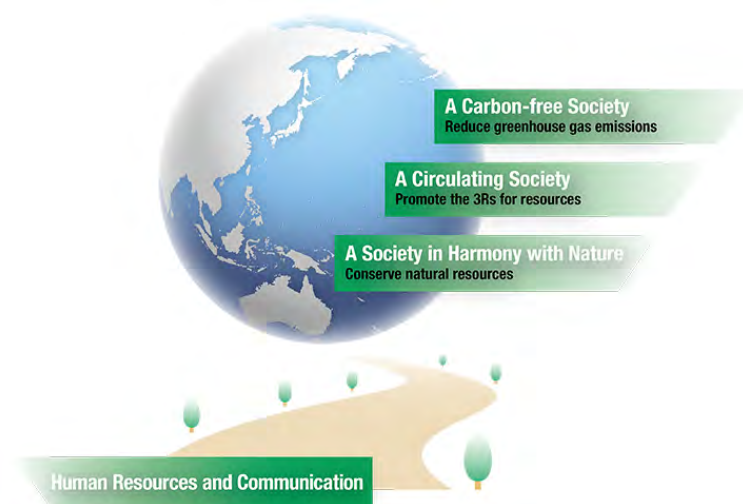
1. We promote the development of new products and innovative technologies that contribute to the global environment and strive to develop and design environmentally conscious products by conducting environmental impact evaluation for the entire lifecycle of our products, from initial material procurement to final disposal.
2. We strive:
 - To reduce the environmental impacts from our business activities at home and abroad
 - To reduce greenhouse gas emissions
 - To promote energy conservation
 - To properly manage hazardous substances
 - To promote the 3Rs (reduce, reuse and recycle)
 - To conserve water resources
3. We strive to comply with the related environmental laws, regulations, rules and other required matters and establish our internal guidelines. We strive to prevent the pollutions from our operations at home and abroad and make efforts to protect the environment.
4. After establishing a sustainability management system, we strive to maintain and improve it through the PDCA (Plan-Do-Check-Act) Cycle and we aim to improve our environmental performance.
5. We strive to improve all our employees' understanding of sustainability management and invigorate environmental contribution activities through environmental education.

Environmental Vision

The Meiden Group is working to reduce the environmental impact of its business activities in four areas: Power Infrastructures, Public, Industrial & Commercial Sector Business, Mobility & Electrical Components Business, and Field Service Engineering.

Specifically, we provide value in the form of “realizing green, safe, and stable electricity provision” in the field of Power Infrastructures; “contributing to building sustainable infrastructure” in the area of Public, Industrial & Commercial Sector Business; “contributing to the realization of cutting-edge technology and technological innovation for mobility” in the area of Mobility & Electrical Components Business; and “realizing a secure and safe society through maintenance services” in the area of Field Service Engineering Business.

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



Activities to Realize Our Environmental Vision

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

<Reducing greenhouse gas emissions>

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

B. Working Toward the Realization of a Recycling Society

<Promoting the 3Rs>

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

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

<Conservation of natural resources>

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

D. HR and Communication

<Professional development and communication>

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

Strategy

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

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

The Meiden Group aims for Carbon Neutrality by 2050. As an interim step, we upwardly revised our FY2030 greenhouse gas emission reduction targets. As the Second Meiden Environmental Vision, we aim for a 30% reduction of emissions from business activities (scope 1+2), and a 15% reduction of emissions from product use (scope 3, category 11) by FY2030 compared to FY2019 levels. These targets received SBT certification as they were recognized by the Science Based Targets (SBT) initiative*1 as being consistent with the Paris Agreement*2

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



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

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

To attain these targets, we joined the Ministry of the Environment’s “FY2020 project to support model businesses in compiling a plan to reduce CO2 emissions toward realizing SBTs.”*3 With that support, Meiden has compiled the FY2021 version of the Meiden Group’s plan to reduce greenhouse gas emissions toward attaining SBTs. This plan outlines initial ideas for an implementation plan and specific reduction measures to implement long-term reduction measures by the target year stated in the Second Meiden Environmental Vision, and thus we are considering setting even higher targets.

*3 FY2020 project to support model businesses in compiling a plan to reduce CO2 emissions toward realizing SBTs: A project of the Ministry of the Environment, intended to promote concrete reductions to help companies achieve their medium- to long-term targets. In FY2020, five companies were selected to participate: TOKYU FUDOSAN HOLDINGS CORPORATION, NISSIN FOODS HOLDINGS CO., LTD., FamilyMart Co., Ltd., Benesse Corporation, and MEIDENSHA CORPORATION.

Major Initiatives to Achieve Greenhouse Gas Emission Reduction Targets

Main Measures to Cut Greenhouse Gas Emissions

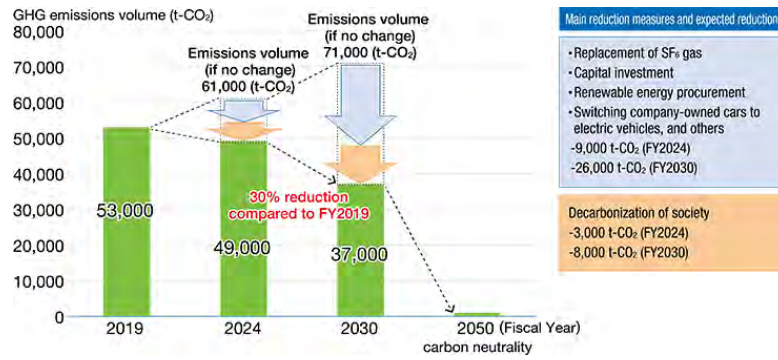
FY2030 greenhouse gas emissions reduction targets	Reduction measures (extract)
Emissions from business activities (scope 1+2) 30% reduction (compared to FY2019)	<ul style="list-style-type: none"> Replacing SF₆ gas (replacing with dry air, etc.) Capital investment (replacing aging equipment, introducing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

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

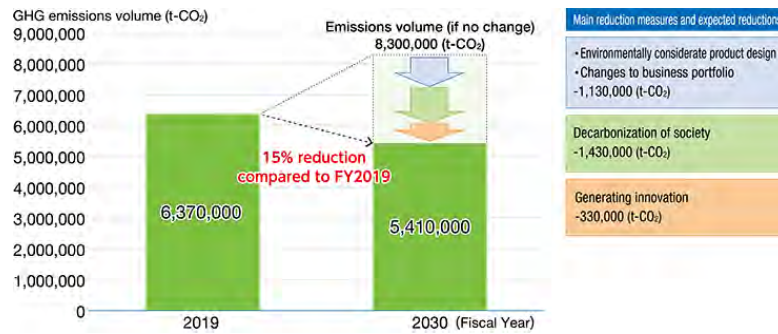
Transition plan for becoming carbon neutral

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			Replace gas with electricity	
	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						Nagoya	
Switching company-owned cars to electric vehicles	Procure renewable energy in Germany, use solar in India, partially use solar in USA, Vietnam, Thaila					Oversea	
	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					
	Revising business portfolio	SF ₆ gas-free					
		Increase percentage of EV-related, maintenance services, small to medium hydroelectric systems, etc					

Scope 1 and 2 reduction measures and results



Scope 3, category 11 reduction measures and results



Promotion of Ongoing Activities

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

Deployment to the Action Plans



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

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

FY2022 Environmental Targets and Results

Targets and level of achievement for FY2022, which is the second year of Medium-term Management Plan 2024, are as follows.

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

Achievement of FY2022 Environmental Targets

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

Strategic Targets	Actions	FY2022 Environmental Targets (Japan)	FY2022 Results	Rating
Contribute to environment through products and services	Promote environmentally conscious design	GHG reduction contribution by ECBs: 8,000,000 tons	13,542,000 tons	☆☆☆
		Build a foundation for scope 3, category 11 reductions (build system, establish standards)	Revised product environmental assessments, implemented super green product system, built system for calculating product-specific emissions intensities	☆☆☆
Reduce the environmental impact of business operations	Reduce greenhouse gas emissions	Japan: Total emissions (Scope 1+2): -5% (compared to FY2019)	-7% (compared to FY2019)	☆☆☆
		Overseas*1: Total emissions (scope 1+2): -2% (compared to FY2019)	+1.8% (compared to FY2019)	☆☆
	Manage chemicals properly	VOC emissions: 80 tons or less	68 tons	☆☆☆
	Promote the 3Rs	Total waste: -5% (compared to FY2017) All sites in Japan (excludes Construction Service Business Units)	+0.1% (compared to FY2017)	☆
		Zero waste emissions*2 at 10 sites*3: 1% or less final waste emissions	1.7%	☆
	Conserve water resources	Promotion of efficient water use: 4 main manufacturing sites*4	Considered redevelopment of wastewater facilities Repaired underground water supply piping	☆☆☆
	Conserve biodiversity	Conservation of ecosystems: 4 main manufacturing sites*4	Removed introduced species, conducted red pine conservation activities, tree-planting activities, and river cleanup	☆☆☆
Promote environmental management	Strengthen value chain management	Green procurement rate (own standards): 90% or greater	91%	☆☆☆

*1 Main overseas production sites

*2 The Meiden Group's definition of zero waste emissions: Recycle at least 99% of total output (excluding construction sludge) of waste, etc. (industrial waste, ordinary waste, and valuables).

*3 Scope of zero waste emissions initiatives: manufacturing sites in Japan [Numazu Works, Ota Works, Nagoya Works, KOFU MEIDENSHA ELECTRIC MFG. CO., LTD., MEIDEN CHEMICAL CO., LTD. (Sagami Works), HOKUTO DENKO CORPORATION (Atsugi Works)], EAML Engineering CO., LTD., Engineering Service Business Units and two Construction Service Business Units

*4 Four main sites: Numazu Works, Ota Works Development and Laboratory, Nagoya Works, and KOFU MEIDENSHA ELECTRIC MFG. CO., LTD.

FY2023 Environmental Targets

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

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

The environmental targets for FY2023 are as follows. For the target of zero waste emissions, we are changing the standard to a final disposal rate of 1.0% or less.

FY2023 Environmental Targets

Strategic Targets	Actions	FY2023 Environmental Targets (Japan)
Contribute to environment through products and services	Promote environmentally conscious design	9.0 million-ton reduction in GHG emissions by Environment-Contributing Businesses*1
		Develop a plan for scope 3, category 11 reductions (create systems and develop a standard)
Reduce the environmental impact of business operations	Reduce greenhouse gas emissions	Japan: Total emissions (scope 1+2): -8% (compared to FY2019)
		Overseas: Total emissions (scope 1+2): -3% (compared to FY2019)
	Manage chemicals properly	VOC emissions: 75 tons or less
	Promote the 3Rs	Total waste: -6% (compared to FY2017): All sites in Japan (excluding Construction Business Unit)
		Final disposal rate 1.0% or less: Main sites in Japan *2
	Conserve water resources	Promote redevelopment of wastewater treatment facilities
Conserve biodiversity	Conservation of ecosystems in green spaces (reduced agricultural chemicals, elimination of introduced species, etc.): 4 main manufacturing sites*3	
Promote environmental management	Strengthen value chain management	Green procurement rate (own standards): 90% or greater

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

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

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

Environmental Management

Policy

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

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

Organization

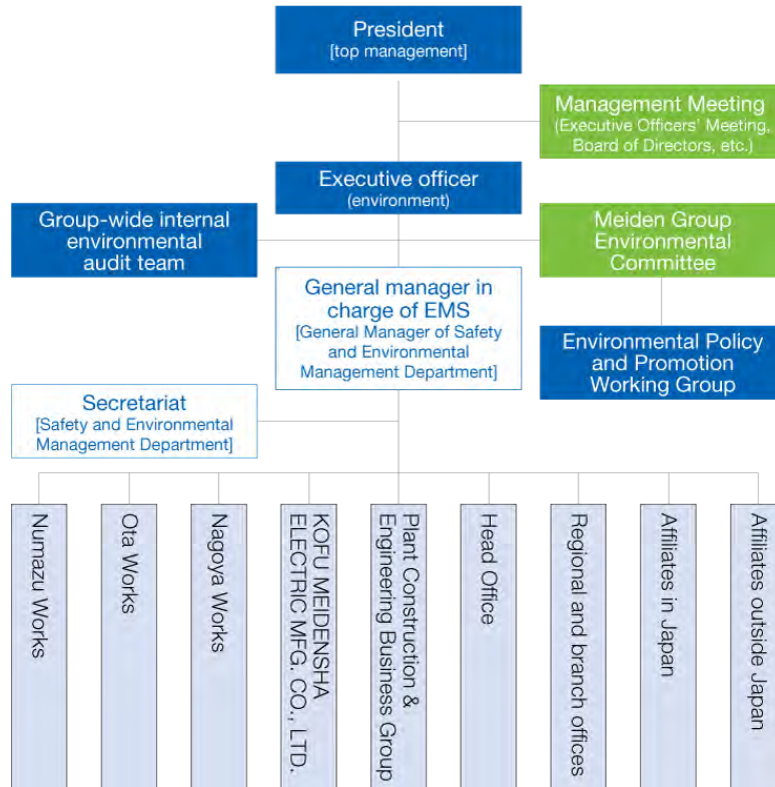
Environmental Management Promotion Organization

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

In addition, our Group-Wide internal environmental audit team, an independent organization, audits environmental management initiatives, legal compliance, EMS effectiveness, and more, and offers ideas for improvement.

The executive officer (environment) chairs the Meiden Group Environmental Committee (MGEC), our highest decision-making body for environmental initiatives. The MGEC identifies issues to address, including risks relating to climate change and the like, sets environmental targets and formulates action plans, conducts management reviews, responds to emergency situations, reviews and reports on environmental measures and working groups (WGs), and sets environmental management policy directions.

For the most important issues, the executive officer (environment) and GM in charge of EMS consult with the Executive Officers' Meeting, Board of Directors, and the like and then acts as decided by top management.



Council	Objective/overview
Management Meeting	Taking account of internal and external issues, it sets the business direction and strategy of the Meiden Group as a medium-term management plan and annual profit plan.
Meiden Group Environmental Committee	Its objective is to set a unified environmental management policy for the Meiden Group overall and smoothly operate an environmental management system, following the Meiden Group Environmental Health and Safety Management System Manual.
Environmental Policy and Promotion Working Group	It establishes working groups to conduct a detailed review of individual environmental issues.

Responding to Environmental Risks and Opportunities

Phenomena (issues) related to environment	Risks	Opportunities	Carrying out initiatives
<p>Government (political) Laws and Regulations</p> <ul style="list-style-type: none"> Carbon neutrality and mitigation of climate change Adapting to climate change Accelerating expansion into new energy and renewable energy markets, and carbon-free energy systems Strengthening partnerships with municipal governments, etc. 	<ul style="list-style-type: none"> Effects of cooperation throughout the value chain Rising insurance premiums Electricity market: More new players Intensified competition with other industries 	<ul style="list-style-type: none"> Increased demand for environment-friendly type products Increased opportunities in the primary and tertiary industry markets New energy, renewable energy, and VPP market expansion Proposals for urban development and business expansion 	<ul style="list-style-type: none"> Promoting environmental management Expanding products' contribution to the environment
<p>Economy</p> <ul style="list-style-type: none"> Carbon pricing Automobile electrification and digitalization Sustainability management and CSV approach 	<ul style="list-style-type: none"> Increased prices Zero value chain CO₂ emissions in the future Withdrawal of investors due to being seen as half- 	<ul style="list-style-type: none"> Expanded nonuse fossil fuel, new energy, and renewable energy markets Expanded EV motor/inverter market 	<ul style="list-style-type: none"> Expanding products' contribution to the environment Promoting environmental communication

Phenomena (issues) related to environment	Risks	Opportunities	Carrying out initiatives
<ul style="list-style-type: none"> • Medium- to long-term economic growth of developing countries • Poorer earnings due to instability of world economy (bank failures, wildly fluctuating exchange rates, etc.) 	<ul style="list-style-type: none"> • heared in carbon reduction efforts • Overseas compliance • Pressure on environmental management resources 	<ul style="list-style-type: none"> • Increased corporate value through information disclosure • Conducting growth investments (overseas markets) • Accelerating improvement of operational efficiency 	<ul style="list-style-type: none"> • Promoting environmental health and safety management • Environmental audits of overseas production sites
<p>Society</p> <ul style="list-style-type: none"> • Efficient utilization of resources and active utilization of recycled materials • Expanding businesses that contribute to the environment and products that contribute to GHG reduction • Response to CDP, SBT, TCFD, TGIF, etc.* • Expansion of responsibility to the value chain • Change of lifestyle (ecological orientation) and adoption of Sustainable Development Goals (SDGs) • Fair labor and employment conditions • Post COVID-19 and coexisting with COVID-19 initiatives <p>* TGIF: A section of the Climate Innovation Finance Strategy proposed by METI in September 2020. This favors finance (F) towards transition (T), green (G), and innovation (I), rather than a dualistic approach, in order to achieve the SDGs and the Paris Agreement.</p>	<ul style="list-style-type: none"> • Increased costs due to utilization of recycled materials • Reduced product competitiveness • Reduced corporate value • Risks to the value chain (procurement and seeking responsibility) • Decreased employee awareness • Increased reputational and litigation risks • Loss of corporate value as a so-called black company • Increased gap between companies 	<ul style="list-style-type: none"> • Reduced costs due to decreased reliance on scarce resources, and reduced emissions • Increased corporate value due to expansion of businesses that contribute to the environment and products that contribute to GHG reduction • Reputation as a problem-solving company • Enhanced value chain • Increased awareness, unified goals of employees, etc. • Initiatives to incorporate SDGs and information disclosure • Work-style reform initiatives • Creation of new businesses and work-style reforms 	<ul style="list-style-type: none"> • Promoting environmentally considerate design • Expanding products' contribution to the environment • Promoting environmental/health and safety communication • Strengthening value chain management • Reform of environmental/health and safety awareness
<p>Technology</p> <ul style="list-style-type: none"> • High-efficiency power transformer technology • Evolution of ICT and IoT technology and accelerated digital transformation • Diversification and efficiency of maintenance services • Evolution of virtual reality (VR) and augmented reality (AR) 	<ul style="list-style-type: none"> • Increased new players (IT companies) • Industrial accidents due to ignoring risks 	<ul style="list-style-type: none"> • Increased demand for environment-friendly type products • Utilizing ICT and IoT and strengthening system technologies and product capabilities • Enhanced rollout of one-stop services • Realistic experiences of accidents and disasters 	<ul style="list-style-type: none"> • Expanding products' contribution to the environment

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

ISO 14001 Certification Status (as of March 31, 2023)

We are expanding the scope of bodies certified under ISO 14001, the international standard for environmental management systems. In Japan, Meidensha and 20 affiliated companies have finished earning certification. Overseas, 12 companies, mainly manufacturing sites, have finished earning certification.

Certification Status in Japan

Company Name		Date of Certification Acquisition
1	MEIDENSHA CORPORATION*	February 24, 1998
2	MEIDEN SHOJI CO., LTD.	
3	KOFU MEIDENSHA ELECTRIC MFG. CO., LTD.*	
4	MEIDEN SYSTEM MANUFACTURING CORPORATION*	
5	MEIDEN KIDEN KOGYO CO., LTD.*	
6	MEIDEN KOHSAN CO., LTD.	
7	MEIDEN SYSTEM SOLUTIONS CORPORATION	
8	MEIDEN PLANT SYSTEMS CORPORATION*	
9	M WINDS CO., LTD.	
10	MEIDEN UNIVERSAL SERVICE LTD.	

Company Name		Date of Certification Acquisition
11	MEIDEN AQUA BUSINESS COMPANY	
12	MEIDEN TECHNO SYSTEMS CO., LTD.*	
13	MEIDEN MASTER PARTNERS CORPORATION	
14	MEIDEN O&M CORPORATION	July 31, 2003
15	MEIDEN ENGINEERING CORPORATION	November 20, 2012
16	MEIDEN CHEMICAL CO., LTD.*	
17	MEIDEN FACILITY SERVICE CORPORATION	November 18, 2015
18	HOKUTO DENKO CORPORATION*	October 3, 2013
19	EAML Engineering CO., LTD.*	March 5, 2004
20	MEIDEN NANOPROCESS INNOVATIONS, INC.*	January 12, 2022

* Companies with manufacturing plants

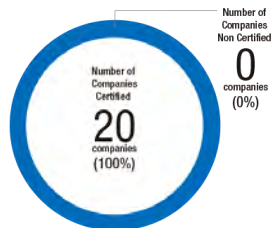
Certification Status Overseas

	Company Name	Area	Date of Certification Acquisition
1	MEIDEN ZHENGZHOU ELECTRIC CO., LTD.*	Zhengzhou, China	October 9, 2013
2	MEIDEN HANGZHOU DRIVE SYSTEMS CO., LTD.*	Hangzhou, China	April 7, 2008
3	SHANGHAI MEIDENSHA CHANGCHENG SWITCHGEAR CO., LTD.*	Shanghai, China	January 11, 2016
4	P.T. MEIDEN ENGINEERING INDONESIA	Indonesia	December 19, 2018
5	MEIDEN MALAYSIA SDN. BHD.	Malaysia	October 10, 2018
6	MEIDEN METAL ENGINEERING SDN.BHD.*	Malaysia	October 9, 2014
7	MEIDEN SINGAPORE PTE. LTD.*	Singapore	February 8, 2010
8	THAI MEIDENSHA CO., LTD.	Thailand	July 1, 2009
9	TRIDELTA MEIDENSHA GmbH.*	Germany	July 13, 2015
10	MEIDEN T&D(INDIA)PRIME MEIDEN LIMITEDLTD.*	India	January 26, 2015
11	MEIDEN AMERICA SWICHGEAR, INC.*	USA	September 29, 2021
12	VIETSTAR MEIDEN CORPORATION*	Vietnam	February 4, 2023

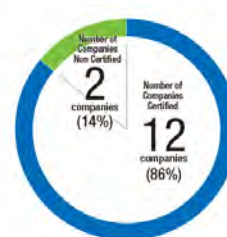
* Company with manufacturing plants

Percentage of Companies Certified in Japan/Overseas

Number of certified companies in Japan



Number of certified companies overseas



Internal Environmental Audits

We conduct internal environmental audits separate from the external audits we get from ISO 14001 registrars. Internal audits confirm the state of improvement on concerns pointed out in external audits and check up on audit items that are marked as priorities for that fiscal year. As for overseas sites, we have taught new manufacturing sites how environmental performance data is used and carefully examined data collection initiatives and the data itself.

In FY2022, our audits prioritized “environmental factors and evaluating environmental impact,” “checks of compliance obligation initiatives,” “improving human resources,” and “legal requirements (laws on industrial waste and plastic resource circulation).” We determined that the Group was conforming to ISO 14001:2015 requirements overall and functioning effectively.

If any concerns are pointed out during internal environmental audits, we take them as an opportunity for improvement and incorporate them into further improvement initiatives.

Environmental Information Management System

The Meiden Group uses an “environmental information management system” that we put in place to manage and analyze environmental impact in our business activities.

The system collects and centrally manages information on environmental impact of business activities (such as automotive fuel, energy, waste, chemical substances, and water use) at Meiden Group manufacturing sites and offices, even those outside Japan.

The information so collected is used as basic data for efforts to lower environmental impact. It is also useful to ensure proper filings of information as required by the Act on Rationalizing Energy Use and Shifting to Non-fossil Energy, Act on Promotion of Global Warming Countermeasures, the electrical and electronic equipment industry’s “Carbon Neutrality Action Plan,” and Japanese PRTR system for reporting chemical releases and transfers.



Analysis of environmental impact with environmental information management system

Compliance with Environmental Regulations

Each Meiden Group work site and affiliated company sets and follows voluntary standards stricter than applicable laws and regulations. This ensures we remain in legal compliance. If a legal violation or incident does occur, our rules state that management shall be notified within three hours.

In FY2022, there was one incident involving soil and groundwater exceeding standards in some samples. There were no serious violations of environmental laws or regulations (including water intake, wastewater, other waste, and harmful chemicals). We did not receive any complaints regarding noise or odor.

Results Data

Incidents relating to voluntary standards cases

	Date	Location	Content	Response measures, etc.
1	June 2022	Nagoya Works	In connection with a building construction review, soil and groundwater at the site were studied and specific toxic substances exceeding standards were detected in some samples.	The contaminated area is covered with concrete pavement, etc., and there is no risk of contamination being spread by factors like soil dispersion or rainwater. We believe that there is no health hazard to nearby residents. However, we have monitored the groundwater under the guidance of Aichi Prefecture, placing the highest priority on not disturbing nearby residents.

Breaches of Environmental Laws (Record)

FY2020	FY2021	FY2022
0	0	0

Environmental Fines (Record)

FY2020	FY2021	FY2022
0	0	0

Environmental Accounting (FY2022)

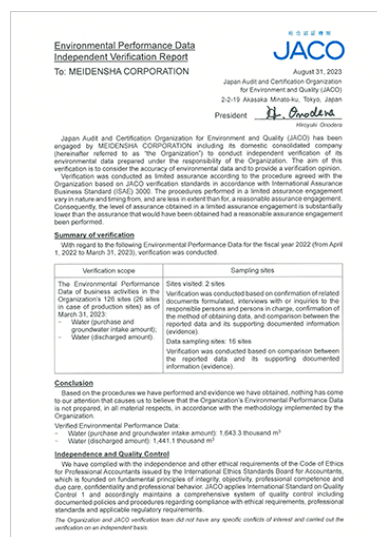
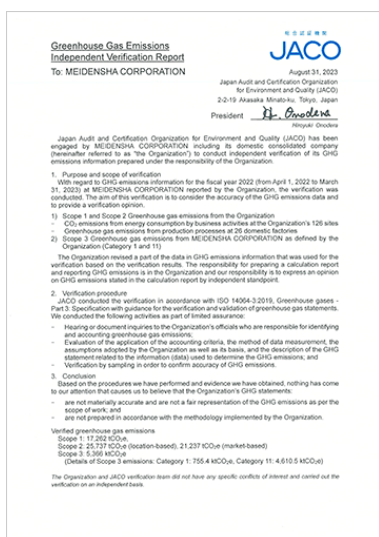
We quantify costs, etc., relating to environmental activities, with reference to the Ministry of the Environment's "Environmental Accounting Guidelines 2005."

Environmental Protection Costs		Investment (million yen)
Business area costs	Implementation of new energy-saving devices, etc.	2,328
R&D costs	R&D costs for environmentally conscious products, etc.	9,516

* Scope of calculation: Meidensha (non-consolidated); period covered: April 2022–March 2023

Third-Party Verification

In order to ensure the release of more accurate and reliable environmental performance data for FY2022, we have been examined by the Japan Audit and Certification Organization for Environment and Quality.



Click pics to enlarge.

Target Items

Amount of greenhouse gas emissions		Scope of calculation	
Scope 1	17,262 t-CO ₂ e	Scope 1 and 2 greenhouse gas emissions from the business activities of Meidensha and domestic Group companies during the period from April 1, 2022 to March 31, 2023.	
Scope 2	25,737 t-CO ₂ e (location basis)		
	21,237 t-CO ₂ e (market basis)		
Scope 3	(Category 1)	755.4 kt-CO ₂ e	Category 1 emissions (scope of calculation is based on Meidensha's determination) from the business activities of Meidensha during the period from April 1, 2022 to March 31, 2023.
	(Category 11)	4,610.5 kt-CO ₂ e	Category 11 emissions (scope of calculation is based on Meidensha's determination) from the products and services of Meidensha during the period from April 1, 2022 to March 31, 2023.
Water	Usage volume (Amount of water purchased and water intake)	1.6433 million m ³	Water usage volume (amount purchased and amount collected) from the business activities of Meidensha and domestic Group companies during the period from April 1, 2022 to March 31, 2023.
	Discharged water volume	1.4411 million m ³	Discharged water volume from the business activities of Meidensha and domestic Group companies during the period from April 1, 2022 to March 31, 2023.

Assessment Standards

JACO certification standards based on ISO 14064-3 and ISAE3000

ISAE3000:	International Standard on Assurance Engagements (ISAE) 3000
ISO14064-3:	Specification with guidance for the validation and verification of greenhouse gas assertions

Expand businesses that contribute to the environment

Policy

We are actively promoting initiatives that contribute to the environment in order to “realize a more affluent future” by leveraging our technology and experience honed over many years.

Performance Data

Contributions to the Mitigation of Climate Change by Reducing Product and Service CO₂ Emissions

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

In FY2021, we have set a target of 950,000 tons/year of environmental contribution (the expected reduction in CO₂ emissions from products sold). We were unable to achieve our goal, with an emissions reduction of 736,000 tons/year due to factors such as the reduction in power generation as a result of the repair work of Hachiryu Wind Farm. In FY2022, we changed the name of “environmental contribution” to “GHG reduction contribution,” and we have set GHG reduction contribution targets using calculation methods that are comparable to standard products and services around the world. We set a GHG reduction contribution target of 8 million tons/year in FY2022. We achieved the target, having reduced emissions by 13,542,000 tons/year thanks to robust orders and a stronger production management system. Applicable products and services include the wind power sales business, photovoltaic power generating systems, hydroelectric power generation equipment, and electrical equipment for electric vehicles.



Choshi Shiosai Wind Farm



Photovoltaic PCS



Integrated motor/inverter/gear box drive unit

GHG Reduction Contribution Volume (Former Environmental Contribution Volume)

Subject products/businesses	GHG reduction contribution in FY2022 (10,000 t-CO ₂)	Approach to calculating GHG reduction contribution
Wind power sales business*	3.9	Emissions curbed if grid power replaced by renewable energy generation
Photovoltaic generation systems	0.0	
Power conditioners for photovoltaic generation	1.9	
Power conditioners for storage batteries	0.0	
Hydro turbine generators	1,016.7	
Railway regenerative inverters	0.3	Emissions curbed by replacing conventional Meidensha goods (lowering energy losses)
Electrical equipment for electric vehicles	108.6	Emissions curbed if replacing gasoline vehicle of same grade
Control equipment and motors for electric forklifts	219.4	
Cubicle-type dry air insulated switchgear (Eco C-GIS)	0.0	Emissions curbed by not using SF ₆ gas
Ecotank type vacuum circuit breakers	3.4	
Total	1,354.2	

* Calculated by multiplying the difference in volume of CO₂ emissions at the point of use, by the expected life and annual sales volume. However, wind power generation is calculated based on annual power generation performance.

Initiatives

Wind Power Sales Business

M WINDS Co., Ltd. and its affiliates operate a wind power sales business and supply renewable energy from three locations* in Japan (30 wind turbines with a generating capacity of 51,000 kW).

They conduct environmental assessments when constructing and installing wind power generators, investigating, predicting, and evaluating impacts from various perspectives, such as that on ecosystems, and implement environmental protection measures as appropriate while considering the opinions of local governments and residents.

- * Hachiryu Wind Farm (Akita Prefecture): 18 wind turbines with a generating capacity of 28,000 kW
- Wajima Community Wind Farm (Ishikawa Prefecture): 10 wind turbines with a generating capacity of 20,000 kW
- Choshi Shiosai Wind Farm (Chiba Prefecture): 2 wind turbines with a generating capacity of 3,000kW



Hachiryu Wind Farm



Wajima Community Wind Farm

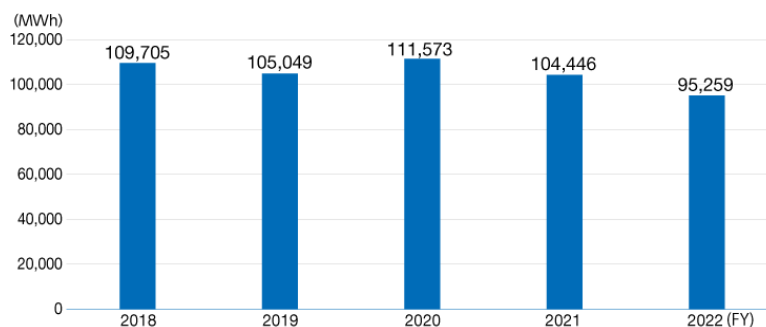


Choshi Shiosai Wind Farm

Aiming for increased utilization of wind power

In FY2022, the amount of electricity generated was 95,259 MWh, partly due to wind conditions. We aim to further improve the operating rate in order to increase the GHG reduction contribution in future.

Transition of Total Power Generation Performance



Power Conditioner System for Photovoltaic Generation

Power conditioners system (PCS) is the most essential part of photovoltaic generation systems. We have consistently supplied transformer-in PCS with a built-in commercial frequency isolation transformer that emphasizes safety and security so far. PCS with 500kW output has the highest conversion efficiency of 98.7% in the world. Container type and outdoor storage cubicle type packaged with a set of equipment are also available.

Hydroelectric Power Generation Equipment

Hydroelectric power is a form of renewable energy that enables steady generation of electricity throughout the year. Meidensha has delivered many small, medium, and large generators to customers in Japan and overseas.

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



Hydroelectric power generation equipment

Electrical Component for Electric Vehicles

Meidensha supplies motors and inverters installed in electric vehicles, which are becoming more common throughout the world. We promote the development of technology and products for EV and HEV drive systems. One of our new initiatives was to commercialize Meiden e-Axle, which is an integrated motor/inverter/gear (decelerator) product.

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

Ecotank Type Vacuum Circuit Breakers (VCB)

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

In 2022, we received the 2022 Environment Minister's Commendation for Global Warming Prevention Activity.

we received the 2022 Environment Minister's Commendation for Global Warming Prevention Activity  [>](#)

- * SF₆ gas: A chemically stable, non-toxic, odorless, colorless, non-flammable gas with three times the ability to withstand voltage of air at the same pressure. However, it has 23,500 times the effect on global warming of CO₂ and was listed as a controlled gas in the Kyoto Protocol to prevent global warming.



145kV tank type VCB

Field Engineering Business (Maintenance and Servicing)

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

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



Thermal imaging analysis at walk through



Replacement of equipment

Promoting Environmentally Conscious Design

Policy

Promote environmentally conscious design

The Meiden Group is promoting development of environmentally conscious products that reduce our impact on the environment.

Product environmental assessment

Any time we develop a new product, we evaluate it for energy and resource conservation, recyclability, environmental safety, and more, based on our Product Environmental Assessment Standard. If a product meets those standards, we certify it as a Meidensha Green Product.

To create products that are even more environmentally conscious and contribute to the decarbonization of society, we have also introduced and begun operating a system of “super green products,” which are even better than green products.

For the evaluation item “consideration of lifecycle,” we calculate CO2 emissions according to a life cycle assessment (LCA), and we encourage environmentally conscious design in order to reduce CO2 emissions.



Life cycle assessment (LCA) initiatives

The Meiden Group conducts an assessment of the environmental impact of a product throughout its life cycle, from procurement of components through to disposal, in accordance with our Guidelines for Environmental Action. We use the LCA method to quantify the environmental impact of products and services, which helps us to improve environmental performance at the design and development stage and to conduct product explanations to customers and PR, etc.



Environment label (type II) indicating conformity with Meidensha Green Product standards

Product environmental assessment standards

Classification	Items
Product volume reduction	<ul style="list-style-type: none"> • Weight reduction • External dimensions and capacity • Reduction of number of components
Energy and resource conservation	<ul style="list-style-type: none"> • Reduction of power consumption • Water saving • Reduction of consumables • Reduction of packaging volume (reduction of plastic packaging)
3R	<ul style="list-style-type: none"> • Use of recycled materials • Separability of materials • Ease of collection and transport
Long-term usability	<ul style="list-style-type: none"> • Maintainability • Reliability and durability
Prohibited substances	<ul style="list-style-type: none"> • Environmental friendliness
Life cycle consideration	<ul style="list-style-type: none"> • Reduction of life cycle environmental impact • Disclosure of information concerning evaluation of environmental impact
Environmental safety	<ul style="list-style-type: none"> • Danger of fire or explosion • Danger at time of dismantlement • Environmental measures
Other	<ul style="list-style-type: none"> • Entered contests for national-level awards • Top runner products (compared to other companies)

A Meiden Green Products Registered in FY2022

[Product] IoT Controller

In response to the shortage of new engineers due to the declining birth rate and aging population, railroad operators are increasingly practicing CBM (Condition-Based Maintenance) and labor-saving patrols and inspections using ICT technology. The purpose is to perform facility maintenance as efficiently as possible.

To meet this need, we developed an IoT controller that collects and stores information from sensors and measuring devices and transmits it to a host device.

This contributes to safe and secure facility operation by enabling operators to remotely monitor equipment and conditions and streamlining the time and travel required for patrol inspections.

This product has the following advantages over its predecessor.

- Reduces equipment energy consumption
- More efficient maintenance to lower running costs
- Reduces GHG emissions resulting from travel for patrol inspections



Lifecycle CO₂ Emissions

54 %

* Percentage based on previous model of equivalent Meidensha product

Lifecycle CO₂ Emissions



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

Management of chemical substances in products

Initiatives

Management of chemical substances in products

Management of chemical substances in products We operate an “Environmental BOM*1 Management System” that collect and communicate information concerning chemical substances contained in products through a cloud-based Web system.

We work to share information with suppliers of components, materials, etc., through explanatory sessions, individual consultations, etc., using chemSHERPA*3 operated by JAMP*2. We register the chemSHERPA*3, etc. provided by our suppliers with the Environmental BOM Management System to determine the aggregation of chemical substances contained in each product and compliance with regulations.

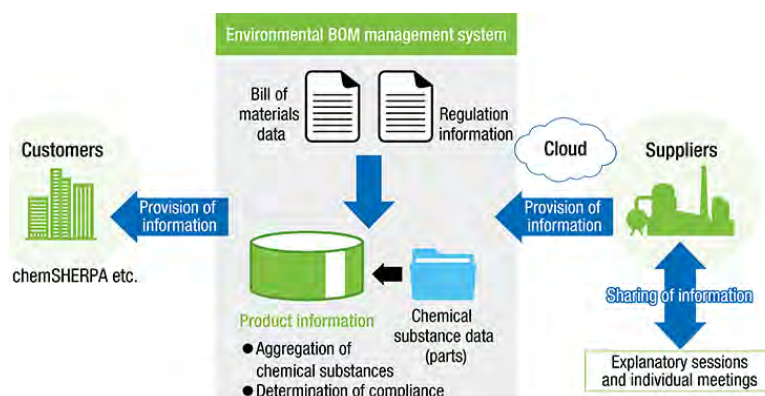
*1 BOM: Bill of Materials

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

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

eidensha is a member of JAMP [🔗](#)

Diagram of Environmental BOM



Climate Change

Awareness

Since its establishment in 1897, Meidensha has produced a range of technologies, products, and services and contributed to the development of a sustainable society in its role as a manufacturing company. In particular, we are deeply involved with decarbonization and reduction of carbon through power generation systems that utilize renewable energy sources such as solar, wind, and small to medium hydroelectric, as well as energy solution services such as smart grids. Through these eco-friendly products and services, we aim to achieve a sustainable society and are working to reduce greenhouse gas emissions from business activities.

Governance

Monitoring of Climate Change by the Board of Directors

Monitoring of the Risks and Opportunities Created by Climate Change at the Level of the Board of Directors

As the highest decision-making body with regard to environmental activities, the Meiden Group Environmental Committee, which is chaired by the Executive Officer (Environment), identifies issues including risks posed by climate change and deliberates concerning environmental targets, action plans, and emergency response, etc., as well as determining environmental management direction. As part of its role, the Environmental Committee refers important matters to the Executive Officers' Meeting and the Board of Directors, etc., to initiate activities based on executive-level decision-making.

EMS Promotion Organizations >

Indicators

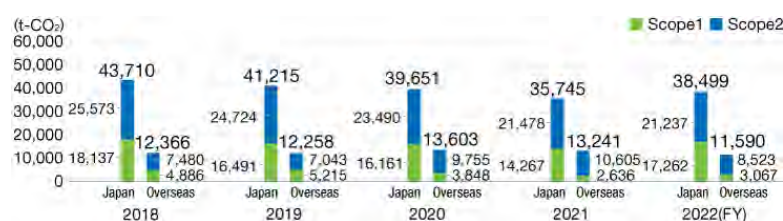
Amount of Greenhouse Gas Emissions

Scope 1 and Scope 2 emissions

To enhance our activities for mitigating environmental impact, we use internal carbon pricing and source CO₂-free electricity (in FY2022, more sites began to source CO₂-free electricity, including KOFU MEIDENSHA ELECTRIC MFG. CO., LTD. and MEIDEN NANOPROCESS INNOVATIONS, INC.). As a result, Scope 2 emissions fell even as production increased. On the other hand, Scope 1 emissions increased in FY2022 due to a leak of SF₆ gas from equipment used to recover it. In response to that incident, we refurbished the recovery equipment and put a stronger check system in place. We will continue working to control Scope 1 and 2 emissions.

		FY2019		FY2020		FY2021		FY2022	
		Japan	Overseas	Japan	Overseas	Japan	Overseas	Japan	Overseas
Scope1	Direct emissions from in-house use of fuel, etc.	16,491	5,215	16,161	3,848	14,267	2,636	17,262	3,067
Scope2	Location basis	24,980	7,043	24,479	9,755	25,160	10,605	25,737	8,523
	Market basis	24,724	-	23,490	-	21,478	-	21,237	-

Amount of Greenhouse Gas Emissions (Scope 1 and 2) – Emissions from Business Activities



Scope 1: Direct Emissions Combustion of fuel (town gas and oil, etc.) and release of greenhouse gasses (SF₆ and CFCs, etc.)

Scope 2: Indirect Emissions Combustion of fossil fuel to generate electricity (electricity company) that is consumed by the company

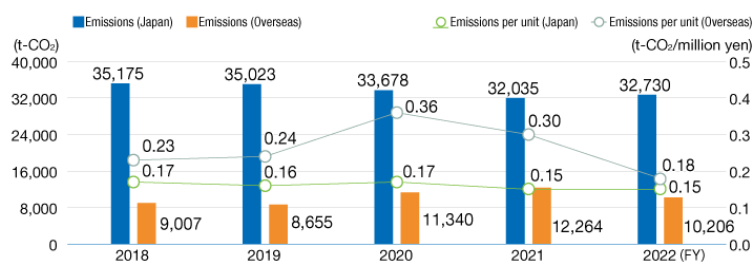
* Renewable energy produces zero emissions

Results Data

Amount of CO₂ Emissions from Energy Sources

In FY2022, we started aggregating environmental performance data for MEIDEN (HANGZHOU) DRIVE TECHNOLOGY CO., LTD., VIETSTAR MEIDEN CORPORATION, and MEIDEN AMERICA SWITCHGEAR, INC. As a result, although energy use has increased, the emission factor declined since we started using the International Energy Agency's (IEA) 2018 country-specific average factors in FY2022, leading to lower CO₂ emissions per unit of sales outside Japan.

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



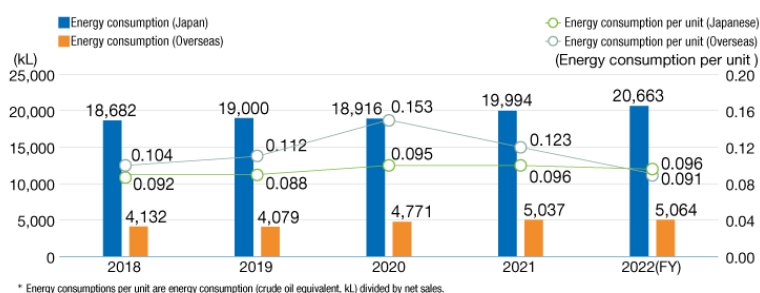
* Japanese emissions: The amounts of fuel oil and fuel gas are calculated referring to the "List of Calculation Methods and Emission Factors in the Calculation, Reporting and Publication System" for the relevant fiscal year published by the Ministry of the Environment. The amount of electric power is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

* Overseas emissions: The amounts of fuel oil and fuel gas are calculated referring to the emission factors by country published by the GHG protocol. The amount of electric power is calculated referring to the average emission factors by country in 2010-2012 published by the International Energy Agency (IEA). Since FY2022, we have used the 2018 average emission factors by country.

* Energy consumptions per unit are emissions (t-CO2) divided by net sales (million yen).

Energy Consumption (crude oil equivalent)

Energy consumption/energy consumption per unit of sales



* Energy consumptions per unit are emissions (t-CO2) divided by net sales (million yen).

Initiatives

Reduction of CO₂ Emissions from Business Activities

Introduction of Renewable Energy

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

Since FY2019, we have been working on sourcing electricity with non-fossil certificates and purchasing power from renewable sources.

In FY2022, KOFU MEIDENSHA ELECTRIC MFG. CO., LTD., one of our main production base in Japan, introduced renewable power and switched 30% of its electricity consumption to CO₂-free power. In addition, the new head office at MEIDEN KOHSAN CO., LTD. sources electricity produced by M WINDS CO., LTD.'s Choshi Shiosai Wind Farm through non-fossil certificates with tracking information.

FY2019	November: Began sourcing CO ₂ -free electricity from wind power through non-fossil certificates with tracking information at the Meiden R&D Center and Osaki Kaikan Hall.
FY2020	November: Signed power contract (special contract for renewable energy) at EAML Engineering CO., LTD. and began sourcing CO ₂ -free electricity, mainly from hydroelectric power.
FY2021	April: Signed power contract (Gunma Hydroelectric Power Source Plan) at Ota Works and began sourcing CO ₂ -free electricity from hydroelectric power. January: Signed power contract (Carbon F Plan) at Chiba R&D location of MEIDEN NANOPROCESS INNOVATIONS, INC. and began sourcing CO ₂ -free electricity from hydroelectric power.
FY2022	May: Signed power contract (Green Basic Plan) at KOFU MEIDENSHA ELECTRIC MFG. CO., LTD. and began sourcing 30% of the power it uses in the form of CO ₂ -free electricity from solar and wind power. May: Began sourcing CO ₂ -free wind power at headquarters of MEIDEN KOHSAN CO., LTD. using non-fossil certificates with tracking information.

FY2023	<p>July: Signed power contract at Meidensha's Numazu Works (Green Basic Plan) and began sourcing 20% of the power it uses in the form of CO₂-free electricity from solar and wind power.</p> <p>July: Signed power contract (Green Basic Plan) at Meidensha's Headquarters (ThinkPark Tower) and began sourcing CO₂-free electricity from solar and wind power, etc.</p>
--------	--

TOPICS

Promoting Internal Carbon Pricing

Internal carbon pricing is a mechanism to promote investment in equipment with a significant CO₂ reduction benefit. It works by setting a carbon price within a company and using it to calculate the cost of greenhouse gas emissions.

Meidensha introduced the internal carbon pricing system in April 2021. We will convert carbon emissions from capital investment plans to expenses using an internal carbon price through the system. It will be a tool to make investment decisions. At Meidensha, we initially set ¥3,000/t-CO₂ as the internal carbon price. However, after considering the Ministry of the Environment guidelines and the carbon price under the IEA's 1.5°C scenario, we raised our internal price to ¥15,000/t-CO₂, which applies to capital investment starting in FY2023. We will continue to promote reductions in greenhouse gas emissions in our business activities by considering environmental impact mitigation along with safety and productivity when making equipment investment decisions.

- Internal carbon price: 15,000 yen/t- CO₂
- Subject to application: Proposed equipment for FY2023 and beyond

Activity Results

There were 13 cases in FY2022 in which we applied internal carbon pricing. For example, we introduced equipment that is expected to significantly lower CO₂ emissions, such as replacing fluorescent lighting with LED bulbs at the Meiden R&D Center and replacing compressors and air-conditioning equipment at production plants.

Equipment subject to internal carbon pricing (FY2022)	1,462 (million yen)
Reduction due to internal carbon pricing*	3,708 (t-CO ₂)

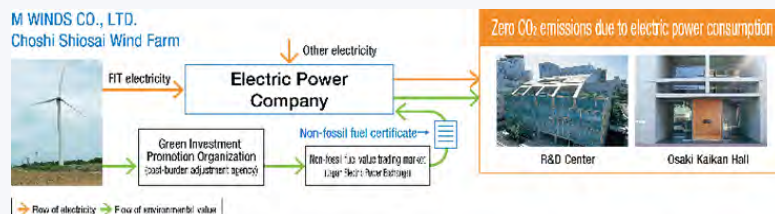
* Reduction is calculated based on the lifecycle (statutory useful life) of equipment.

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

Since November 2019, we have sourced electricity from effectively renewable energy sources for the Meiden R&D Center and Osaki Kaikan Hall with a combination of FIT*1 and non-fossil fuel certificates*2 with tracking information for Meiden Group subsidiary M WINDS CO., LTD.'s Choshi Shiosai Wind Farm. Through non-fossil fuel certificates containing tracking data, we are able to link electricity that is consumed by the R&D Center and Osaki Kaikan Hall to the environmental value of energy produced by Choshi Shiosai Wind Farm, demonstrating that we produce net zero CO₂ emissions. In this way, electricity consumption by Meidensha's R&D Center and Osaki Kaikan Hall produces net zero emissions.

Furthermore, using non-fossil fuel certificates with tracking information makes it possible to conform with the international initiatives RE100, which has the goal of obtaining 100% of the electricity required for business activities from renewable energy sources. This expands our options to effectively utilize existing wind farms.

As demand for electricity from renewable energy sources is rapidly increasing, with the aim of decarbonization, Meidensha will continue to work to reduce its environmental impact and provide products and services that contribute to a sustainable society.



*1 Feed-in tariff (FIT) scheme:

A system that obliges electricity companies to purchase electricity generated from renewable energy sources (solar, wind, hydro, geothermal, biomass) for a certain period of time. The system was launched in July 2012 in order to promote the use of renewable energy.

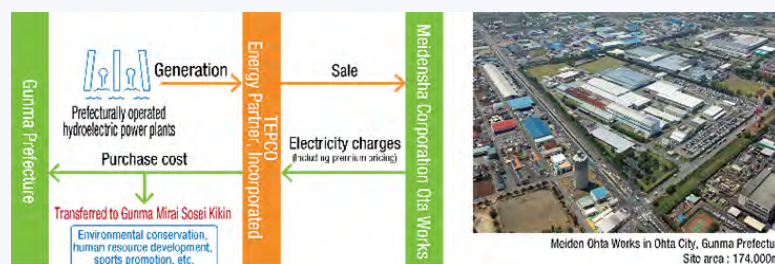
*2 Non-fossil fuel certificate:

A certificate issued by the Ministry of Economy, Trade and Industry that certifies the environmental value of electricity that does not create CO₂ emissions, such as electricity from renewable energy sources. Trading commenced through Japan Electric Power Exchange in May 2018, and a demonstration experiment that included tracking information (information that clearly states the type and location of energy source) in certificates commenced in March 2019.

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

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

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



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

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

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

*2 FY2019 power consumption: 7,123 MWh.

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

Double Winner of the FY2022 Environment Minister's Commendation for Global Warming Prevention Activity

MEIDENSHA CORPORATION and MEIDEN KOHSAN CO., LTD. (MEIDEN KOHSAN), a member of the Meiden Group, won an FY2022 Environment Minister's Commendation for Global Warming Prevention Activity in the category of pioneering introduction and proactive implementation. The two were praised for their efforts to implement ABW*1 and a multi-function PCS*2 manufactured by Meidensha at the new MEIDEN KOHSAN head office.

At the same event, Meidensha's independent effort to contribute to a decarbonized society by making the world's first Ecotank Type Vacuum Circuit Breaker (VCB) that does not use SF₆ gas also won an Environment Minister's Commendation for Global Warming Prevention Activity in the product development and commercialization category.

Product and Service Initiatives >

The Ministry of the Environment sponsors the Environment Minister's Commendation for Global Warming Prevention Activity to honor individuals and entities that have made outstanding achievements in alleviating climate change and adapting to it.

At the FY2022 event, the Meiden Group became the only business group to be a double winner.



(Left) Isato Kunisada, Parliamentary Vice-Minister of the Environment and Member of the House of Representatives

(Right) Takeshi Miida, Representative Director & President & Executive Officer, MEIDENSHA CORPORATION

*(As of December 2022)



The new MEIDEN KOHSAN head office

■ Category of pioneering introduction and proactive implementation (mitigation and adaptation)
Implementation of ABW and a multi-function PCS manufactured by Meidensha at the new MEIDEN KOHSAN head office

■ Overview of initiative

- MEIDEN KOHSAN's aging head office was rebuilt with an ABW layout. Windows were optimally placed to allow natural lighting to come in, lighting was replaced with LEDs, etc., resulting in major energy savings.
- A multi-functional PCS developed by Meidensha was introduced; it is used as a storage battery for power generated with solar panels; for charging and discharging power by EVs; and as a power source used at the new head office.
- Certified as being the highest rank in the Building-Housing Energy-efficiency Labeling System (BELS), as well as ZEB Ready*3 as defined by the Ministry of Economy, Trade and Industry
- Uses CO₂-free electricity generated by M Winds Co., Ltd., a Meiden Group company, thereby emitting no CO₂ in Scope 1 and 2 and reducing annual CO₂ emissions by about 49 tons.


*1: Activity Based Working.

A work style that allows employees to choose the time and place to work in a way that suits their type of job.

*2: Power Conditioning System.

A device to convert power generated by solar panels into power for the utility grid.

*3: ZEB Ready means that a building consumes at least 50% less primary energy (not counting renewable energy) compared to standard primary energy consumption.

Meiden, subsidiary receive the 2022 Environment Minister's Commendation for Global Warming Prevention Activity (PDF:271KB)  [>](#)

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 on holidays and at night.

TOPICS

Energy Saving Campaign

The Group held an Energy Saving Campaign with the aim of using energy more efficiently, spreading awareness of energy saving, and lowering energy costs. As part of this, employees were invited to propose ideas for improvements that would lead to energy savings. In addition, divisions that made outstanding energy-saving efforts at their respective offices and units received commendations.

Examples of Initiatives

1. Turning off unnecessary lighting

- (1) Normally keep lights off in unoccupied areas; use fewer lights in common areas
- (2) Be sure to turn off lights when away from the desk (when going to meetings, taking a break, or leaving the office at the end of the day)
- (3) Turn off lights to vending machines; turn off neon "MEIDEN" sign on top of main building at Numazu Works

2. Strictly controlling air-conditioner operations

- (1) Set air-conditioning to save energy but still be reasonably comfortable (suggested settings: 28°C in summer, 20°C in winter); use timer to control operations
- (2) Practice Cool Biz and Warm Biz: wear light clothing and avoid wearing neckties in seasons when the workplace is being cooled and wear layered clothing in seasons when it is being heated
- (3) Limit the number of air-conditioning units operating 24 hours a day
- (4) Inspect filters when doing basic air-conditioner inspections and clean filters when doing major cleanings

3. Saving power with office equipment

- (1) Put PCs into power-saving mode
- (2) Turn monitors off when away from the desk; lower monitor brightness (but keep bright enough)
- (3) Reduce the number of laser printers and multi-function printers in use

4. Introducing energy-saving equipment

- (1) Introduce energy-saving equipment based on internal carbon pricing evaluation
- (2) Switch to LED lighting and top-of-line equipment; replace air conditioners with energy-saving equipment; build solar houses at work sites
- (3) Reduce standby power consumption by reviewing the operating conditions of equipment such as conveyors and compressors

Initiatives and Results Data

Reducing Emissions of Greenhouse Gasses Other than CO₂

The Meiden Group's emissions of greenhouse gasses other than CO₂ include SF₆ gas, which is used for lightning arresters and circuit breakers, etc., and CFCs, which are used as refrigerants in air conditioners.

The Group is working to reduce emissions of SF₆ gas with its powerful greenhouse effect and is also doing technical research and verification of alternative gases. To curb CFC emissions, moreover, we are strengthening management of air-conditioning equipment and updating facilities.

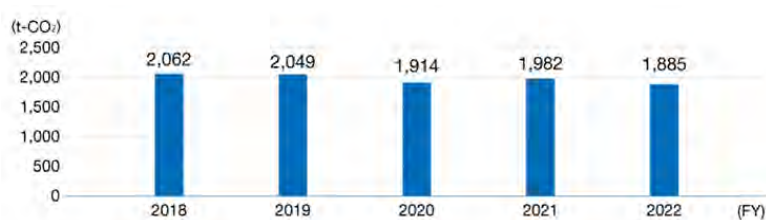
Emissions of Greenhouse Gasses Other than CO₂ (Japan)



Reduction of CO₂ Emissions from Product Transport

The transport division is working to reduce CO₂ emissions by practicing cargo consolidation, modal shift, and efficient transport, such as using JR containers and switching from trailer transport to ship transport from nearby ports.

CO₂ Emissions from Product Transport (Japan)



Calculation of Greenhouse Gas Emissions in the Supply Chain

Meidensha is working to calculate greenhouse gas emissions, including indirect emissions in the upstream and downstream supply chain in addition to those produced in the course of its business activities.

Meidensha is facing the issue of producing a large proportion of its emissions from “use of sold products” (scope 3, category 11) and “purchased goods and services” (scope 3, category 1). We are promoting environmental measures throughout the entire supply chain, including reducing downstream greenhouse emissions through environmentally considerate product design and reducing upstream impact through green procurement.

Meidensha's Greenhouse Gas Emissions in the Supply Chain (Scope 3)

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

In developing the Second Meiden Environmental Vision, which set new medium-to-long-term environmental targets and launched in FY2021, we completely reviewed Scope 3 calculation methods. We transitioned from calculating the non-consolidated value of Meidensha to calculating the consolidated value of the Meiden Group, and conducted review of units for our FY2021 record. For Category 11, we increased precision by conducting more detailed calculation of emissions per unit of production for each product group. For categories calculated on a monetary basis, we also reviewed part of our standards going back to FY2019. Thus, data values disclosed up to FY2021 lack continuity; however, going forward we intend to trace these values using this calculation method and revise them as necessary.

Category	Calculation Method	
	Amount of Activity	Basic Unit
1. Purchased goods and services	Purchase amount (materials, consumables, services, etc.)	Ministry of the Environment Basic Unit - DB
2. Capital goods	Amount invested in fixed assets	Ministry of the Environment Basic Unit - DB
3. Fuel and energy related activities not included in Scopes 1 or 2	Amount of energy consumption (electricity, etc.)	Ministry of the Environment Basic Unit - DB
4. Upstream transportation and distribution	Transportation cost (freight, storage, packing, etc.)	Ministry of the Environment Basic Unit - DB
5. Waste generated in operations	Emissions of each type of waste	Ministry of the Environment Basic Unit - DB
6. Business travel	Transportation expenses provided (travel allowance, etc.)	Ministry of the Environment Basic Unit - DB

Category	Calculation Method	
	Amount of Activity	Basic Unit
7. Employee commuting]	Transportation expenses provided (travel allowance, etc.)	Ministry of the Environment Basic Unit - DB
8. Upstream leased assets	Rent (Leased items, etc.)	Ministry of the Environment Basic Unit - DB
9. Downstream transportation and distribution	Amount of activity of sales agents, etc.	Ministry of the Environment Basic Unit - DB
10. Processing of sold products	Not applicable as Meidensha's products include many formed items	—
11. Use of sold products	Calculated based on the specifications of the Company's products and operating conditions	Ministry of the Environment Basic Unit - DB
12. End-of-life treatment of sold products	Assumed disposal cost of sold products	Ministry of the Environment Basic Unit - DB
13. Downstream leased assets	Energy usage at leased real estate	Ministry of the Environment Basic Unit - DB
14. Franchises	Not applicable as outside of the scope of the Company's business	—
15. Investments	Not applicable as shares held by the Company are not for the purpose of investment	—
Other	Excluded from the scope of calculation as this item is optional	—

(t-CO₂)

Category	FY2019	FY2020	FY2021	FY2022
Purchased goods and services *1	916,059	790,749	944,989	1,161,608
Capital goods *2	44,023	56,146	31,329	24,862*3
Fuel- and energy-related activities not included in Scopes 1 or 2	1,882	1,893	3,425	3,472*4
Upstream transportation and delivery *1	1,324	1,481	1,586	1,830
Waste generated in operations	1,587	2,004	1,645	1,925*5
Business travel	3,192	1,007	2,160	4,770
Employee commuting	1,152	940	1,182	1,401
Upstream leased assets *1	2,491	2,336	2,287	2,756
Downstream transportation and distribution *1	1,249	1,162	1,285	1,165
Processing of sold products	—	—	—	—
Use of sold products	6,370,000	6,050,000	5,922,573	5,745,708
End-of-life treatment of sold products *1	6,591	5,960	6,573	7,025
Downstream leased assets	18,509	16,837	16,298*2	16,441
Franchises	—	—	—	—
Investments	—	—	—	—
Other	—	—	—	—
Total	7,368,060	6,930,516	6,935,330	6,972,963

*1 Up through FY2021, results were calculated by multiplying the monetary value exclusive of consumption tax by the emissions intensity, but since FY2022, we include the monetary value including the consumption tax.

Therefore, we recalculated emissions for FY2019 through FY2021 using that approach.

*2 Figures for FY2021 have been revised.

*3 Since FY2022, the emissions intensity has been revised according to the industry of the sector in which the capital to be calculated has been formed.

*4 Since FY2022, figures have been recalculated to include steam use.

*5 From Basic Guidelines for Calculating Greenhouse Gas Emissions through Supply Chains, Ministry of the Environment and Ministry of Economy, Trade and Industry

Waste from the company's own business activities (excluding salvageable materials): Revised according to the description of emissions related to disposal and treatment outside the company.

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

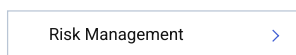
Governance

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 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.

Sustainability 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

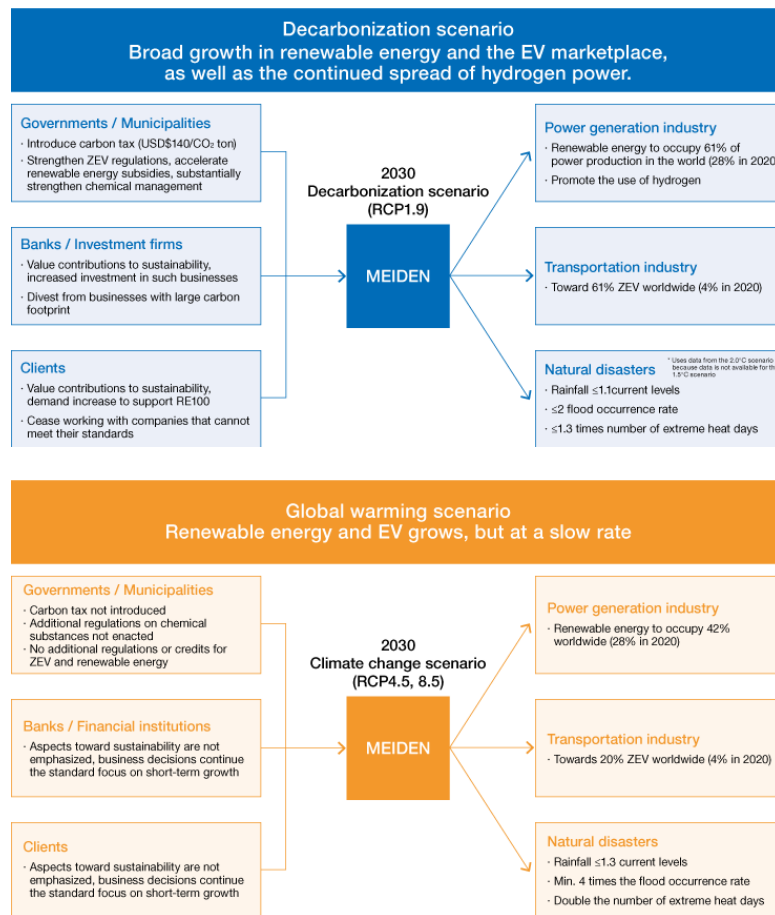
The Sustainability Management Promotion Division analyzes climate change scenarios in conjunction with relevant departments. The scenario analysis examination process is divided into four parts, with analysis and evaluations conducted annually. At the same time, major factors that could impact business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



Step 1: Identification and Materialization of Types of Scenario

As recommended by TCFD, we identified scenarios at multiple levels of warming, including a scenario of less than 2°C, and conducted analysis accordingly. Based on the two scenarios of decarbonization (RCP1.9) and global warming (RCP4.5 and RCP8.5), we have arranged outlooks and specific scenarios 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



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

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

Factors for Risks and Opportunities	Societal Scenario	Opportunities and Risks for Meiden	Relevant Businesses
Opportunities to reduce GHG emissions Increased government subsidies	Decarbonization of the transport industry	Expanded EV business	EV business/Battery storage-related
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
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
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)
Opportunities to reduce GHG emissions Tightening of legal restrictions	Introduction of a carbon tax	Increased manufacturing costs Increased procurement costs	All companies
Opportunities to reduce GHG emissions	Rising prices from growing demand for EV and renewable energy components	Increased procurement and manufacturing costs	EV-related business/Renewable energy-related business
Increased frequency of extreme weather events	More water-related disasters	Suspension of operation/Collapse of supply chain	Production sites

Factors for Risks and Opportunities	Societal Scenario	Opportunities and Risks for Meiden	Relevant Businesses
		Increased costs to respond to water-related disasters	
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
Rising average temperatures	Worsening working environments	Increased personnel expenses at sites	Manufacturing/Maintenance/Construction service business units
Increased proportion of renewable energy	Increased cost of industrial electricity	Increased power procurement costs	All companies

* Examples of main scenarios

Step 3: Business Impact Evaluation

We are evaluating business impact through discussions with relevant parties within the Company, such as the 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 a business” 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.

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

Evaluation axes for selection of risks and opportunities (2030)

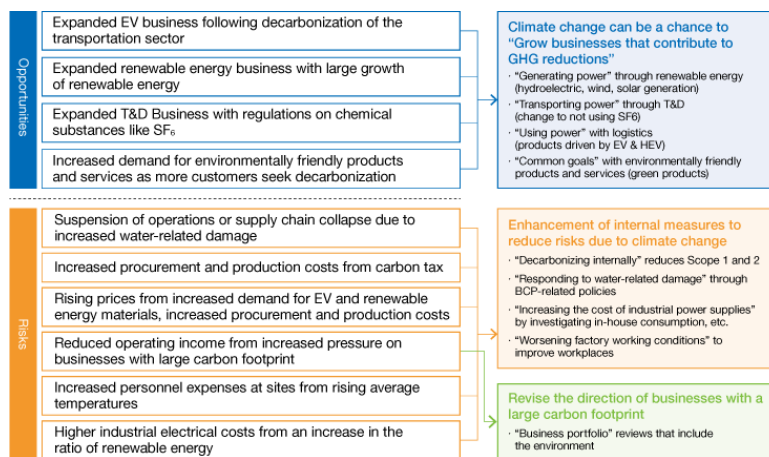
Impact on operating income (estimate)	Very large: ±10 billion yen or more Large: ±1 billion yen or more Medium: ±0.1 – 1 billion yen Small: ±less than 0.1 billion yen
likelihood of occurrence in an event in 2030	Large: High probability of occurrence Medium: Occurrence is possible, but cannot be predicted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

	Opportunities and risks for our Company	Relevant Businesses	Calculation formula	Impact on FY2030 operating income	
				Decarbonization scenario (RCPL5)	Climate change scenario (RCPL5, 6-9)
Decarbonization of the transport industry	Expanded EV business	EV business	Recent average sales × ZEV stock growth ratio	Very large	Large
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	Medium	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	Small
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	7.5 billion	N/A
Rising prices from growing demand for EV and renewable energy materials	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.	Very large	Very 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	Medium
Increased cost of industrial electricity	Increased power procurement costs	All companies	Power usage in 2030 × rising cost of industrial power	Medium	Small

Rate of occurrence
 Large 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.



TOPICS

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 FY2022, we worked systematically on LCAs (life-cycle assessments) of existing products, and have completed assessments for most products categories involved in social infrastructure. We concurrently revised our environmental assessment of products that includes LCA and continue reviewing standards for green products and preparing to develop super-green products that will represent the gold standard for the industry.

Product environmental assessment

Product environmental assessment sheet

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

Simple LCA evaluation sheet

- 1 Procurement
- 2 Outsourcing
- 3 Production
- 4 Logistics
- 5 Use
- 6 Disposal

Calculate the environmental footprint for the entire LC footprint



Super green products

Best-in-class environmental standards even among green products

Green products

Products that satisfy Meidensha's green product standards

Our “High voltage products for GX” is a prime example of a package of products with a low carbon footprint. This system combines remote-monitoring functions with our high voltage feeder panel, high voltage transformer, and high voltage switchgear, all feature products designed to be environmentally friendly in order to reduce customer Scope 2. The high voltage feeder panel require no painting or welding in order to reduce the amount of harmful substances used, the high voltage transformer uses palm oil for insulation to reduce its strain on the environment, and the high voltage switchgear uses C-GIS that relies on dry air insulation and so does not use SF₆.

Combining our featured products for an “Environmentally conscious system with remote monitoring functions: The Super-High-Voltage Substation”

[High-voltage substation and power supply room]

- ◇ Paintless power supply room construction
- ◇ Weldless substation frame
- ◇ Insulation diagnosis via partial discharge detectors
- ◇ Application: Stations (switches) that supply high-voltage 6.6 kV to each factory

[High-voltage transformer]

- ◇ 66/6.6 kV 15,000 kVA 2 oil-immersed transformers
- ◇ Uses palm oil as the insulation oil (environmentally friendly)
- ◇ Application: Stepping down from super-high-voltage 66 kV to high-voltage 6.6 kV

[Super-high-voltage switchgear]

- ◇ 72 kV Eco C-GIS 2 power receiving lines
- ◇ Uses dry-air insulation (no SF₆ gas, more environmentally friendly)
- ◇ Application: Used as a switch for super-high-voltage 66 kV from a power supply

TOPICS

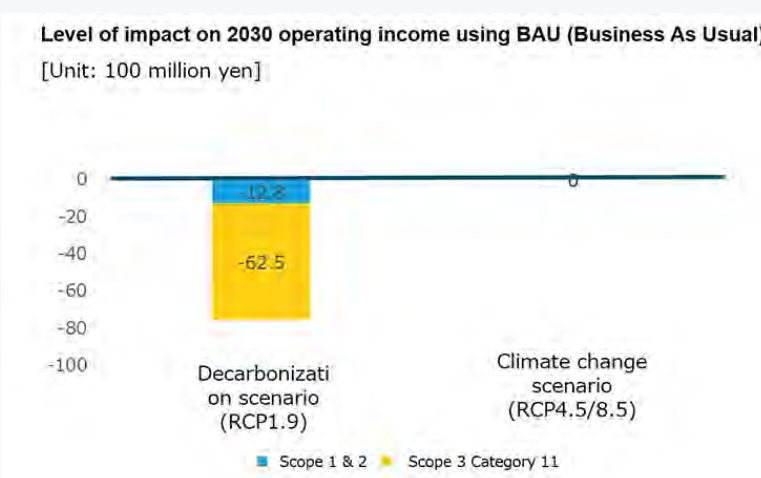
Reducing the Company's Environmental Impact

Company GHG emissions from manufacturing and purchasing (Scope 3, Category 1) exist to some degree. Introducing a carbon tax within the Group can lead to increased manufacturing costs going

forward and could potentially negatively impact profitability. According to the scenario assumed by TCFD, the following simulations represent the introduction of carbon tax when assuming that carbon emission increase with BAU (Business as usual) in 2030 for each scenario.

<Calculation conditions and results>

<Calculation conditions>
<ul style="list-style-type: none"> Carbon tax price 2030 decarbonization scenario (RCP1.9): USD \$140/t-CO₂ 2030 climate change scenario (RCP4.5/8.5) None introduced
<ul style="list-style-type: none"> Direct charges in Scope 1 & 2, indirect charges for Scope 3, Category 1 due to cost pass-throughs from suppliers
<ul style="list-style-type: none"> Assumes a 30% pass-through ratio based on a 29.9% energy cost pass-through from a Small and Medium Enterprise Agency survey of cost pass-throughs*.
<ul style="list-style-type: none"> * Results of a follow-up survey from the Small and Medium Enterprise Agency price negotiation promotion month (September 2022) (December 23, 2022)
<ul style="list-style-type: none"> Affiliate sales in FY2021 Values for Scope 1, Scope 2, and Scope 3 Category 11 assume an 3% annual increase until FY2030 using BAU



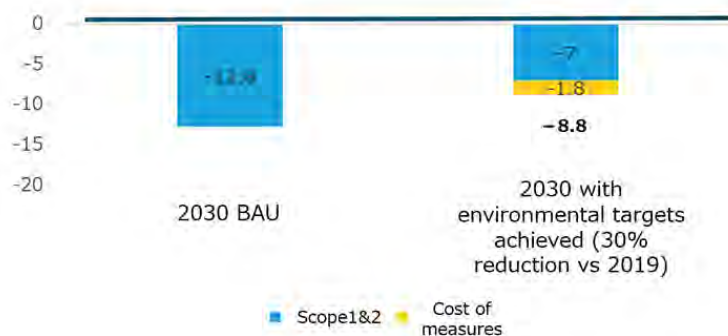
BAU sales in 2030 are calculated to be 340 billion yen (FY2021 baseline). With the decarbonization scenario (RCP1.9), introducing a carbon tax will result in operating income of 7.5 billion yen, a reduction of 2.2%. Such an introduction would significantly impact the Company, so it is vital to strategically reduce Scope 1, Scope 2, and Scope 3, Category 1. That is why the Company drafted the Second Meiden Environmental Vision in FY2021 and launched the following initiatives.

SCOPE1 & 2	Scope 3 Category 1
<ul style="list-style-type: none"> Replacing gas equipment with electric Switching to low-energy equipment Introducing ICP (Internal Carbon Pricing) Switching to renewable energy sources Eliminating SF₆ 	<ul style="list-style-type: none"> Using LCA to reduce GHG, including procured products Support decarbonization of suppliers

For Scope 1 and Scope 2, we plan to have 100% of domestic factories and 30% of overseas factories use renewable energy by 2030 (within the range of our normal investment activities, 8 billion yen in environmental investment by 2030) and predict that doing so will increase 2030 costs by 180 million yen. However, Scope 1 and Scope 2 emissions will be cut by 30%, with a projected 400 million yen relative improvement compared with pre-initiative estimates. We are exploring ways to minimize the remaining impacts that introducing a carbon tax would have on degraded operating income by examining the absorption of cost pass-throughs, etc., the prospect of generating wind power internally, the progress of additional decarbonization efforts within the Group, and more.

Level of impact on 2030 operating income (Scope 1 & 2)

[Unit: 100 million yen]



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)

Each year vs FY2019		FY2022		FY2023	FY2024	FY2030
		Plan	Actual	Plan	Plan	Plan
Emissions from business activities (Scope 1+2)	Japan	5% reduction	8% reduction	8% reduction		
	Overseas	2% reduction	1% increase	3% reduction		
	Total	4% reduction	7% reduction	5% reduction	6% reduction	30% reduction
Emissions from product use (Scope 3, Category 11)			10% reduction		6% reduction	15% reduction

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

[Meiden Group's medium- to long-term environmental targets >](#)

The carbon neutral transition plan

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

1) 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.

In addition to these efforts toward reducing the amount of energy we use, we also promote procuring renewable energy at multiple bases inside the Group, from Company factories through to the offices of Group affiliates.

2) 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 gas-free, reducing product size, increasing efficiency, etc.) and updating our business portfolio (expanding low-carbon businesses) as ways to reduce emissions.

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					Replace gas with electricity
	Renewable energy procurement (non-fossil fuel certificate, power menu, etc.)	Procure renewable energy at R&D Center/Osaka Kaikan Hall, Ota Works		Procure renewable energy at Kofu			
				Procure renewable energy at Numazu, Head Office			Nagoya
Procure renewable energy in Germany, use solar in India, partially use solar in USA, Vietnam, Thaila					Oversea		
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					
	Revising business portfolio	Increase percentage of EV-related, maintenance services, small to medium hydroelectric systems, etc.					

Our timeline for the key measures aimed at reducing greenhouse gas emissions >

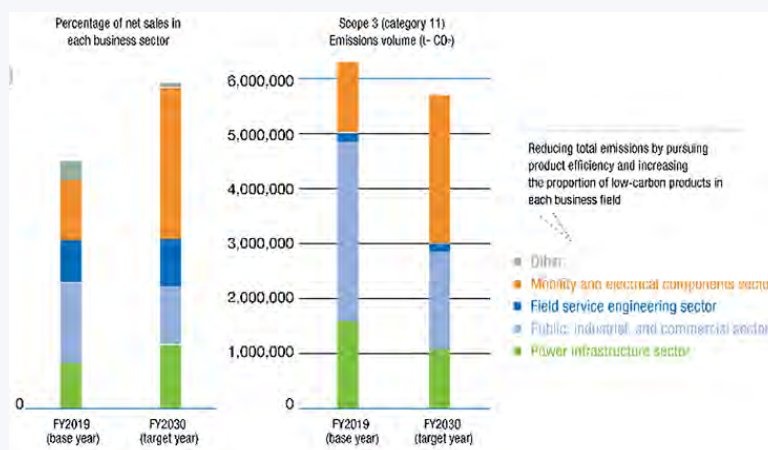
Future Path

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

Simulation of Business Portfolio Revision

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



Meiden Group Scope 3, Category 11 Reduction Simulation

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

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

TOPICS

Introducing Internal Carbon Pricing

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

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

- Internal carbon price: 15,000 yen/t- CO₂
- Subject to application: Capital proposals for FY2023 onwards

Issue of Green Bonds

In July 2019, we issued green bonds through public offering for the purpose of funding mass-production equipment for Motors and Inverters for Electric Vehicles.

In June 2018, Meidensha pledged to reduce greenhouse gas emissions by 30% by fiscal 2030 (compared to fiscal 2017 levels) and as part of the First Meiden Environmental Vision and we are promoting reduction of environmental impact. Furthermore, we understand that contributing to the achievement of sustainable development goals (SDGs) is a major management issue facing the Company and we are promoting the environmental contribution business by rolling out environmentally conscious products and services.

By issuing green bonds, we plan to expand our capital procurement resources and deepen the understanding of a wide range of stakeholders regarding our active environmental initiatives.

Meidensha Green Bonds

Outline

Name of bonds	"Meidensha Corporation 2nd Series Unsecured Straight Bonds (with pari passu agreement limited to corporate bonds) (Green Bonds)"
Also known as	Meidensha Corporation Green Bonds
Maturity	5 years
Total amount of issue	6.0 billion yen
Coupon rate	0.260%
Issue price	100 yen for each 100 of corporate bonds
Date of issue/date of maturity	July 23, 2019 to July 23, 2024
Redemption method	Bullet payment at maturity
Subscription method	Open invitation
Security/guarantee	Unsecured and non-guaranteed
Rating	BBB+ (Japan Credit Rating Agency, Ltd./Rating and Investment Information, Inc.)
Use of proceeds	To provide partial funding of enhancement of mass-production facilities for electric vehicle components
Lead managing underwriter	SMBC Nikko Securities Inc.
Green Bond Structuring Agent	SMBC Nikko Securities Inc.
Principles with which to confirm compliance	Climate bond standard version 2.1 Low Carbon Transport (Land) Standard Version 1.0 (CBI) Green Bond Principles 2018 (ICMA) Green Bond Guidelines 2017 Edition (MOE)

List of investors that have declared their investment in corporate bonds

(As of July 17, 2019 in alphabetical order)

- Aichi Shinkin Bank
- Daitokyo Shinyokumiai
- Fukoku Mutual Life Insurance Company
- Hanno-Shinkin Bank
- JA Bank Fukuoka
- JA Bank Ibaraki
- JA Bank Iwate
- Kameari Shinkin Bank
- Kesenuma Shinkin Bank
- Kiryu Shinkin Bank
- Kitami Shinkin Bank
- Meiji Yasuda Asset Management Company Ltd.
- Sugamo Shinkin Bank
- Sumitomo Mitsui DS Asset Management Company, Limited
- Sumitomo Mitsui Trust Asset Management Co., Ltd.
- Taiyo Life Insurance Company
- THE BANK OF NAGOYA, LTD.
- THE DAIDO FIRE AND MARINE INSURANCE COMPANY LIMITED
- THE KAGAWA BANK, Ltd.
- THE TOWA BANK, LTD.
- Tokio Marine & Nichido Fire Insurance Co., Ltd.
- Tokio Marine Asset Management Co., Ltd.

External Evaluation of Compliance

Green bond framework

Meidensha Green Bonds are issued and managed according to the Green Bond Framework developed in accordance with the Green Bond Principles 2018*1 drafted by the International Capital Market Association, the Green Bond Guidelines 2017*2 Edition drafted by the Ministry of the Environment, and the Climate Bond Standard Version 2.1*3 drafted by the Climate Bonds Initiative (CBI).

Second-party opinion and ratings

Compliance with these green bonds is assessed by the Japan Credit Rating Agency (hereinafter JCR) according to the JCR Green Bond Evaluation, and the bonds received a rating of Green 1, which is the highest rating, as they fulfilled the Green Bond Principles 2018 and the Green Bond Guidelines 2017.

JCR green bond assessment attached  >

Verification

DNV GL Business Assurance Japan K.K. (DNV GL), one of the world's leading organizations to evaluate and accredit the ESG performance, has verified that Meidensha Green Bonds cleared the requirements in the Climate Bonds Standard Version 2.1 as well as related technological standards.

Pre-assessment report issued by DNV GL  >

Certification

Meidensha has received certification from Climate Bonds Initiative (CBI), an international nongovernmental organization dedicated to promoting large-scale investments to realize a low-carbon society that sets stringent standards for the issuance of such bonds. Meidensha is the first Japanese private enterprise to receive the CBI certification.

Additionally, JCR and DNV GL has received the notification of Green Finance Organization JAPAN's decision to grant as subsidy as part of the Financial Support Programme for Green Bond Issuance of MOEJ's FY 2018*4.



Green bond framework

1. Use of Proceeds

Eligible green project: Equipment for mass production of electric vehicle components

Outline of facility expansions(Total investment: Approx. 7 billion yen)

Nagoya Works: Renovation of existing buildings and introduction of new facilities	
Location	496 Ittangosewari, Nishibiwajimacho, Kiyosu City, Aichi Prefecture
Parts to be produced	Inverter-Integrated Motor Units for EVs
Start of operations	Scheduled for November 2019
Total floor space	4,620m ²
Production capacity	Maximum annual production of 170,000 units

Kofu Meidensha Electric Mfg. Co., Ltd.: Construction of new building and introduction of new facilities	
Location	825 Nakadate, Chuo City, Yamanashi Prefecture
Parts to be produced	Motors for EVs
Start of operations	Scheduled for November 2019
Total floor space	2,660m ²
Production capacity	Maximum annual production of 170,000 units

Numazu Works: Expansion of facilities	
Location	515 Kaminakamizo, Higashimakado, Numazu City, Shizuoka Prefecture
Parts to be produced	Inverters for EVs
Start of operations	Scheduled for April 2019
Total floor space	240m ²
Production capacity	Maximum annual production of 120,000 units

2. Process for Projects Evaluation

Nominated green bond projects were selected and evaluated by Meidensha Accounting & Financing Group Financing Division, after the consideration of conformity to qualified criteria, based on the Group's management philosophy, environmental vision, and CSR critical issues. Final approval of the project selection is implemented by the director of treasury executives of the company decision making committee. Furthermore, we also conduct verification of negative environmental impact of eligible projects.

3. Management of Proceeds

The proceeds from the Green Bonds will be fully allocated to eligible projects and assets and tracked. Fund allocation will be implemented in one year after bond issuance. The proceeds will be managed by the Meidensha Accounting & Financing Group Financing Division. The proceeds outstanding balance will be managed by internal Meidensha forms (earmarked by numbering) and its budget and actual expense

tracked with Meidensha internal protocol (accounting management scheme) quarterly. These will be requested to receive approval from the Meidensha General Manager of Financing Division to avoid deviation (financial outflow). Meidensha also manages the preservation of documents related to cash management by using the accounting document retention term list and through the accounting regulations of Meidensha concerning the scope and preservation of accounting documents.

Until the allocation of procurement funds is decided, we will manage cash or cash equivalents equal to funds.

4. Reporting

Funding status reporting

We will report the status of funding once a year until the full amount of funds to be procured is applied to projects that meet qualified criteria. Disbursement status disclosed is as follows: (1) Amount of funds appropriated, (2) Approximate amount or ratio in case of unappropriated funds, operation schedule of allocated time, and unappropriated period, (3) Estimated amount or percentage when the refund is applied.

We will disclose in a timely manner if there is a major change in the procurement funding plan or when there is a significant change in the fund status after the procurement funds have started to be appropriated.

Impact reporting

Until Green Bonds are redeemed, the following indicators showing the progress status of qualified projects funded and the environmental improvement effect are scheduled to be disclosed once a year on our website.

KPI in Impact Reporting: Annual CO₂ emission reduction from eligible projects*5

*1 The guideline regarding green bond Issuance is written by Green Bond Principles Executive Committee which is facilitated by ICMA (International Capital Market Association.)

*2 MOEJ (Ministry of the Environment of Japan) has established "the Green Bond Guidelines, 2017" in March 2017 with the purpose of spurring issuances of Green Bonds and investments in them in Japan. The Guidelines, with due consideration to the consistency with the GBP, which is widely accepted in the Green Bond markets in the world, provide issuers, investors and other market participants with illustrative examples of specific approaches and interpretations tailored to the characteristics of the Japan's bond market which will aid these market participants to make decisions on working-level matters related to Green Bonds.

*3 Climate Bonds Standards (CBS) is a standard developed by Climate Bonds Initiative (CBI), the UK's international nongovernmental organization, which includes certification process, pre issuance and post-issuance requirements and sectoral eligibility and guidance. And is aimed with the objective of "Ensuring credibility and transparency of Green Bond's contribution to the environment. CBS imposes a sectoral standard, and it is necessary to meet the applicable sectoral standard in judging the eligibility of projects and assets covered by the green bond.

*4 A program where subsidies will be provided for the expenses that are required by those who support companies, municipalities and other bodies who seek to issue Green Bonds, in the form of granting external reviews, consultation on establishing a Green Bond framework, etc.

(1) A Green Project that meets one of the following criteria:

1. Contributes mainly to domestic decarbonization (renewable energy, energy efficiency, etc.)
 - Projects for which equal to or more than half of the procured amount, or equal to or more than half of the number of projects is domestic decarbonization-related project.
2. Has high decarbonization and effects on vitalization of local economy
 - Decarbonization effects Those whose subsidy amount per ton of domestic CO₂ reduction is less than the specified amount.

- Effects on vitalization of local economy Projects that are expected to contribute to effects on vitalization of local economy as part of the ordinance and plan, etc. decided by the municipality, projects for which investment by municipalities can be anticipated, etc.

(2) Compliance with the Green Bond Guidelines to be confirmed by an external review organization before issuance.

(3) It cannot be "Green wash" bonds.

*5 The formula for calculation differs from Meidensha's calculation of environmental contribution and CO2 emissions reduction, which are stated under Meidensha's environmental targets, as they are calculated according to the ICMA Green Bond Principles 2018, the MOE Green Bond Guidelines 2017, the CBI Climate Bond Standard Version 2.1, and the Low Carbon Land Transport and the Climate Bonds Standard (v1.0).

This content is provided for the sole purpose of publicly announcing the Company's issuance of the Bonds, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside of Japan.

Prevention of Pollution and Effective Utilization of Resources

Policy

Commitment to Waste and Pollution Prevention

The Meiden Group is working to reduce the environmental impact of all domestic and overseas business activities, as well as conserve energy, promote the 3Rs in relation to waste, and properly manage hazardous chemicals as stipulated in the President's Environmental Policy. Furthermore, we will establish our own internal standards and work towards preventing environmental contamination while complying with all environmental laws, regulations, and other requirements.

[President's Environmental Policy >](#)

Initiatives

Targets for Measures to Combat Waste and Pollution

Reduction of single-use plastic packaging

The Meiden Group set a target of 2% reduction (compared to FY2019) as a measure to reduce single-use plastic packaging. Going forward, we will continue to work to reduce plastic usage by promoting the 3Rs for plastic packaging and environmentally considerate design.

Strategies, Initiatives, and Results Data

Targets and Initiatives for Reduction of Raw Material Usage

As a manufacturer that uses resources to provide our products and services, it is essential that we use those resources effectively.

At the Meiden Group, we practice eco-friendly procurement and work to mitigate the environmental impact of our domestic and overseas business activities and to design products that conserve and reuse resources.

Raw Material Input (Japan)

(t)

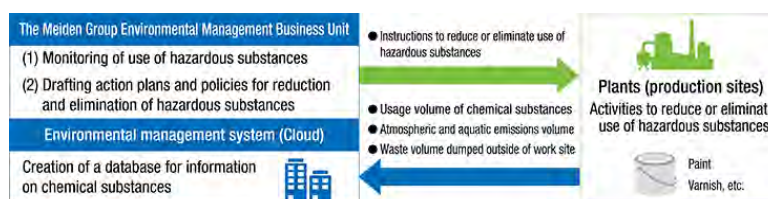
Raw Material	FY2019	FY2020	FY2021	FY2022
Iron	6,306	5,140	5,356	4,820
Copper	2,778	2,334	2,176	2,120
Plastic	778	781	789	864
Aluminum	334	226	223	266
Total	10,196	8,481	8,544	8,070

Tightening Management of Chemical Substances

We are working to conduct risk assessment of chemical substances used at production sites, etc., to improve the workplace environment, and reduce or substitute hazardous chemical substances with a substantial risk.

In order to prevent workplace accidents, health impairment, and fire or environmental pollution due to leakage or spillage of chemical substances, we routinely conduct patrols of sites where chemical substances are used to alert workers, and take corrective measures where the management status of chemical substances is found to be inappropriate.

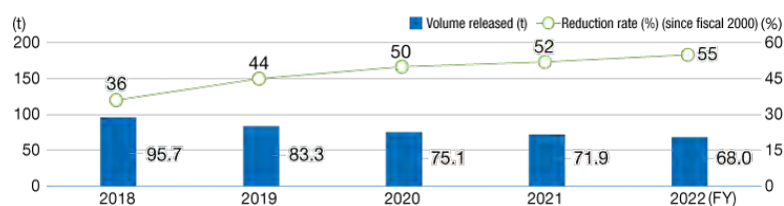
Tightening Management of Chemical Substances



Reduction of Volume of Volatile Organic Compounds (VOC) Released

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

Volume of VOCs Released and Reduction Rate (Japan)



Promotion of Disposal and Processing of Devices that Include PCBs

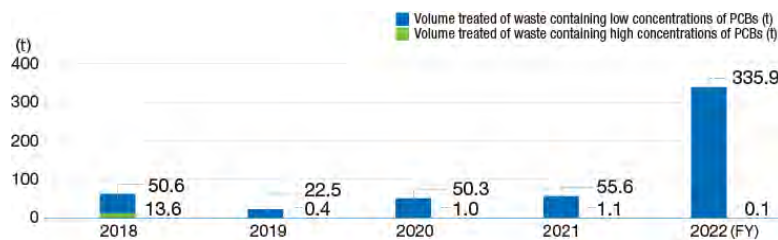
In accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes (PCB Special Measures Act), we are gradually disposing of devices that contain PCBs (polychlorinated biphenyls) such as transformers and condensers that were manufactured in the past and stored for nearly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

In FY2022, we disposed of 0.1 tons of waste containing high concentrations of PCBs and treated 335.9 tons of waste containing trace amounts.

Since we began processing PCB waste in FY2007, through FY2022, we have disposed of approximately 105 tons of waste containing high concentrations of PCBs and treated about 734 tons of waste containing trace amounts. In FY2023, we expect to finish the processing of registered waste containing high concentrations of PCBs.

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

Volume Treated of Harmful Waste (Waste Containing PCBs)

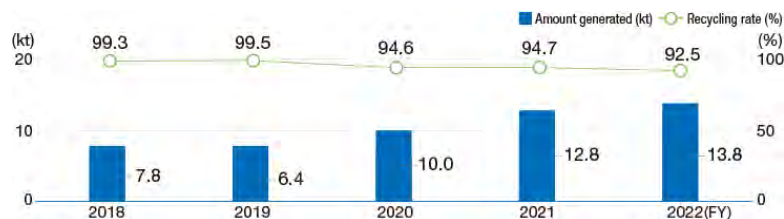


Promoting the 3Rs for Waste (Reduce, Reuse, and Recycle)

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

In FY2022, we revised our calculation method for recycled quantity, and we worked to improve the precision of calculation by appropriately calculating the amount of waste generated by recycling. The amount of waste increased due to a large amount of waste (debris) being generated by an increase in on-site construction; however, we will work to reduce the amount of waste generated by continuing to promote the 3Rs.

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



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

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

Breakdown of Waste Generated in FY2022 (Japan)

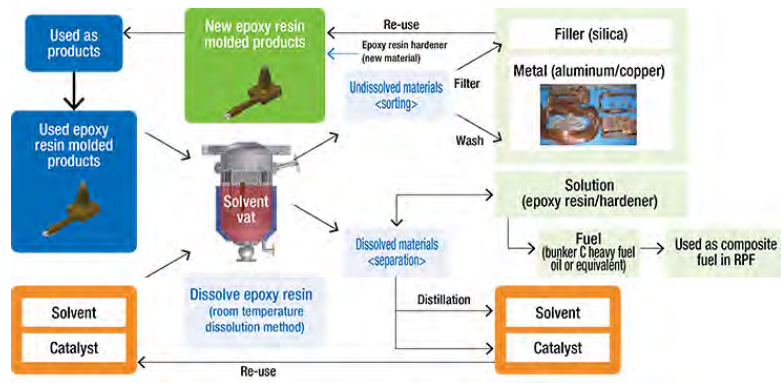


Collaboration with Other Companies to Reduce Waste and Resource Use (Recycling Epoxy Resin Molded Components)

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

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

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



Flow chart of dissolution recycling of epoxy resin molded components



Dissolution plant exterior

Water Resources

Policy

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

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

Plan and Targets

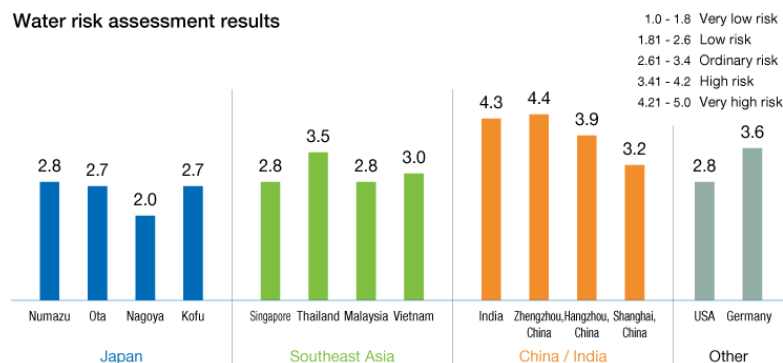
The Meiden Group includes “promotion of water reuse” and “water safety” as part of the medium- to long-term “Environmental Vision.” We will work to preserve water resources through water conservation and effective utilization of rainwater; take steps to respond to water risks such as water shortages, flood, and contamination; and improve sanitation.

Initiatives

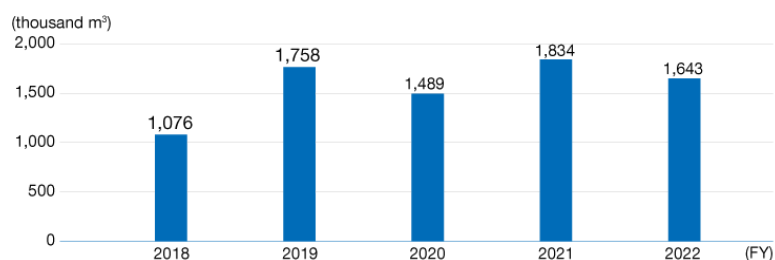
Water Risk Assessments

The Meiden Group conducts evaluation of water risk for initiatives to conserve water and comply with effluent standards. Using the Water Risk Filter, a water risk assessment tool distributed by the World Wide Fund for Nature, we assessed 16 production sites in 9 countries. We found that although domestic sites were within ordinary risk levels, 50% of overseas sites were located in high-risk areas. In particular, risks related to water quantity and quality assurance were found to be high. Some sites in India and China were found to be located in very high-risk areas. For these, we will take the optimal measures for each site based on assessment results.

Water Risk Assessment Results for Regions Where Production Bases are Located



Trends in Water Usage Volume (Japan)



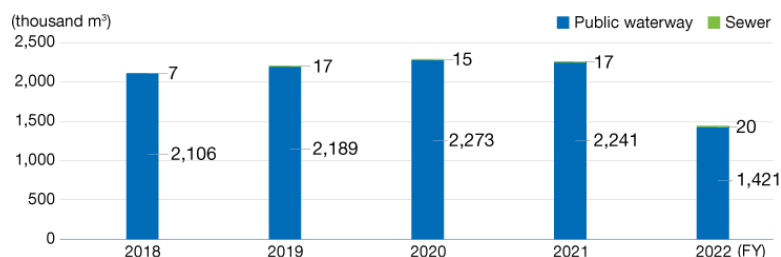
Water Withdrawals, by Source (Japan)

	FY2018	FY2019	FY2020	FY2021	FY2022
Groundwater (1,000 m³)	943	1,626	1,344	1,728	1,552
Industrial water (1,000 m³)	80	70	87	43	22
Tap water (1,000 m³)	53	63	59	63	69

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

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

Trends in Effluent by Discharge Location (Japan)



Trend in Water Quality Data (BOD Discharge) (Japan)

	FY2019	FY2020	FY2021	FY2022
BOD	4,843 kg	6,424 kg	6,408 kg	4,474 kg

Initiatives

The Meiden Group has been in business over 125 years. As such, some of the infrastructure at production sites has significantly deteriorated.

This is particularly true of the water infrastructure, which we are rebuilding as a special priority for BCP reasons.

At Numazu Works, one of our main production sites in Japan, we will begin building a large new combination water-purification tank in November 2023. To go with it, we are rebuilding the plant's water supply and factory effluent systems. Nagoya Works and Ota Works, two other major production sites in Japan, are likewise aging. Their updates will be planned and implemented in turn.

[Overview of Project to Rebuild Water Infrastructure]

- (1) Remove 22 individual water-purification tanks to meet our obligation to make efforts related to Japan's Private Sewerage System Act and improve the quality of treated effluent
- (2) Prevent leaks by bringing buried water supply pipes above ground (reduce water usage)
- (3) Strengthen control of quality and quantity of treated effluent by separating the factory effluent system from rain water

Initiatives

Conservation of Water Resources: Initiatives through Business

Contributing to the Solution of a Range of Issues Relating to Conservation of Water Resources

In addition to design, construction, and execution of water treatment plants, the Meiden Group provides total support through to operation and maintenance as a general water treatment manufacturer, based on our record of involvement with construction and development of water and sewerage systems in Japan. We are contributing to the solution of a range of issues relating to the conservation of water resources through our water infrastructure systems business, which is one of our core businesses.

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

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

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

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

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

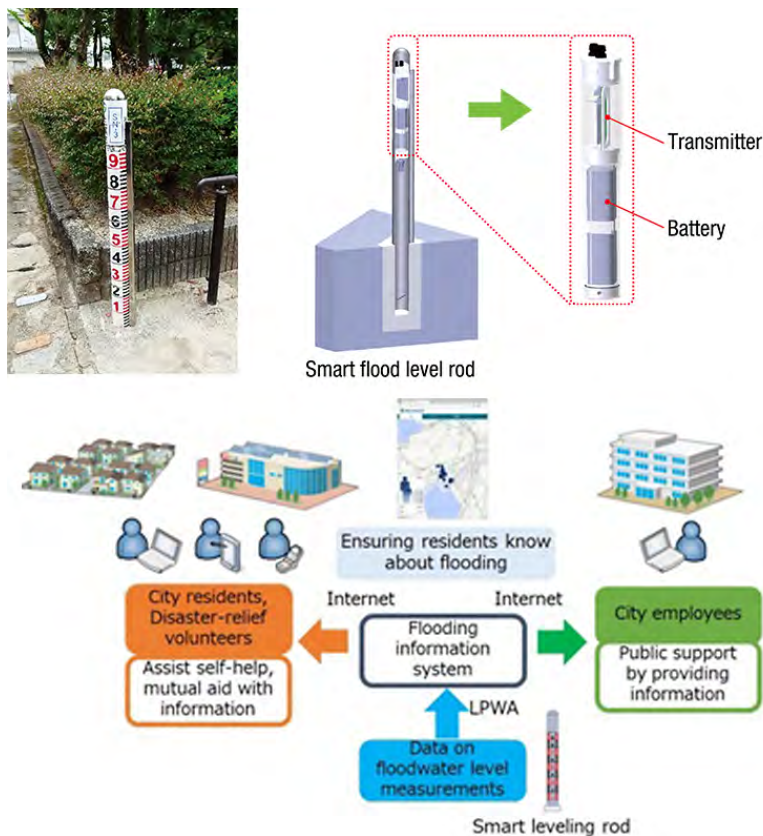
What is a Smart Flood Level Rod?

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

Product Features

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

<Diagram of smart flood level rod application>



Collaboration with Stakeholders: Partnerships with Outside Parties

The Meiden Group, in cooperation with its stakeholders in Japan and overseas, will pursue manufacturing that helps solve challenges such as Sustainable Development Goal 6 (which seeks clean water and sanitation for all) and Goal 14 (conservation of marine resources), sustainably create value, and work to solve social issues.

Order Taken for Tuas Water Reclamation Plant

Will Provide Ceramic Membranes with World's Largest Treatment Capacity of 97,500 m³/Day

MEIDEN SINGAPORE PTE. LTD. (MEIDEN SINGAPORE) has received an order from Singapore enterprise Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd. for ceramic membranes for an industrial effluent MBR* facility at the Tuas Water Reclamation Plant of the Singapore Public Utilities Board (PUB). This project is a new water reclamation plant to be built in western Singapore, scheduled for completion in 2025.

MEIDEN SINGAPORE will supply ceramic membranes with a treatment capacity of 97,500 m³/day to the plant. The Meidensha ceramic membranes to be delivered can help to save energy and will offer high durability, excellent chemical resistance, and long life.

* MBR: Abbreviation of membrane bioreactor, a technology that separates activated sewage. It uses membranes instead of conventional settling tanks to separate treated water and activated sludge from each other, thereby cleaning sewage and industrial effluent.

Under a 2010 memorandum of understanding (MOU) with PUB for the joint development of water treatment technology, we have been conducting a demonstration study on industrial effluent treatment at the Jurong Water Reclamation Plant. In 2014, a 4,550 m³/day demonstration plant began operating at the Jurong site. Highly concentrated industrial effluent that had previously been difficult to reclaim was successfully reused. PUB made note of the achievements, which led to the recent order for ceramic membranes for the Tuas Water Reclamation Plant.

Tuas Water Reclamation Plant

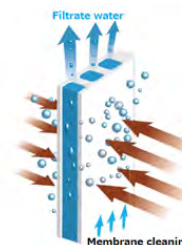


©2021 PUB, Singapore's National Water Agency

■ About Ceramic Membranes



Appearance of ceramic membrane



Cross-section diagram showing sewage filtration with ceramic membrane

- Ceramic membranes contain countless pores invisible to the human eye. The pores filter out impurities as sewage passes through.
- The 6-mm-thick ceramic membrane has a hollow structure and collects clean filtered water through a collecting tube on the inner side.

Biodiversity

Policy

Policy on the Conservation of Biodiversity

The Meiden Group relies on the blessings of nature, which has biodiversity at its core, while its activities also have an effect on the natural environment. The Meiden Group aims to minimize this impact, create new symbiotic relationships, and contribute to the creation of a sustainable society.

The Meiden Group understands that the conservation of biodiversity is a major issue to be faced in order to achieve a sustainable society, hence reflects its ethos on biodiversity conservation in the Meiden Group's "Basic Environmental Philosophy," "Environmental Policies," and "Environmental Vision."

Furthermore, we have drafted guidelines on the conservation of biodiversity in order to clearly state the relationship between our business activities and preserving biodiversity and we are applying them in our business activities.

Meiden Group Biodiversity Guidelines

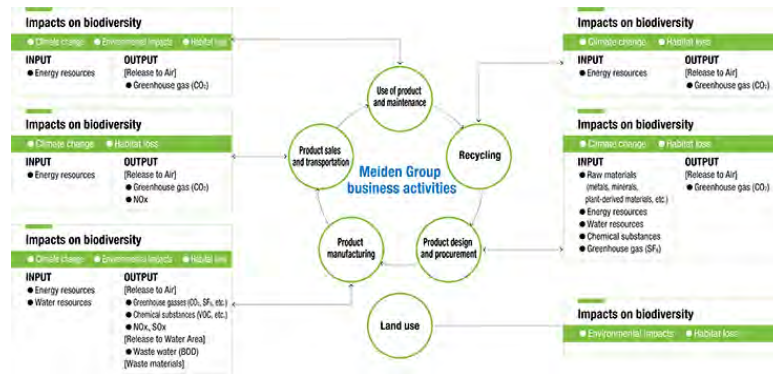
Basic Policy

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

Action Guidelines

- ① We will contribute to conserving biodiversity through the development and supply of environmentally conscious products and innovative related technologies and thus promote our water processing business and renewable energy-related business and reduction of the use of hazardous chemical substances in our products.
- ② We will clarify how our business activities interrelate with biodiversity and we will help to conserve biodiversity by reducing the environmental impacts of our business activities.
- ③ We will comply with applicable laws, regulations, and international rules relating to biodiversity.
- ④ We will deepen our people's understanding of "Conserving Biodiversity" and we will take voluntary related initiatives at home and abroad.
- ⑤ We will undertake activities in cooperation with our stakeholders such as local communities, non-profit organizations (NPOs), non-governmental organizations (NGOs), governments, etc., and we will promote environmental communication with such activities' information.

Map of Relationships Between Business Activities and Biodiversity



* This map is based on the Business & Biodiversity Interrelationship Map® of the Japan Business Initiative for Biodiversity (JBIB).

Initiatives

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

A Head Office Building That is Considerate of Biodiversity

The ThinkPark Tower head office building in Osaki, Shinagawa City, Tokyo, is surrounded by the ThinkPark Forest on a block that is approximately 40% greenery. It is an oasis in the city and provides a relaxing space for employees and the local community.

Also, the Kazenomichi Path, which was designed so that the prevailing wind blows from the Meguro River and Tokyo Bay, provides relief from the heat island effect. ThinkPark Forest has been certified as an “urban oasis” by the Social and Environmental Green Evaluation System (SEGES).*

* A certification system for evaluation of green initiatives.

SEGES (Only Japanese) [🔗](#)



ThinkPark Tower



ThinkPark Forest

Initiatives at Each Site for the Conservation of Biodiversity

At each site of the Meiden Group, we are working to conserve biodiversity on the grounds of each site and nearby.

Head Office Area

Ikimono Log (Living Nature Log)

In the head office area of Osaki, Shinagawa Ward, Tokyo, we take pictures of the organisms that live in the vicinity of the head office building and post them on the Ikimono Log (Living Nature Log) website operated by the Ministry of the Environment. We hope to create a database with information on the organisms that live in the area.



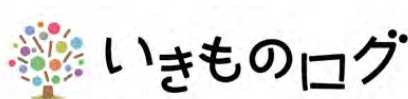
Brown-eared bulbul



Warbling white eye



Asian swallowtail butterfly



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

Osaki-no-Mori Nature Observation Events

We provide elementary school students near our head office with opportunities to interact with nature as they search for cicadas living in the area.



Participation in Ohana Ippai Osaki Activities

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



Numazu Works

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

Maintaining Biotopes

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



Beach Cleanup at Senbonhama Park

In 2022, to commemorate the 125th anniversary of the founding of Meidensha, we donated 125 Japanese black pine trees and had Meiden Group employees plant them at Senbonhama Park in Numazu.



Ota Works

Botanical Survey of On-Site Green Zone

At the Ota Works, we conducted an on-site botanical survey and found more than 30 varieties of trees. We included the results of the survey on the Ota Works Green Zone Map and we will apply the knowledge gained for future utilization of the green zone.



Ota Works Green Zone Map

Kanayama Red Pine Grove Conservation Activities

The red pine grove in Kanayama is the most well-known natural landscape in Ota City. Kanayama Castle was created using the natural contours of Kanayama and it is a precious historic site that is listed in the top 100 castles in Japan. The Ota works is registered as part of the “red pine managing owner system” and we work to conserve the red pine grove by participating in activities such as weeding.



Discontinued Selling PET Bottles at Our Facilities

The problem of marine pollution caused by plastic waste has spread over a wide area, and there are concerns that it can adversely affect the ecosystem, living environment, fisheries, tourism, etc. The use of plastic bags has been abolished since July 2020 at on-site shops in the Meiden Group's Numazu Works and Ota Works. Shops prepare eco-bags instead of using plastic disposable bags at the checkout. We conducted e-learning for all Meiden Group employees concerning the problem of marine plastic waste, and stopped selling PET bottles from all vending machines at Numazu Works in December 2021. We are reducing plastic waste by eliminating the use of PET bottles, which had previously totaled 500,000 bottles per year.



Educational poster concerning the problem of marine plastic waste



Vending machine after cessation of sale of PET bottles

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

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

[Click here to view information on the Electronic Industry Associations Biodiversity Working Group.](#)

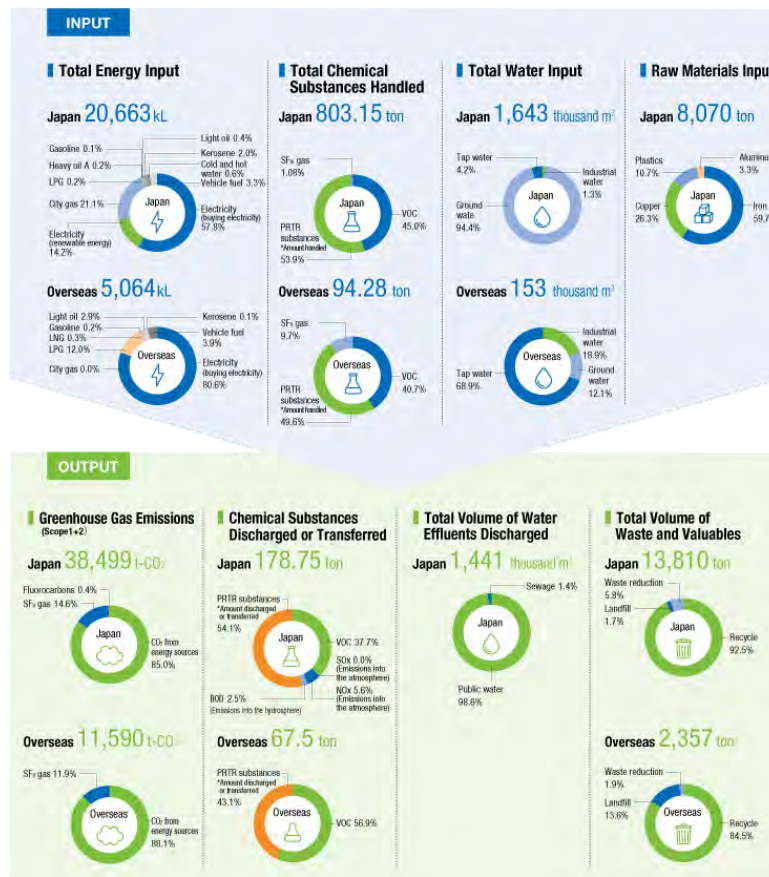
* The Japan Electrical Manufacturers' Association (JEMA), the Japan Electronics and Information Technology Industries Association (JEITA), the Communications and Information network Association of Japan (CIAJ), and the Japan Business Machine and Information System Industries Association (JBMIA)

Overview of Environmental Impacts by Our Business Activities

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

Overview of Environmental Impacts by Our Business Activities (FY2022)

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



Environmental Impact Data (FY2022) From the Four Main Manufacturing Sites (Domestic Manufacturing Sites)

Numazu Works

Message From the Environmental Manager

The Numazu Works is the main factory of the Meiden Group and conducts development, design, and manufacture of supervisory control equipment, power conversion equipment, power transformers and distribution panels, motor control equipment (inverters), electronic products, and surge arresters, development of software for integrated control devices and standalone, and on-site installation, and after-sales service for products.

At Numazu Works, we are promoting efficient energy use through capital investment and reform of equipment operation and are advancing replacement of SF6 gas with dry compressed air, as a measure to reduce emissions of SF6 gas, which is a particularly potent greenhouse gas, in the product testing process.

Additionally, to comply with the purposes of the Building Standards Act (one water-purification tank per site) and the Private Sewerage System Act (obligation to make efforts to convert individual water-purification tanks to combination water-purification tanks), and to avoid the risk of process wastewater spills, a complete upgrade on the wastewater system at the plant began in FY2022. By consolidating 28 existing tanks (22 individual water-purification tanks and six combination water-purification tanks) into one combination water-purification tank to be newly constructed, and rerouting the process piping, we will achieve safe water treatment and reduce electricity consumption with the improved operating efficiency of the treatment facilities.

Numazu Works, Environmental Manager, Masanori Fukumoto

Environmental Impact Data (FY2022)

Numazu Works

INPUT			OUTPUT		
Energy			Greenhouse gases		
Total energy input	10,209	kL	Greenhouse gases (Scope 1+2)	24,345	t-CO ₂
>Electricity	7,548	kL	>CO ₂ attributable to energy use	18,648	t-CO ₂
>>Electricity from renewable energy	0	kL	>SF ₆ gas	5,632	t-CO ₂
>City gas	2,582	kL	>CFCs	64.7	t-CO ₂
>LPG	12	kL	Reduction benefit from internal carbon pricing	210	t-CO ₂
>Heavy oil A	10	kL	Chemicals		
>Gasoline	15	kL	VOC (Emissions to air)	34.8	ton
>Light oil	0.1	kL	SOx (Emissions to air)	9	Kg
>Kerosene	3	kL	NOx (Emissions to air)	7,211	Kg
Cold and hot water	0	kL	BOD (Emissions to air)	4,246	kgBOD
Vehicle fuel	39	kL	Amount of PRTR substances* released or transferred	38.3	ton
Equipment subject to internal carbon pricing	1,385	Millions of yen	Water		
Chemicals			Effluent amount		
SF ₆ gas	8,693	kg	>Drained to sewer	4.9	thousand m ³
VOC	36.8	ton	>Drained to public waters	1,376	thousand m ³
Amount of PRTR substances* handled	56.5	ton	Waste		
Water			Waste emissions volume		
Water input volume	1,567	thousand m ³	>Recycling volume	2,151.4	ton
>Tap water	26.8	thousand m ³	>Final disposal volume	19.2	ton
>Industrial water	0	thousand m ³	>Volume reduction volume	462.0	ton
>Groundwater	1,540	thousand m ³			

Ota Works

Message From the Environmental Manager

The Ota Works conducts development and manufacture of large electric generators, power generation equipment, dynamometer systems, and control equipment, etc.

In addition to previous environmental activities, this year, we sourced CO2-free electricity that is produced and consumed within Gunma Prefecture and achieved zero greenhouse gas emissions from electricity consumption. We will continue working to reduce our environmental impact and achieve the SDGs.

Ota Works, Environmental Manager, Manabu Fujikawa

Environmental Impact Data (FY2022)

Ota Works

INPUT			OUTPUT		
Energy			Greenhouse gases		
Total energy input	2,173	kL	Greenhouse gases (Scope 1+2)	1,170	t-CO ₂
>Electricity	1,637	kL	>CO ₂ attributable to energy use	1,132	t-CO ₂
>>Electricity from renewable energy	1,637	kL	>SF ₆ gas	0	t-CO ₂
>City gas	359	kL	>CFCs	38.4	t-CO ₂
>LPG	8	kL	Reduction benefit from internal carbon pricing	24	t-CO ₂
>Heavy oil A	34	kL	Chemicals		
>Gasoline	1	kL	VOC (Emissions to air)	13.4	ton
>Light oil	73	kL	SOx (Emissions to air)	45	Kg
>Kerosene	34	kL	NOx (Emissions to air)	306	Kg
Cold and hot water	0	kL	BOD (Emissions to air)	135	kgBOD
Vehicle fuel	27	kL	Amount of PRTR substances* released or transferred	19.4	ton
Equipment subject to internal carbon pricing	68	Millions of yen	Water		
Chemicals			Effluent amount		
SF ₆ gas	0	kg	>Drained to sewer	0	thousand m ³
VOC	25.2	ton	>Drained to public waters	37.5	thousand m ³
Amount of PRTR substances* handled	24.2	ton	Waste		
Water			Waste emissions volume		
Water input volume	36.4	thousand m ³	>Recycling volume	593.1	ton
>Tap water	14.4	thousand m ³	>Final disposal volume	3.9	ton
>Industrial water	22	thousand m ³	>Volume reduction volume	144.2	ton
>Groundwater	0	thousand m ³			

Nagoya Works

Message From the Environmental Manager

The Nagoya Works develops and manufactures logistics and transportation products and ceramic membranes used for water treatment and has manufactured integrated motor and inverter units for EVs since FY2020.

In FY2022, our factory for integrated motor and inverter units for EVs went into full operation, plus production of ceramic membranes increased, resulting in higher emissions of greenhouse gases. However, we worked to achieve efficient equipment operation, and emissions per unit of production were improved. As the rate of decarbonization is increasing and technology for electrification, computerization, and artificial intelligence of electric vehicles is evolving rapidly, Nagoya Works is focusing on electrification and will continue to contribute to society through future automation of automobiles.

Nagoya Works, Environmental Manager, Tomohisa Asakura

Environmental Impact Data (FY2022)

Nagoya Works

INPUT			OUTPUT		
Energy			Greenhouse gases		
Total energy input	2,744	kL	Greenhouse gases (Scope 1+2)	4,582	t-CO ₂
>Electricity	1,619	kL	>CO ₂ attributable to energy use	4,582	t-CO ₂
>>Electricity from renewable energy	0	kL	>SF ₆ gas	0	t-CO ₂
>City gas	1,118	kL	>CFCs	0	t-CO ₂
>LPG	0.138	kL	Reduction benefit from internal carbon pricing	0	t-CO ₂
>Heavy oil A	0	kL	Chemicals		
>Gasoline	0	kL	VOC (Emissions to air)	0.4	ton
>Light oil	0	kL	SOx (Emissions to air)	0	Kg
>Kerosene	1.787	kL	NOx (Emissions to air)	2,420	Kg
Cold and hot water	0	kL	BOD (Emissions to air)	93	kgBOD
Vehicle fuel	5.063	kL	Amount of PRTR substances* released or transferred	5.9	ton
Equipment subject to internal carbon pricing	0	Millions of yen	Water		
Chemicals			Effluent amount		
SF ₆ gas	0	kg	>Drained to sewer	0	thousand m ³
VOC	0.6	ton	>Drained to public waters	7.6	thousand m ³
Amount of PRTR substances* handled	6.8	ton	Waste		
Water			Waste emissions volume		
Water input volume	12.8	thousand m ³	>Recycling volume	573.4	ton
>Tap water	6.6	thousand m ³	>Final disposal volume	20.9	ton
>Industrial water	0	thousand m ³	>Volume reduction volume	25.3	ton
>Groundwater	6.2	thousand m ³			

KOFU MEIDENSHA ELECTRIC MFG. CO., LTD.

Message From the Environmental Manager

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

In FY2022, our new factory for EV motors went into full operation, resulting in greater energy use. However, we worked to achieve efficient equipment operation, and emissions per unit of production were

improved. In addition, since FY2022, we have been sourcing renewable electricity for a portion of the electricity we use as we work to reduce greenhouse gas emissions.

KOFU MEIDENSHA, Environmental Manager, Oda Shigehiro

Environmental Impact Data (FY2022)

KOFU MEIDENSHA ELECTRIC MFG. CO., LTD.

INPUT			OUTPUT		
Energy			Greenhouse gases		
Total energy input	2,128	kL	Greenhouse gases (Scope 1+2)	2,966	t-CO ₂
>Electricity	1,827	kL	>CO ₂ attributable to energy use	2,949	t-CO ₂
>>Electricity from renewable energy	510	kL	>SF ₆ gas	0	t-CO ₂
>City gas	294	kL	>CFCs	16.7	t-CO ₂
>LPG	0.49	kL	Reduction benefit from internal carbon pricing	0	t-CO ₂
>Heavy oil A	0	kL	Chemicals		
>Gasoline	0	kL	VOC (Emissions to air)	18.2	ton
>Light oil	0	kL	SOx (Emissions to air)	0	Kg
>Kerosene	0	kL	NOx (Emissions to air)	0	Kg
Cold and hot water	0	kL	BOD (Emissions to air)	0	kgBOD
Vehicle fuel	6,283	kL	Amount of PRTR substances* released or transferred	13.6	ton
Equipment subject to internal carbon pricing	0	Millions of yen	Water		
Chemicals			Effluent amount	11.4	thousand m ³
SF ₆ gas	0	kg	>Drained to sewer	11.4	thousand m ³
VOC	50.9	ton	>Drained to public waters	0	thousand m ³
Amount of PRTR substances* handled	48.3	ton	Waste		
Water			Waste emissions volume	783.3	ton
Water input volume	11.4	thousand m ³	>Recycling volume	772.7	ton
>Tap water	6.2	thousand m ³	>Final disposal volume	0.007	ton
>Industrial water	0	thousand m ³	>Volume reduction volume	10.6	ton
>Groundwater	5.2	thousand m ³			

Promotion of Environmental Communication

Policy

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

Initiatives

Initiatives

Promotion of Environmental Communication

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

We actively release information concerning our environmental conservation activities and environmental impact through our website. We reflect the opinions and needs expressed by our stakeholders in the Meiden Group’s environmental activities and environmental training.

Environmental Communication Organization Chart



Initiatives

Endorsement and Participation in GX League

Meidensha has endorsed and participated in the Ministry of Economy, Trade and Industry's GX League, a forum for companies that aim to achieve sustainable growth in the present and future society by taking on the challenge of GX (Green Transformation) to achieve carbon neutrality and social transformation by 2050. Here, they can collaborate with other companies making similar efforts and with government and academia.



The Meiden Group has set carbon neutrality and well-being as the values we provide, and we declare that being a sustainability partner is our aspiration and vision for achieving the society we aim for. Our goal is to contribute to the decarbonization of society through our products, businesses, and solutions.

At the same time, we aim to achieve carbon neutrality (net zero) in our business activities by 2050. As an intermediate step, we have set the following GHG emissions reduction targets, which we are working to achieve by FY2030: 30% reduction of emissions from business activities (Scope 1 and 2; compared to FY2019) and 15% reduction of emissions during product use (Scope 3 Category 11; compared with FY2019).*

We believe that the vision and direction of the Meiden Group are in line with the purposes of the GX League and we have expressed our support for the GX League concept. Moreover, we became a GX League participating company on May 15, 2023.

We are accelerating efforts to achieve carbon neutrality in several ways. For example, by selling more environmentally friendly products, we are contributing to the decarbonization of society and our customers' business activities. We are also utilizing renewable energy sources such as photovoltaic, wind, and hydro power, and also improving energy conservation by increasing the efficiency of our products.

* These targets were recognized by the SBT initiative as consistent with the Paris Agreement, and SBT certification was granted in April 2021.

[Medium- to Long-Term Environmental Targets at the Meiden Group >](#)

[Meiden endorses METI's GX League Basic Concept >](#)

Foster Environmental Awareness

Policy

The Meiden Group believes that increasing each person's environmental awareness leads to environmental contributions to society.

Initiatives

Foster Environmental Awareness

We conduct education relating to environmental initiatives such as environmental management and environmentally conscious design as part of the regular curriculum for employee education, which is conducted for each level of employee such as new employees, new managers, and candidates for executive roles.

Furthermore, we promote environmental activities at each site, conduct internal auditor education, etc., for personnel that are involved with work that impacts the environment, and conduct specialist education as necessary.

Environmental Education (e-learning) for All Meiden Group Staff

Each year, we conduct environmental education for all staff of the Meiden Group, including officers, through e-learning. In FY2022, we gave training on Japan's Plastic Resource Circulation Act, which went into effect in April 2022. Of Meiden Group employees, 85.9% took the course online, and educational materials were shared with subject employees who were unable to take the course online.

Following are examples of comments and impressions of employees who took the training.

<Trainee impressions>

- This was a good opportunity to learn about Meidensha's environmental initiatives.
- This has inspired me to more actively sort my plastic waste from now on.
- Now I hope to use less plastic at home, such as by choosing products that come without a label.

Promoting Acquisition of Certification Test for Environmental Specialists (Eco Test)® Certification

We promote acquisition of Certification Test for Environmental Specialists (Eco Test)® certification provided by the Tokyo Chamber of Commerce and Industry, and provide support for examination costs and provide sample questions, etc., through e-learning. In the January test in FY2022, our pass rate was

88%. We have 910 Eco Test certification holders as of March 2023. We will provide a bonus from FY2022 to FY2024 for people who have acquired qualifications, as part of promoting acquisition of qualifications.

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

Specialist Education

We conduct specialist education as necessary at each site, conduct internal auditor education, etc., for employees that promote environmental activities or are involved with work that impacts the environment. In FY2022, we gave training for factory staff on such topics as carbon neutrality, implementation of chemical audits, and management of chemicals in products. In addition, we gave training on controlling CFC emissions and on waste disposal for members of the sales division.

Education Concerning Environmental Laws

We also teach employees about environmental laws and regulations as part of compliance training. In FY2022, we gave lectures on Japan's Waste Disposal Act, PCB Special Treatment Act, and Water Pollution Prevention Act. By looking at case studies of violations, we remind trainees of the importance of legal compliance.

Environmental Management Seminars for Management-Level Employees

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

Date	Theme	Instructor (affiliation, role, etc., are those at the time)
12/21/2017	Increasing expectations for environmental management: ESG investment, SDGs, and TCFD recommendations to disclose climate-related financial information, etc.	Toshihiko Goto CEO of Sustainability Forum Japan Chairperson and executive director of Global Compact Network Japan
12/21/2018	Toward the utilization of SDGs	Yoriyuki Numakura Manager of KPMG AZSA Sustainability Co., Ltd.
06/21/2019	Trends in ESG investment and information disclosure: TCFD recommendations	Mari Yoshitaka Chief Consultant, Clean Energy Finance Division, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
12/11/2020	The Meiden Group's CO ₂ reduction plan to achieve SBTs	Yoshihisa Niwa Managing director and partner of the Boston Consulting Group Shoji Hajime Managing director and senior partner of the Boston Consulting Group Makoto Morihara Principal of the Boston Consulting Group
05/26/2022	Latest trends in disclosure of corporate information concerning climate change	Kosuke Terasaki Senior Researcher Sustainability Sec., Risk Management Department 3rd MS&AD InterRisk Research & Consulting, Inc.

Environmental Education Results (FY2022)

Content	Times conducted	Number of participants	Outline
Environmental education (e-learning)	1	7,213	<ul style="list-style-type: none"> • Japan's Plastic Resource Circulation Act in the Meiden Group
Specialist education	8	—	<ul style="list-style-type: none"> • Carbon neutrality training • Chemical audit implementation training • Training on management of chemicals in products • Group-wide internal environmental auditor training • CFC emissions control training • Waste processing training
Education concerning environmental laws	4 & shared by video	4,336	<ul style="list-style-type: none"> • Laws relating to the environment • Examples and causes of contraventions • Meidensha's compliance status • Management of chemical substances according to law • The PCB Special Treatment Act • The Waste Disposal Act • Water Pollution Prevention Act

Social

Product Responsibility

Product Responsibility >

[Quality Policy >](#)

[Quality Assurance System >](#)

[Strengthening Quality Control >](#)

[Connecting with Customers, Monitoring Facilities, and Supporting Peace of Mind >](#)

[Developing Human Resources to Support the Supply of High-quality Products >](#)

Supply Chain Management

Supply Chain Management >

[Promotion of Sustainability that Involves the Entire Supply Chain >](#)

[Risk Evaluation >](#)

[Building a Sustainable Supply Chain >](#)

[Communication with Business Partners >](#)

[Increasing Business Partners Engagement >](#)

[Enhancing Group Procurement Systems \(education of procurement managers\) >](#)

Human Rights

Human Rights >

[The Meiden Group Human Rights Policy >](#)

[Relief and Remedy >](#)

[Promotion Framework >](#)

[Initiatives for Identifying Prominent Human Rights Issues >](#)

Occupational Safety and Health, Health & Productivity Management

Occupational Safety and Health >

[Initiatives Based on Top Management's Safety and Health Management Policy >](#)

[The Meiden Group Organization System for Occupational Safety and Health and Health & Productivity Management >](#)

[Supervision of Safety and Health Led by Top Management >](#)

[FY2022 Results >](#)

[Occupational Safety and Health Management System >](#)

[Health and Safety Risk Assessments >](#)

[Safety and Health Indicators >](#)

[Safety and Health Initiatives >](#)

Health & Productivity Management >

[Health promotion: Aiming to maintain and improve the health of employees >](#)

[The Meiden Group Health & Productivity Management Policy Statement >](#)

[Meiden Group Health & Productivity Management Strategy Map >](#)

[The Meiden Group Organization System for Occupational Safety and Health and health & productivity management >](#)

[FY2022 Results of Occupational Safety and Health Initiatives >](#)

[Health & Productivity Management Indicators \(only Meidensha\) >](#)

[Health Training Attendees \(Whole Group\) >](#)

[Health Promotion Measures >](#)

[Handling of International Travelers >](#)

Community

Community >

[Policy on Local Employment and Procurement >](#)

[Social Contribution Policies >](#)

[Contributions to Local Economies >](#)

[Community Investment >](#)

[Social Contribution Activities \(Examples and Results of FY2022 initiatives\) >](#)

DX

DX >

[DX at the Meiden Group >](#)

[Aggressive DX: "Transformation of Business Models" >](#)

[Defensive DX: "Transformation of Core Business and Business Management" >](#)

[Establishment of DX Promotion Infrastructure Development of Digital Human Resources >](#)

Product Responsibility

Policy

Quality Policy

Basic Policy

“Illuminating a more affluent tomorrow”

“For customer peace of mind and satisfaction” Aspiring to continue meeting the expectations of our customers and society, and to provide high-quality products and services by valuing the spirit of craftsmanship (Monozukuri), we will help our customers solve issues by strengthening quality control and stepping up activities to eliminate defects.

Plan and Targets

Under Medium-term Management Plan 2024, we will promote initiatives to improve quality with the quantitative target of reducing the number of defects and the cost of rectifying defects by half in FY 2024 in comparison with FY 2020 results over four years, and contribute to increased profits by increasing customer satisfaction and reducing unnecessary costs.

Organization

Quality Assurance System

Under the direction of the President, who is our chief executive officer, and the Executive Committee, the head of the Quality Control Management Unit (Executive Officer, Masami Ogawa) oversees quality management for the whole Meiden Group. The quality assurance (QA) promotion system comprises the General Manager of the Quality Control Management Division, and members including the quality assurance managers of each business unit. We engage in activities such as sharing quality information and roll-out of policies to other business units at Company-Wide QA Promotion Committee and each business unit's QA Promotion Committee, etc.



Quality Assurance Activities and Quality Risk Management

The Meiden Group conducts initiatives in each business unit for quality assurance and quality improvement according to the President's Quality Management Policy. We comply with relevant laws, we have created quality management systems based on ISO9001 not only for production divisions, but for each business unit including sales divisions, technical divisions and for each Group company, with a focus on manufacturing companies, and we are implementing quality assurance measures.

In order to maintain and improve said systems, we conduct ISO9001 internal auditor education for all Group companies in order to improve the skills of internal auditors.

Furthermore, if there is a quality issue that is likely to have a severe effect on society, such as a blackout, a stoppage of water supply, or a recall, we handle the matter in accordance with stringent rules to ensure swift and appropriate action through reporting to management and sharing information with specialist divisions, relevant divisions, and relevant business units, etc.

Response Flow for Quality Issues



ISO 9001 Acquisition Record (as of FY2022)

	Eligible sites	Certified sites	Rate of acquisition
Meiden Group (Japan)	22	22	100.0%
Meiden Group (International)	12	12	100.0%
Whole Meiden Group	32	32	100.0%

Quality Activity Cycle

Each fiscal year, each business unit drafts a priority quality policy for their own business unit, promotes activities such as CS activities and defect elimination activities based on the President's Quality Management Policy and the directions of the top management, etc., with the aim of increasing customer satisfaction.



Initiatives

Strengthening Quality Control

Inspecting our own operations to ensure that we do not make defective goods nor allow them to come in or go out to achieve reliable quality control.

To improve quality, the Meiden Group determines what points to control and carries out its activities under our policy of not making defective goods nor allowing them to come in or go out.

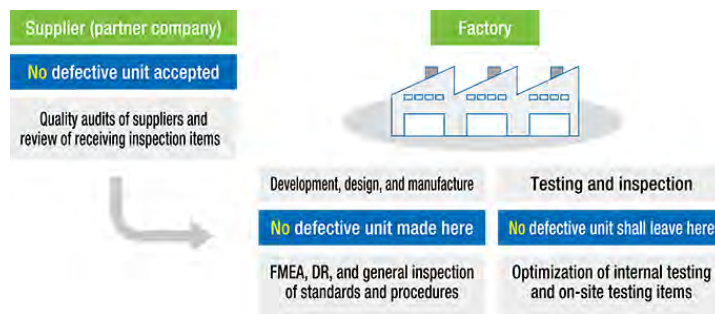
- (1) Reducing defects in outsourced and purchased products
 - Analyze any defects that surface in order to reconsider inspection standards and systems, thereby preventing defects from getting in.
 - Support efforts to enhance management by auditing and providing instruction to subcontractors based on the analysis results, thereby improving the quality of outsourced and purchased products.
- (2) Reducing defects from insufficient consideration and inattention

Reduce defects caused by insufficient consideration: Use design FMEA and process FMEA to better identify risks, thereby preventing defects caused by insufficient consideration.

Reduce defects caused by inattention: Reconsider QR maps, procedures, and standards and ensure that workers understand them, thereby preventing human error.
- (3) Reducing internal defects

Analyze any defects that occur in our processes (internal defects) and ensure that corrective measures are taken, thereby preventing defects from getting out to subsequent processes.
- (4) Preventing outflow of defects

Clearly specify which tests should be conducted internally and which should be conducted on-site, and make sure they are conducted.



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

Improvement at the Supplier Management Level

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

Reform of Receiving Inspection Items

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

Identification of 3H* Risks and Response Measures

Using design FMEA, we conduct DR that clarify new points, changes, usage conditions, etc. For mass produced products, we prevent process faults by focusing on changes in the process FMEA, which leads to a reduction in defects. A risk map is used to assess the level of risk and create a mechanism for efficiently identifying risks by clearly stipulating the level of DR.

* 3H: Hajimete "first time," Henkou "change," Hisashiburi "first case in a long time")

Improved Quality of DR (design review)

We clearly state the levels of DR to be conducted by determining the level of risk using the risk map. For DRs that are deemed to be especially important, we operate a “key person system” wherein experts in each product field are nominated and asked to participate in the DR. Through DR by experts, we create an environment where extensive content is considered and risks can be identified, which results in high-quality DR. In order to facilitate nominating and requesting the participation of experts in DR throughout the organization, a list of registered key persons is made available throughout the company. Furthermore, we have created and we implement and strictly manage a system of notifying managers and administrators of remaining items so that processes do not proceed without resolving matters that have

been identified and matters that require consideration, etc., through DR by the deadline that has been set, in order to reduce the risk of defects arising from unresolved matters.

Utilizing the past defect cases

We have created and operate a system to convert information about defects that have arisen into easily applicable knowledge and to facilitate the accumulation and application of this knowledge. We then apply this knowledge to subsequent development and design to ensure that similar defects do not arise in the future.

Establishing and Complying with Standards and Procedures

We manage management items and methods in each process through a Quality Control Process Chart (QC Process Chart) that we call the QR Map. By applying this QR map, we are able to ensure that all tasks are completed and that everyone completes tasks at the same level, which enables us to reduce the risk of defects arising due to the variations among personnel. This QR map is linked to standards and procedures to promote tasks in each process. We limit recurrence of past defects and occurrence of similar defects by conducting an overall examination and revision of these standards and procedures to ensure that their content relates to prevention of recurrence of defects or occurrence of similar defects. Furthermore, we encourage filling in the Quality Control Process Chart (QC Process Chart) so that the implementation status can be confirmed by third parties.

Preventing Outflow of Defects

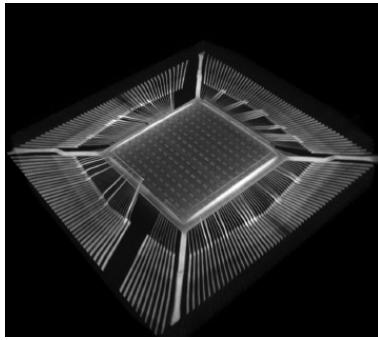
We must not allow any defects to leave the Company. In order to achieve this, it is important to conduct thorough testing. There are many products for which it is not possible to conduct all tests in-house. Therefore, we clearly differentiate tests that should be conducted in-house and tests that should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

Analysis Technology to Prevent Defects for Parts and Materials

At the Materials & Semiconductor Device Analysis Center, we promote activities to improve product quality and prevent defects through analysis and reliability evaluation of semiconductor devices and materials that are used in our products, adopting “improving product quality,” “creating new products,” and “consideration for the environment” as our basic policies.

If new parts and components such as semiconductor devices are used, they do not only undergo evaluation of variation in electrical characteristics and failure analysis, but (1) they undergo non-destructive inspection, (2) they are removed from packaging and further examined, and (3) the internal structure is examined by taking cross-sections etc., to evaluate whether they comply with internal standards. We also actively work to achieve long-term reliability and have a system of checking the potential effects of a range of stresses such as heat, humidity, and corrosive gasses.

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



X ray transmission observation of electronic components

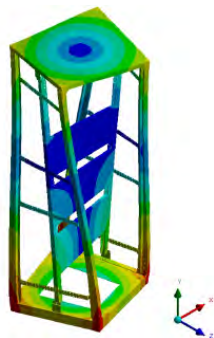


Evaluation of electrical characteristics of semiconductor devices (power device analyzer)

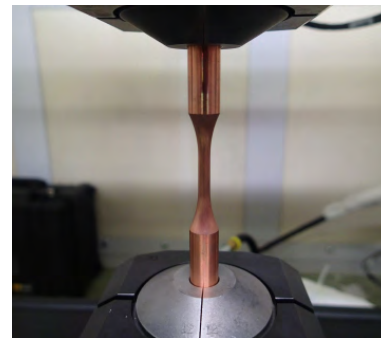
Coexistence of Limit State Design and Product Quality

At the Analysis Center, we conduct research and development relating to improving the precision of vibration analysis and obtaining more material strength data in order to achieve both product competitiveness and product quality through limit state design. If product components are made as small and light as possible, strength can be an issue where it was not in the past. We are therefore improving the precision of vibration analysis by conducting vibration analysis and testing of each component and whole product. We have also introduced high-speed fatigue testing equipment to obtain more complete strength data for materials such as copper, which is used in heavy electrical products.

For example, when conducting vibration resistant design for the switchboard of electrical equipment, we achieve reliable products by conducting vibration resistance analysis simulations from the initial design stage, and conducting detailed evaluations of actual machine equivalent models once design is complete. Furthermore, we conduct evaluation of product life by comparing results of vibration analysis of rotating machinery and materials strength data.



Structure analysis of switchboard



Ultra-high cycle fatigue testing of copper

Activities to Prevent Defects in Mass-produced Products

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

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

(4) Centralized process data management: Link with a traceability database

Expansion of Remote Product Inspection Before Shipping

Due to the impact of the COVID-19 pandemic, it has become difficult to conduct pre-shipping product inspections by customers visiting our factories, as before, so we started remote pre-shipping inspections. At these remote pre-shipping inspections, by connecting the inspection factory via PC screen, customers at a remote location can check the status of the inspection by viewing three screens: an image of the entire inspection site, an image of the inspector's hands taken up, and an image of the inspection certificate. Customers can talk to on-site inspectors through an internet meeting system using a microphone and a camera.

In addition, we established the Meiden Standard System to conduct remote pre-shipment inspections and rolled out ideas and initiatives to meet the new needs of customers, such as by automatically inputting inspection results in the inspection certificate in real time, by transmitting measurement data from measurement devices such as products' external dimensions and coating thickness, etc. Going forward, we will continue to promote expansion of products and factories, while achieving overall improvement by managing and rectifying issues and carrying out remote pre-shipment inspections.



Development and Introduction of Image Inspection Equipment for Surface Coating

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



Surface coating image inspection equipment

Quality Kaizen (Incremental Improvement) Activities at Overseas Subsidiaries

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

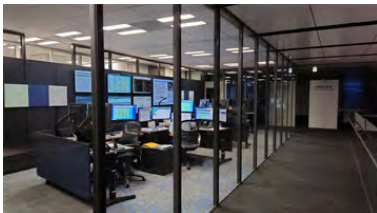
Initiatives

Connecting with Customers, Monitoring Facilities, and Supporting Peace of Mind

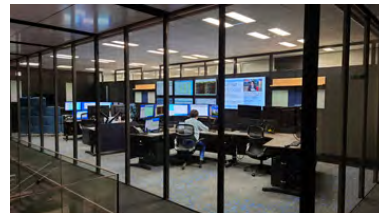
Meiden Customer Center

The Meiden Customer Center is the point of contact for inquiries and trouble calls for all Meiden Group products. It responds promptly to customer situations by working closely with sales and engineering departments, factories, and nationwide service centers. Meiden Customer Center operators are standing by 24 hours a day all year to monitor customer facilities and support their stable and optimal operation.

We also analyze the customer comments that come into the Meiden Customer Center and apply the feedback to our craftsmanship and the services we offer to increase customer satisfaction.



Meiden Customer Center offers 24-hour support all year

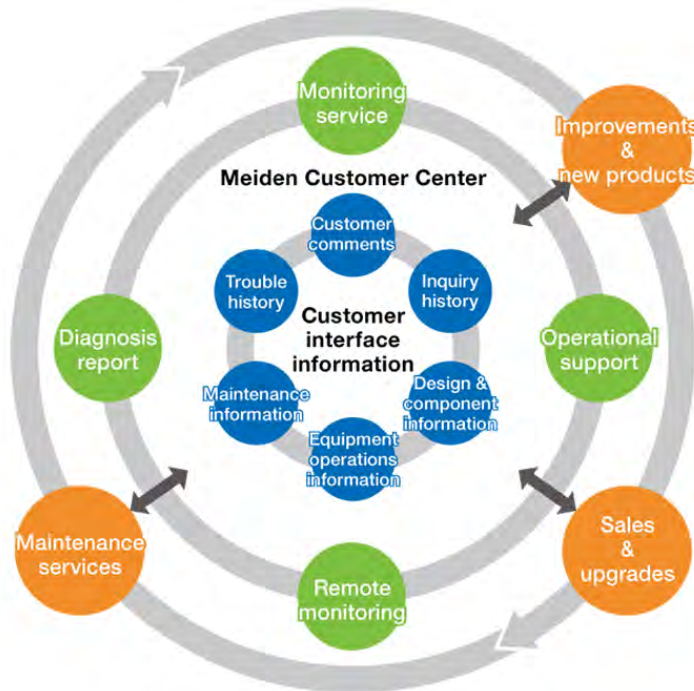




ISMS (Information Security Management System) Certification

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, equipment operating data is collected and monitored at fixed points and centrally managed in the Meiden Customer Center. This allows us to analyze trends in equipment abnormalities and issue periodic diagnostic reports.

The customer center analyzes and uses data such as equipment operating information, past trouble history, plant design information, and on-site maintenance information to develop suggestions for customers to help them do appropriate maintenance, lower life-cycle costs, and reduce greenhouse gas emissions.



Developing Human Resources to Support the Supply of High-quality Products

Education Relating to Quality Management Technology

In order to increase all employees' awareness of quality and impart basic knowledge of quality management, we conduct education relating to quality management technology for all employees that are involved with manufacturing, even if they are not directly connected to the Production Business Unit. We conduct training that includes drills relating to the role of quality management, how to promote improvement (Kaizen), seven tools for quality control, analysis based on the five whys, and supplier engagement education, etc., for each level of employee such as new employees and group leaders. We are in the process of rolling out the curriculum for Japanese and overseas subsidiaries.



Training scene



Facility Maintenance Skill Training for Safe and worry-free Operation

At the technology center adjacent to Numazu Works, we conduct training programs for workmanship and technical skills maintenance engineers. We raise engineers who contribute to the stable, safe, and efficient operation of customers' equipment through practical training using real equipment.

Instructors are veteran engineers with extensive real-world experience and the curriculum is formulated to allow participants to touch and experience actual equipment, such as extra high-voltage and high-voltage receiving substation equipment, computers, power converter equipment, generators, and rotating machinery. Maintenance training is conducted each year for customers to whom Meidensha's products have been supplied. Participants deepen their understanding of the internal composition of machinery through cross-sectional models of products, and gain experience of actually operating disconnecting switches and circuit breakers, testing protective relays, and using generating equipment and inverters, etc.

As one of our 120th anniversary projects, we have granted internships to two Thai university students each year since fiscal 2017, and we have conducted technical education for these two university students in fiscal 2019 as before.

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



Thai university student internships (product observation)



Technical training (creating sequencing circuits for rotating machinery)

Transmission of Skills Using Eye Tracking

We introduced the line-of-sight analysis tools called “Eye Tracking” and began an initiative to visualize the hand and eye movements of skilled worker who has “good intuition” and “knacks” for the purpose of transferring the skills and knowhow of skilled worker to the next generation.

The line-of-sight analysis tools, “Eye Tracking” is glasses with built-in small cameras. When worker wears this glasses, the central camera records the field of view and captures the movement of the hand. By having skilled worker wear these glasses, it is possible to visualize fine hand and eye movements that were previously in tacit knowledge domain. Furthermore, having a skilled worker explain what is happening on the recorded video makes it possible to elicit their criteria and other aspects of the work and include them in manuals.



The line-of-sight analysis by Eye Tracking

Results Data

Number of Legal Violations Relating to Quality (as of FY2022)

	FY2020	FY2021	FY2022
Meiden Group (consolidated)	0	0	0

Quality Management Education and Training Results (FY2022 Results)

	Times conducted	Participants	Outline
Group leader training	1	18	Training to learn the quality control and workplace improvement techniques required of technical group leaders
ISO 9001 Internal Auditor Development Course	5	151	Training to learn the knowledge needed by internal auditors to continuously improve the ISO 9001 quality management system

Supply Chain Management

Policy

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

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

The Meiden Group Basic Procurement Policy

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

Actively Promoting Responsible Corporate Conduct

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

Plan and Targets

The Meiden Group promotes enhanced supply chain management based on the basic policy of “Medium-term Management Plan 2024.”

We are working to conduct fair and impartial transactions, and to improve sustainability further while strengthening partnerships to help business partners understand the importance of promoting sustainability in the supply chain. Furthermore, we hope to promote legal compliance, environmental conservation, and community contribution activities, etc., with our business partners, with the aim of achieving mutual sustainable development.

We are continuing activities to support the acquisition of environmental management systems (EMS) certification by our business partners and enhancing sustainability promotion by building partnerships such as through follow-up education after EMS certification has been acquired, information security measures, and support for health and safety measures.

Promotion of Sustainability that Involves the Entire Supply Chain

Co-creation with Sustainability Partnerships

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

When signing new contracts with suppliers, we ask them to comply with the Meiden Group Sustainable Procurement Guidelines. These cover human rights, labor, health and safety, the environment, fair trade and ethics (including prohibition of corruption and bribery), and other matters.

To help them understand our approach to supply chain management, we have distributed the Guidelines to approximately 1,600 of our domestic suppliers.

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

Dissemination and Explanation of the Procurement Policy to Business Partners

“We give a copy of the Meiden Group Sustainable Procurement Guidelines to every new supplier at the start of business.” We ask each new supplier to become thoroughly familiar with the guidelines and put them into practice.

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

The Meiden Group Sustainable Procurement Guidelines are available in three languages: Japanese, English, and Chinese.



Meiden Group Sustainable Procurement Guidelines (Japanese)  >

Meiden Group Sustainable Procurement Guidelines (English)  >

Meiden Group Sustainable Procurement Guidelines (Chinese)  >

Response to the Conflict Minerals Issue

We have established a conflict minerals response policy, and the Meiden Group Sustainable Procurement Guidelines clearly express our intention to address the conflict minerals issue.

Policy on Conflict Minerals Issue

In order to fulfill its corporate social responsibility through procurement activities, the Meiden Group promotes initiatives to prevent the use of conflict minerals (tantalum, tin, gold, and tungsten) mined in the Democratic Republic of the Congo and surrounding nations, which are used to fund armed group activities that repeatedly engage in human trafficking, forced labor, child labor, abuse, etc., or inhumane acts, etc.

We conduct surveys of high-risk minerals as a due diligence measure, using the Conflict Minerals Reporting Template (CMRT) developed by the Responsible Minerals Initiative (RMI).

In FY2021*, our year and received acceptable responses from 360 companies (94%). If the surveys reveal that minerals have been used to support conflicts, we ask our business partners to take corrective action to avoid using the relevant minerals, such as by changing suppliers. Furthermore, if customers identify risky refineries, we ask business partners that use these refineries to re-examine the status of their business dealings. In addition, starting in FY2023, we are conducting a cobalt survey using the Extended Minerals Reporting Template (EMRT).

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

Request to business partners

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

Promotion of Green Procurement

Based on our corporate philosophy of “contribute to people, society, and the global environment to make a world a better place to live,” we are proceeding with environmental activities in accordance with the Meiden Group’s Environmental Action Policies. In material procurement, throughout the entire life-cycle to disposal, we try to make environmentally conscious products and reduce disposal, and engage activities in protecting the global environment by energy-saving, resource-saving, and minimizing the use of toxic chemicals, etc.

We view procurement of materials as part of our supply chain sustainability activities. We drafted the Green Procurement Guidelines to clarify our policies and request even greater understanding and

cooperation from our business partners.

We provide the Green Procurement Guidelines to domestic business partners and we request all new business partners (100%) to disseminate and apply at the time of the first transaction.

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

In FY2022, we revised our Green Procurement Guidelines in light of the needs of the times. We engage with a broad range of environmental issues that businesses need to consider, such as reducing GHG emissions, using water effectively, and caring for biodiversity. We work with business partners to promote climate change countermeasures.

We ask our business partners to understand the importance of global environmental conservation activities and to cooperate in our activities. Please refer to the Green Procurement Guidelines (revised July 2022) for details.

the Green Procurement Guidelines (only Japanese)  >

Risk Evaluation

Evaluation of Suppliers

We convey the importance of sustainability and our philosophy to our business partners, including legal compliance, environmental protection, and community contribution, as listed in the Corporate Code of Conduct. In addition to evaluating business partners for quality, delivery, price, capacity for technological development, and environmental certifications, we look at whether they are fulfilling their social responsibility in terms of risks to the environment and social issues like human rights and labor, fair trade principles, social contribution, environmental conservation, and management of chemical substances.

Through this evaluation, we work to gain an understanding of business conditions relating to social issues such as climate change, biodiversity, environmental management, human rights, and working environments, and then to identify suppliers which have a high-risk. Also, when we start working with new suppliers, we conduct environmental audits on suppliers where there are high environmental risks. This way, we can assess and correct any risks.

We conduct appropriate, fair, and impartial procedures for all business partners through surveys relating to sustainability promotion and environmental conservation activities at the time of the first transaction. (FY2022 survey record: 1,711 companies)

Furthermore, we evaluate suppliers through "our business partners' evaluation system" and issue a score card each year based on the results. (500 companies evaluated in FY2022)



Survey relating to sustainability activities and environmental conservation activities

2022年度 資材調達スコアカード

評価項目	目的	評価項目	得点	配点
企業評価	企業の経営理念を評価	財務、一般情報、認証、CSR	16.5	/30点
企業業績評価	企業の実行力を評価	品質、コスト、納期、サービス	24.0	/30点
技術力評価	企業の管理技術力(改善)と開発技術力(品質)を評価	品質、コスト、納期、技術開発、生産力、生産効率	13.4	/20点
協力度評価	当社に対する協力度を評価	方針策定、協力・連携、情報提供	17.0	/20点
合計			70.9	/100点

Materials procurement score card (example)

Initiatives

Building a Sustainable Supply Chain

Environmental Management Initiatives

When promoting environmentally conscious design, which forms part of our environmental management activities, we operate an environmental BOM* management system that is compliant with the regulations governing chemical substances in products.

In the Green Procurement Guidelines, the Meiden Group has stipulated two risk levels (prohibition and reduction) for hazardous substances regulated by laws and regulations relating to chemical substances such as the RoHS directive and REACH regulations. Based on this, we conduct surveys of chemical substances contained in procured materials and expand environmentally conscious products by promoting the elimination of hazardous substances.

* BOM: Bill of Materials

Reducing Environmental Impact by Building Environmental Management Systems for Business Partners

We provide assistance not only for the Meiden Group but also for business partners, to build environmental management systems (EMS) and promote the reduction of environmental impact. We ask our partners to participate in these activities too, and promote the reduction of environmental impact throughout the entire supply chain.

We ask our business partners to create environmental management systems. In particular, we strongly recommend acquiring external EMS certification such as ISO14001 and EcoAction 21.

Environmental Audits

We conduct environmental audits on suppliers. During FY2022, some audits were done remotely because of the COVID-19, while others were done on-site. Suppliers who did not pass the audit were asked to take corrective measures and given a follow-up audit (seven companies). If suppliers do not yet have an environmental management system (EMS), we have them take part in an EcoAction 21 study session.

Promoting and Supporting EcoAction 21 Certification and Registration for SMEs

The Meiden Group is providing support for the environmental management system, EcoAction 21 certification, promoted by the Ministry of the Environment, and registration activities of our business partners, and aim to spread environmental management systems and environmental improvements throughout the entire value chain. We promote green procurement, giving priority to the purchase of products and parts from environmentally conscious suppliers. We also promote efforts to reduce GHG emissions and pursue carbon neutrality. As of FY2022, the eighth year of the program, a total of 134 suppliers have earned EcoAction 21 certification.

We also discuss our environmental policies and carbon neutrality initiatives with our suppliers at yearly production plan briefings and ask that they take action themselves. And working with the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN, we are working to visualize CO₂ emissions.

We will continue providing support for our business partners in relation to EcoAction 21 certification and registration activities, and aim to promote environmental management systems, environmental improvements, and CO₂ emissions reductions throughout the entire value chain.



Presentation of case studies of supplier improvements at regional production plan briefing



Organization for Small & Medium Enterprises and Regional Innovation, JAPAN (Ota area) carbon neutrality implementation seminar



Individual support by the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN (Numazu area)

Sharing Excellent Examples with Suppliers

We report good examples of EcoAction 21 initiatives to suppliers at regional production plan briefings.

At this year's case study presentations, participants showed how they were able not only to make environmental improvements using EcoAction 21, but also establish a committee to examine management issues using this system. By entrusting operations to employees, they were able to build a system where employees can examine and solve management issues on their own. Good examples are shared, which helps to motivate our suppliers.

Communication with Business Partners

The Meiden Group is conducting the following activities to build relationships with business partners. We are directly confirming the challenges and requirements of our partners and pursuing support activities.

1. Gathering Real Feedback

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

2. Seeking Procured Items on the Website

The Meidensha website has introduced “instructions for initial transactions” and “transaction application form” on material procurement, and we collect information on a broad range of business partners.

3. Using the Supplier Portal (web)

We regularly post information about subsidies (grants, etc.) for SMEs on our supplier portal (web), and supply information so that opportunities to update equipment, etc., are not missed.

We also contribute to the business efficiency of our business partners by creating efficiency in operations from submission of quotations to ordering, ATP, and delivery, using paperless electronic information, conducting conflict minerals surveys using a questionnaire, and confirmation of BCP implementation and damage caused by earthquakes and typhoons, etc.

4. Establishment of the Public Whistleblower System

Meidensha has established the Public Whistleblower System: contact person is an outside lawyer (Law Office Hironaka), for the officers and employees of our business partners, in order to promote appropriate dealings. We request our business partners to report or consult with this contact point when they discover any violation of laws and regulations, inappropriate behavior, or potential violation of laws and regulations by our employees in relation to business transactions.

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

Initiatives

Increasing Business Partners Engagement

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

Hosting of Meidensha Partners Meeting

We host Meidensha Partners Meetings to enhance two-way communication with business partners and strengthen relationships. The President gives messages to business partners concerning future Meidensha policies, and awards to praise the assistance and contribution towards business activities and production activities. He appreciates them face-to-face, and rewards exceptional activities and results. In

light of the COVID-19 pandemic, the President visited the award-winning business partners last fiscal year to present the awards.



President's message at the Partners Meeting



Commendation of superior and excellent examples at Partners Meeting



Visit to business partner and commendation (last fiscal year)

Holding Production Plan Explanatory Meetings for Suppliers

Each year, we invite our major business partners to each production site in order to directly share information, inform, exchange opinions, and communicate with our business partners.

- Explanation of the Meiden Group's procurement policy (purchase record and plan)
- The record and plan of the business status of Meidensha and each business unit
- Providing information about our various support activities to help suppliers adhere to the Sustainable Procurement Guidelines (Compliance, human rights and labor, health and safety, environment, quality and safety, information security, business continuity planning, etc.)
- Announcement of examples of notable improvement and sharing information to increase technical ability from business partners
- Explanation of the Meiden Group's environmental policy and green procurement policy, and request for cooperation from business partners



Production plan briefing (Numazu area)



Dialogue with suppliers



At a social gathering

Holding Various Seminars, etc.

We hold seminars on process improvement and information security measures at our suppliers' manufacturing sites as needed to improve their capabilities. We hold product exchange meetings with workplaces, where we communicate and exchange opinions with workers. In collaboration with the Corporate DX Promotion Group, we conducted on-site checks of whether appropriate information security measures were being taken to prevent information leaks and provided advice. Also, in terms of health and safety, we have commenced workplace checks of our business partners using the Health and Safety

Support Project. There are limitations within the COVID-19 pandemic; however, we are promoting ongoing support to the extent possible.

In FY2022, we have decided not to conduct some face-to-face activities in order to prevent the spread of COVID-19.



Product exchange meeting



Information security instruction



Project to Support Safety & Health

Record of Seminars Held (FY2022)

Theme	Number of seminars held	Number of participating companies	Number of participants
Production plan explanatory meetings (Ota, Numazu, Nagoya)	6 seminars	176 companies	212 participants
Hands-on safety experience truck education	12 seminars	18 companies	75 participants
Safety support diagnostics and education	11 seminars	11 companies	Approx. 70 participants

Record of Monitoring Suppliers (FY2022)

Theme	Content	Times conducted (number of companies)	Outline
Environment	Environmental audits	10 companies	Participation in FY2023 EA21 (EMS) by 7 companies that required correction
Health and safety	Checking suppliers' sites using the health and safety support business	9 companies	Numazu area: 4 companies Ota area: 2 companies Nagoya & Kofu areas: 3 companies
Information security	Submission of self-diagnoses using the information security self-diagnosis card	2,154 companies	Work-site checkup based on checkup results: 6 companies
BCP implementation	Investigation of impacts of natural disasters, major accidents, and misconduct, etc.	3 times (the number of companies investigate depends on the scope of the investigation)	Concentrated heavy rain, COVID-19, etc.

Enhancing Group Procurement Systems (education of procurement managers)

Thoroughness of Absolute Compliance and Prohibited Matters of the Procurement Group

In order for the member of Procurement Group to behave in a proper manner, we have devised “absolute compliance matters” and “absolute prohibitions” as a code of conduct for the Procurement Group so that all employees reflect on their own actions and do not commit any inappropriate conduct.

We read the following items at every morning meeting and ensure that all employees know them as a daily education; legal compliance, prevention of corruption, respect for human rights, labor practices,

consideration for the environment, quality, safety, and information security, etc.

Enhancing Group Procurement Systems

The whole Meiden Group is working to enhance procurement systems. Monthly meetings are held with the procurement divisions of major group companies to promote initiatives for improving the procurement base and to share information.

Initiatives to Improve Our Procurement Base

- Be thorough with legal compliance
- Be thorough with sustainable procurement
- Enhance risk management (BCP and internal control)
- Enhance professional development

Education and Professional Development for Procurement Managers (as of FY2022)

Certified Procurement Professional qualification system	Attainment: 61%
Eco Test	Attainment: 87%
Education for new staff and reassigned personnel, etc. (FY2022)	100% attendance

Human Rights

Policy

The Meiden Group Human Rights Policy

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


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

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

[The Meiden Group Human Rights Policy \(347KB\)](#)  >

Meidensha has signed a statement of support for the United Nations Global Compact and is registered as a participating company.

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

[Meiden Group Sustainable Procurement Guidelines \(536KB\)](#)  >

Relief and Remedy

Establishment of a Compliance Hotline

If a human rights violation occurs due to Meidensha’s businesses, employees are able to report to the Compliance Hotline, the Harassment Consultation Hotline, and the external Public Whistleblower System. All stakeholders (including individuals, local residents, etc.) can make inquiries from outside the company using our external helpline. The Compliance Committee investigates information that is brought to the above points of contact, and, having confirmed the content, consults lawyers before resolving issues if necessary.

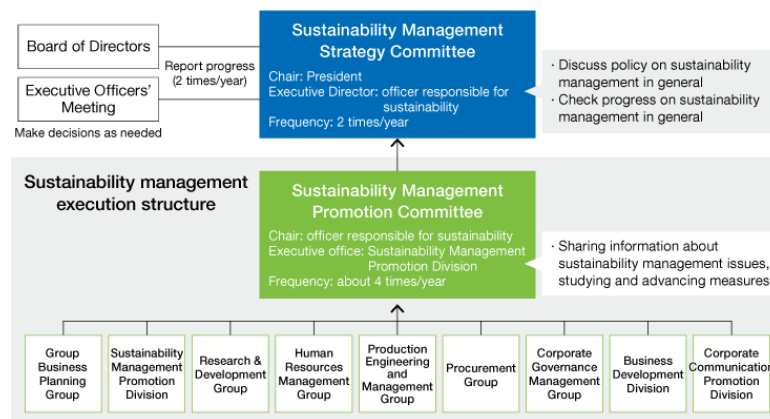
Furthermore, our system effectively manages information concerning whistleblowers' names, etc., protects whistleblowers, and enables anonymous consultation, in accordance with national guidelines. We work to ensure that whistleblowers experience no disadvantage and improve the dependability of our whistleblower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

Compliance Whistleblower System >

Organization

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.



Initiatives

Initiatives for Identifying Prominent Human Rights Issues

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.

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

Step	FY2021 and earlier	FY2022	1st half	FY2023	
Initiative		Join UN Global Compact		2nd half	
Initiatives to promote and train	Workplace discussions (Human Rights Week)	Training for officers Workplace discussions (Human Rights Week)		Workplace discussions (Human Rights Week)	
Establish policy		Revise Human Rights Policy Revise Corporate Code of Conduct Establish Sustainable Procurement Guidelines			
Human rights due diligence	Conflict minerals	3TG* survey	Survey 380 business partners with CMRT (Conflict Minerals Reporting Template)	FY2023 survey	
		Cobalt survey	Cobalt Reporting Template (CRT)	EMRT (Extended Minerals Reporting Template)	FY2023 survey (cobalt & mica survey)
	Self-assessment		Survey scope Risk inventory Study of impacts and countermeasures		
	Risk assessment			Create list of issues Interview relevant departments Identify conspicuous human rights issues Consider countermeasures	
	Impact assessment				Sort out discussion points Assessment sheet

* 3TG: Tin, Tantalum, Tungsten, Gold

Initiatives

Promoting Respect for Human Rights through Our Business Activities

Human Rights Education for Officers and Employees

The entire Meiden Group understands international norms (Universal Declaration of Human Rights and International Bill of Human Rights) and is working to conduct education activities focused on human rights with the aim of ensuring “respect for human rights,” which is listed in the Corporate Code of Conduct. We also comply with all relevant laws concerning the prohibition of forced labor and abolition of child labor. The Meiden Group Human Rights Policy is available in three languages (Japanese, English, and Chinese) to ensure that it becomes ingrained in all employees, and we conduct various types of training as educational activities to raise awareness of fundamental 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.

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

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

Content of Human Rights Training (FY2022)

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	5,987
Harassment education	All Group employees	Prevention of various types of harassment	4,336
Compliance manager training	Compliance managers	Responses to consultations regarding harassment, etc.	178
Anger management training	All Group employees	Understanding and controlling anger, which can lead to harassment	2,350
Mental health training	Conducted in each region	Correct understanding and prevention of mental illness, and prohibition of discrimination	367

Regarding harassment, we have established an internal consultation system to respond promptly while adhering to the principles of protecting the privacy and confidentiality of the user. The system is available to Meiden Group employees as well as dispatch workers and contractors. Information obtained through the system is used to conduct surveys of the user and relevant parties, provide feedback after having understood the situation, and prevent recurrence. The system provides an opportunity to implement recurrence prevention measures and conduct individual education.

We have also included items concerning harassment in our employee awareness survey, which allows us to observe trends each year.

[Harassment prevention system >](#)

Interaction with employee representatives

We value conversations between employee representatives and management to ensure that employees can engage in meaningful work. We have established a regular central labor-management conference and regional labor-management conferences, and we are working to improve the workplace environment according to the circumstances of each site.

Support for a living wage

The Meiden Group not only complies with minimum wage requirements in each prefecture in accordance with the Minimum Wages Act, but also is careful to pay at least a living wage.

We also provide a family allowance to support the lifestyles of employees who meet certain conditions such as having spouses and children to provide for. The Meiden Group Mutual Aid Association also provides various types of condolence, sympathy, and celebratory funds, as well as loans for financial assistance required for the mutual support and welfare of members. In addition, we have a home loan program to receive funding from financial institutions when those who have saved property accumulation residence funds eventually make a purchase.

Initiatives on Labor Problems

In order to properly manage working hours and curb long working hours, our labor management system centrally monitors and manages PC log-ons and log-offs and employee ID card data stamps when employees arrive at and leave the office. If an employee works more than a certain number of hours, that employee and their supervisor are asked about the employee's working conditions, and guidance is given to prevent long working hours and legal violations. Additionally, we hold briefings regularly on working hours and distribute manuals internally on working hours and attendance management to improve employee literacy on labor management. Furthermore, to encourage employees to take their annual paid leave, we established "My Plan Annual Leave" and "Recommended Days for Taking Annual Leave" to promote employee work-life balance.

Personnel Data >

Prevention of Child Labor

The Meiden Group only hires senior high school graduates and up.

Prevention of Forced Labor

We present working conditions to employees when they are hired and we take action to prevent forced and involuntary labor.

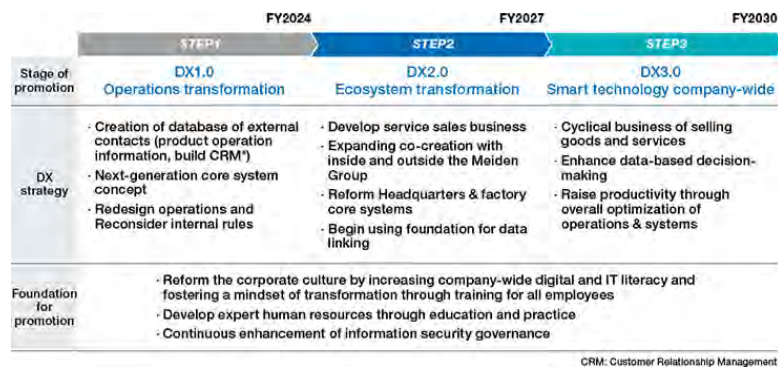
Compliance Data >

D X

DX at the Meiden Group

The Meiden Group defines DX as an effort to use digital technology and data to change the world's expectations in terms of existing business models (businesses and products); systems associated with operations in general; and the knowledge, skills, mindsets, organizations, and corporate cultures of the employees responsible for these, and thereby realize the enterprise's desired state and vision. The Group has previously used digital technology to transform its business, such as IoT to visualize manufacturing lines and implementing Robotic Process Automation (RPA). Each of these efforts, however, was limited to individual or partial optimization. Going forward, we will promote DX with a company-wide approach. This will make our business more competitive and bring a greater impact to society. Within the DX Promotion Committee, headed by the Executive Vice President and Executive Officer, there are four subcommittees, each conducting specific initiatives with a different theme. Committee meeting discussions are regularly reported to the Executive Officers' Meeting and the Board of Directors for follow-up and supervision of progress.

DX Promotion Road Map

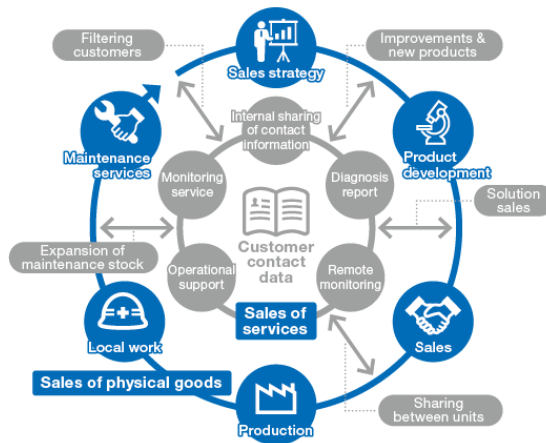


Our Ideal

Aggressive DX: "Transformation of Business Models"

The desire to "enrich society through the power of electricity" has been at the heart of the Meiden Group since its founding. This led us to an attitude of thinking about the rich lives and exciting societies to be enjoyed by people on the other end of our products and services. It has been the driving force behind the creation of new value for our customers in every era.

This desire is unchanged today, even as society rapidly changes and people’s ways of thinking are growing more diverse. The important thing is to explore and pursue added value from the customer's point of view, such as "Why do they buy our company products and how do they need us?", to move from the phase of "What can we get the customer to buy?" . Getting there will require aggressive DX. For example, we will take previously scattered customer contact information, make it into a database, and share it. This will not only enhance our sales of physical goods, but also expand sales of services. By combining the two, we will develop a system to create a virtuous cycle of business.

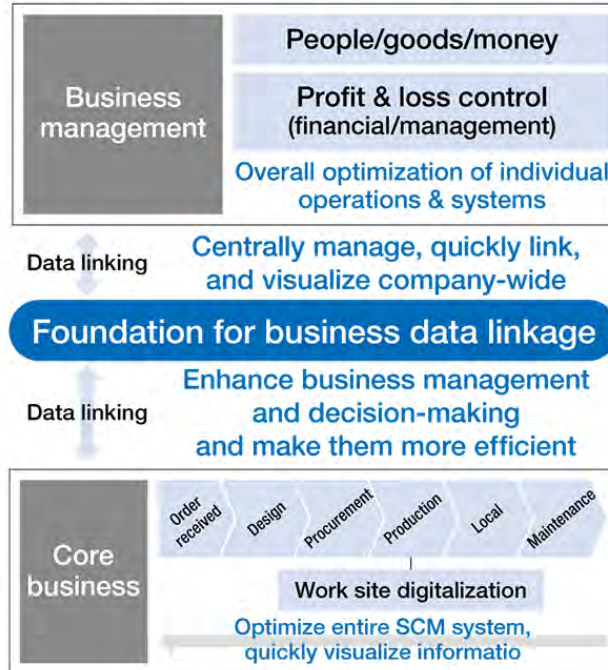


Defensive DX: “Transformation of Core Business and Business Management”

In today's world, an enterprise’s competitive advantage depends directly on how fast it can make business decisions. To survive, enterprises need a system to quickly and centrally view all sorts of information that can support decision-making, such as business resources (people, goods, and money), project progress, and operating status of products already delivered. We recognize that there is still room for improvement in the mechanisms for absorbing information right away and speeding up decision-making. To practice defensive DX, we will elevate our business by centrally managing, quickly linking, and visualizing company-wide business information. At the same time, by bringing digital innovation to our work sites and linking data in our core businesses, we will work for the overall optimization of supply chain management for higher productivity.

Our Ideal

- Enhance decision-making by centralizing and quickly visualizing information
- Raise productivity through overall optimization of operations & systems



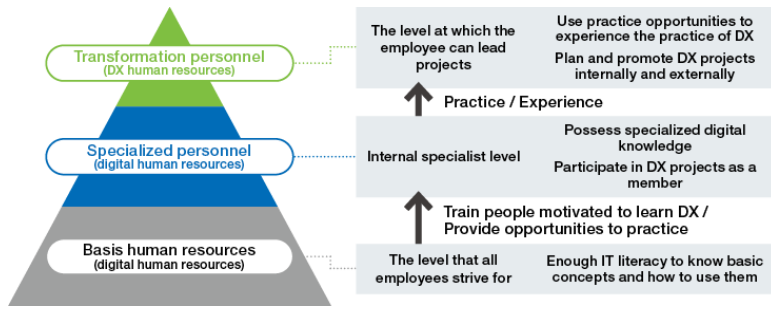
Theme-Specific Subcommittees

① Equipment and Systems Operations Transformation	<ul style="list-style-type: none"> • Use of project management systems to centralize progress and cost information management in production processes and make efficiency improvements • Creation of database of customer contacts company-wide
② Mass Production Operations Transformation	<ul style="list-style-type: none"> • Establishment of inventory and cost management standards for mass-produced products • Establishment of maintenance and management standards for mass production lines
③ Business Model Transformation	<ul style="list-style-type: none"> • Identification of product operation information especially in the Meiden Customer Center and deployment to the service sales business
④ Corporate Transformation	<ul style="list-style-type: none"> • Review of business management methods to reform Headquarters and factory core systems • Organization of corporate operations, and digital labor savings

Establishment of DX Promotion Infrastructure

Development of Digital Human Resources

A prerequisite to advancing DX is to build a foundation so that every employee takes DX personally and works accordingly. To do so, we are developing an environment that supports the training and awareness of employees, who will take the lead in advancing DX. Our aim is to foster a corporate culture for the digital age. Specific training measures include continuing our existing ICT Primer and Basic Education for new employees and in addition continuous IT skills e-learning designed for self-development. In addition, we created new DX training for all employees starting in FY2023, providing opportunities for people to understand what DX is and why it is needed now. All Meidensha employees will receive DX training by FY2024, and training will gradually expand to cover the entire Meiden Group.



TOPICS

Digital Lab for Co-Creation with an Agile Approach

The Digital Lab, an agile, co-creation center for creating new value, started up at Numazu Works in October 2022. Unlike the historical approach with its emphasis on certainty and stability with little change, we have been working since FY2020 on an agile approach that puts greater emphasis on responding to change and on speed and value.

The agile approach seeks to create new value by practicing close communication with customers and stakeholders. We will accelerate the search for new value-based businesses by promoting agile development with pilot projects, exchanging personnel and information with nearby enterprises and partners, and using a wide range of seminars and events for internal human resources development.



The Open Space at the Digital Lab

Occupational Safety and Health

Policy

Initiatives Based on Top Management’s Safety and Health Management Policy

The Meiden Group develops the “President’s Safety and Health Policy” and the “President’s Health & Productivity Management Policy” every year, and rolls out occupational safety and health and health management activities based on them. The President’s policies form a comprehensive code of conduct. They cover all employees of the Meiden Group, including those working at each site and construction, maintenance, and upkeep management business units of Meidensha and its subsidiaries as well as personnel of our partner companies.

We have explicitly stated that ensuring the health and safety of each employee is at the core of corporate management, and we work to eliminate industrial accidents and maintain and improve health.

◇ [The Meiden Group Occupational Safety and Health Action Guidelines](#)

“Safety comes first before anything else”

“Nothing is more valuable than good health”

1. Basic Policy

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 our Corporate Code of Conduct, and aim to be a leading health and safety company.

2. Action Guidelines

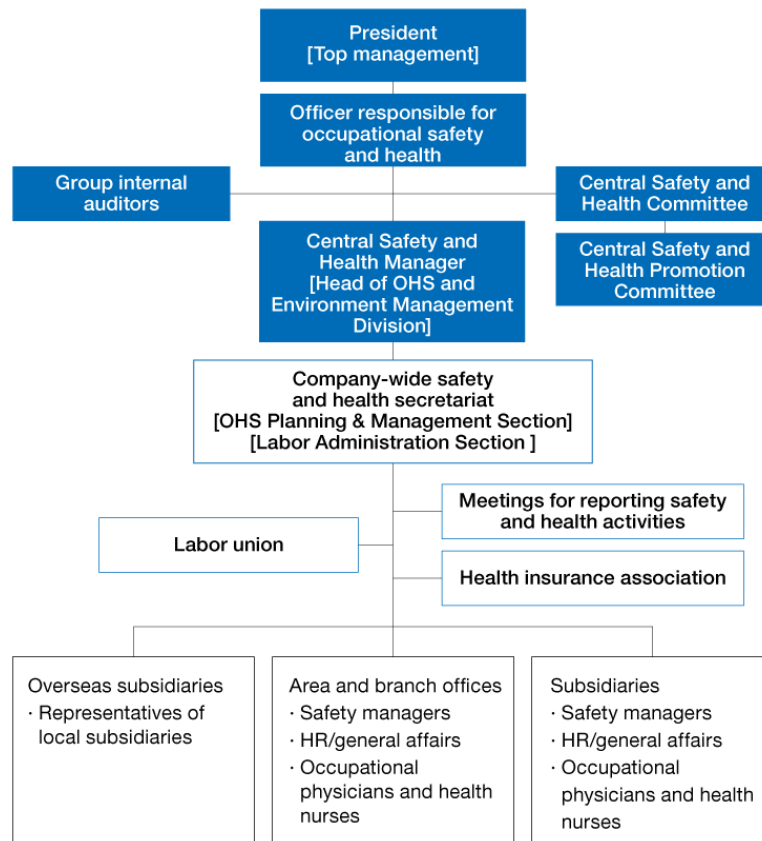
- (1) Based on the awareness that ensuring safety and health is reliant on good communication, prevent occupational accidents and occupational diseases by conducting appropriately managed workplace environment reforms with participation by all employees.
- (2) Comply with relevant laws including the Industrial Safety and Health Act, as well as business unit and workplace rules relating to safety and health.
- (3) Make 4M improvements to improve health and safety performance and conduct ongoing health and safety initiatives through the Safety and Health Management System.

* 4M: Management, machine, media, man

- (4) Identify health and safety risks in all workplaces, including near-miss incidents, and practice thorough risk assessments to eliminate or reduce risks.
- (5) Use health and safety training to increase opportunities to develop a sensitivity to danger and raise everyone's health and safety awareness.
- (6) Promote work-life balance and work style reforms.
- (7) Work to improve the health awareness and health literacy of each employee.
- (8) Enhance mental health promotion systems and promotion of workplaces that do not result in mental illness.
- (9) Prevent impairment of health due to smoking.
- (10) Support prevention and response to ensure that employees can participate in a healthy manner for a long time.

Organization

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



Supervision of Safety and Health Led by Top Management

In Japan, we comply with laws and regulations, hold monthly meetings of the Safety and Health Committee at each site, where we encourage participation by unions and employees, and conduct consultation and information sharing relating to matters such as causes of and responses to industrial

accidents, the status of employees that have taken leave due to illness, and other matters that require attention. Also, the Central Safety and Health Committee, chaired by the officer responsible for occupational safety and health as appointed by the President, discusses and makes decisions on matters relating to Group-wide policies and targets.

Results, Plan, and Targets

FY2022 Results

• Results of Occupational Safety and Health Initiatives

Certification status of the occupational safety and health management system

1) Acquired ISO 45001

Area	Scope
Headquarters area	<p>Meidensha (research and development business units, staff business units, and business units) and area subsidiaries*</p> <p>* Area subsidiaries: MEIDEN KOHSAN CO., LTD., Headquarters / MEIDEN SHOJI CO., LTD., Headquarters / MEIDEN SYSTEM SOLUTIONS CORPORATION, Tokyo Branch / MEIDEN UNIVERSAL SERVICE LTD., Tokyo Branch / MEIDEN TECHNO SYSTEMS CO., LTD., Tokyo Sales Office / MEIDEN AQUA BUSINESS COMPANY / M WINDS CO., LTD. / MEIDEN MASTER PARTNERS CORPORATION / MEIDEN NANOPROCESS INNOVATIONS, INC.</p>
Numazu area	<p>Meidensha (factories, research and development business units, staff business units), on-site affiliates*</p> <p>* On-site affiliates: MEIDEN SYSTEM MANUFACTURING CORPORATION / MEIDEN KOHSAN CO., LTD., Numazu Branch / MEIDEN SHOJI CO., LTD., Numazu Branch / MEIDEN SYSTEM SOLUTIONS CORPORATION, Headquarters / MEIDEN UNIVERSAL SERVICE LTD., Numazu Branch / MEIDEN TECHNO SYSTEMS CO., LTD., Headquarters / MEIDEN PLANT SYSTEMS CORPORATION, Equipment Factory / MEIDEN FACILITY SERVICE CORPORATION / MEIDEN CHEMICAL CO., LTD., Headquarters</p>
Ota area	<p>Meidensha (factories, research and development business units, staff business units, Gunma Branch), on-site affiliates*</p> <p>* On-site affiliates: MEIDEN KIDEN KOGYO CO., LTD. / MEIDEN KOHSAN CO., LTD., Ota Branch / MEIDEN FACILITY SERVICE CORPORATION / MEIDEN SYSTEM SOLUTIONS CORPORATION, Ota Branch / MEIDEN UNIVERSAL SERVICE LTD., Headquarters</p>
Nagoya area	<p>Meidensha (factories, research and development business units, staff business units), on-site affiliates*</p> <p>* On-site affiliates: MEIDEN SYSTEM SOLUTIONS CORPORATION, Nagoya Branch / MEIDEN UNIVERSAL SERVICE LTD., Nagoya Branch</p>
Kofu area	<p>KOFU MEIDENSHA ELECTRIC MFG. CO., LTD. / MEIDENSHA CORPORATION (EV Business Planning Headquarters and EV Sales & Engineering Headquarters in Kofu, Motor Drive Solutions Business Sales & Engineering Headquarters)</p>
Branches (including sales offices in jurisdiction)	<p>Hokkaido Branch / Tohoku Branch / Yokohama Branch / Kitakanto Branch / Higashikanto Branch / Shizuoka Branch / Niigata Branch / Hokuriku Branch / Chubu Branch Office / Kansai Branch Office / Shikoku Branch / Chugoku Branch / Kyushu Branch</p>
Plant Construction & Engineering Business Group	<p>Planning & Administration Division, Construction Management Dept. No. 1, Construction Management Dept. No. 2</p>
Domestic subsidiaries	<p>MEIDEN PLANT SYSTEMS CORPORATION, Headquarters and Western Japan Branch</p>
Overseas subsidiaries	<p>SHANGHAI MEIDENSHA CHANGCHENG SWITCHGEAR CO., LTD. / MEIDEN ZHENGZHOU ELECTRIC CO., LTD. / MEIDEN SINGAPORE PTE. LTD. / PT. MEIDEN ENGINEERING INDONESIA / MEIDEN T&D (INDIA) LIMITED</p>

Occupational Safety and Health Management System

In FY2015, the Meiden Group obtained OHSAS 18001 certification for each of the four main Japanese production sites, Numazu Works, Ota Works, Nagoya Works, and Kofu Meidensha Electric Mfg. Co., Ltd., including on-site affiliates. Furthermore, MEIDEN SINGAPORE PTE. LTD. obtained certification in FY2013, and the four remaining main overseas sites, MEIDEN ZHENGZHOU ELECTRIC CO., LTD., SHANGHAI

MEIDENSHA CHANGCHENG SWITCHGEAR CO., LTD., P.T. MEIDEN ENGINEERING INDONESIA, and MEIDEN T&D (INDIA) LIMITED, obtained certification in FY2017.

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

In FY2019, we acquired joint certification for the four main Japanese production sites (Ota Works, Numazu Works, Nagoya Works, and Kofu Meidensha Electric Mfg. Co., Ltd. *including on-site affiliates) under ISO 45001. In FY2020, we expanded ISO 45001 certification to Japanese workplaces other than production sites (Tokyo office, branches) and construction business units (Plant Construction Headquarters).

In FY2021, we plan to acquire certification for four Japanese affiliates. (MEIDEN PLANT SYSTEMS CORPORATION, MEIDEN AQUA BUSINESS COMPANY, M WINDS CO., LTD., and MEIDEN NANOPROCESS INNOVATIONS, INC.)

Going forward, we will continue to maintain and improve our occupational safety and health management system at all Meiden Group locations.

Rate of ISO 45001 Acquisition (as of March 31, 2023)

Japan

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

Overseas

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

Health and Safety Risk Assessments

Conducting Health and Safety Risk Assessments

The Meiden Group conducts risk assessments to ensure a work environment where employees can work in health and safety.

We have established and are using rules and systems to manage not only workplaces that require measurement of the work environment and workplaces where chemicals must be managed, but also workplaces engaged in light tasks and office work. We use common risk assessment standards within the Group and are systematically taking steps to eliminate and reduce risks.

We also strive to identify sources of danger from past cases of industrial accidents and day-to-day near-miss initiatives, where our goal is to get participation by all employees. Once the dangers are identified, we visualize the health and safety risks in every workplace and tie them in with risk assessments. Then we take preliminary measures and work to improve the workplace environment.

Preliminary Risk Assessment System

The Meiden Group established the preliminary risk assessment system to provide information that benefits management decision-making. When screening business investments, a preliminary risk assessment meeting carefully examines investments that may have a significant impact on the Meiden Group. The system follows our Basic Policy regarding Establishment of a System to Ensure the Appropriateness of Business Activities.

During the assessment, we evaluate financial risks, responsibilities (such as product guarantees), and feasibility (such as systems). The Corporate Policy Planning Group and the Internal Control Promotion Division serve as the secretariat for preliminary risk assessment meetings, and their supervising officers determine whether a meeting needs to be held. Other units involved include the General and Legal Affairs Division, the Accounting and Financing Group, and the Sales Planning & Administration Group.

During M&A, a third-party unit performs the due diligence. Besides doing a financial investigation of the target company, we also evaluate it from an ESG perspective to strengthen risk management. This includes the target's corporate culture, legal compliance systems including human rights concerns, compliance with environmental regulations, labor conditions, occupational safety and health, and other factors.

Business Activity Risk Management >

Safety and Health Indicators

Occupational Safety and Health Indicators (Meiden Group)

Meiden Group	Occupational accidents (cases)		Traffic accidents (cases)	Occupational diseases (cases)	People with absences due to illness of at least one month (rate of absence)* 2	
	4 or more days of lost time	1-3 days of lost time*1	Accident during work		Total	Mental
FY2022 (target values)	0	0	0	0	117 people (1.58%) (down 10% YoY)	93 people (1.26%) (down 10% YoY)
FY2022 (established values)	6	1	50	0	139	102
FY2023 (target values)	0	0	0	0	125 people (down 10% YoY)	92 people (down 10% YoY)

*1 Published figures based on the counting method in Meidensha's internal regulations (cases with at least one day of absence from work are counted)

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

Occupational Safety and Health Data (only Meidensha)

Item	2018	2019	2020	2021	2022
Lost time accidents frequency rate*1	0.99	0.15	0.15	0.00	0.38
Severity rate of lost time accidents*2	1.28	0.00	0.00	0.00	0.01
Number of fatalities*3	1	0	0	0	0
Number of lost time accidents (4 or more days)*4	4	2	1	0	4
Number of lost time accidents (1-3 days)	2	0	0	0	1

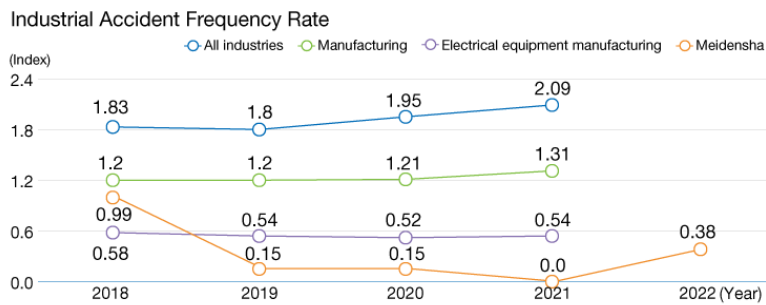
*1 "Frequency rate" indicates the frequency of casualties due to industrial accidents per 1 million gross hours of actual work.
 "Severity rate" indicates the seriousness of accidents based on the number of days of lost work due to industrial accidents per thousand gross hours of actual work.
 Individuals who suffer casualties on multiple occasions are counted on each occasion.

*2 Includes temporary employees and contractors.

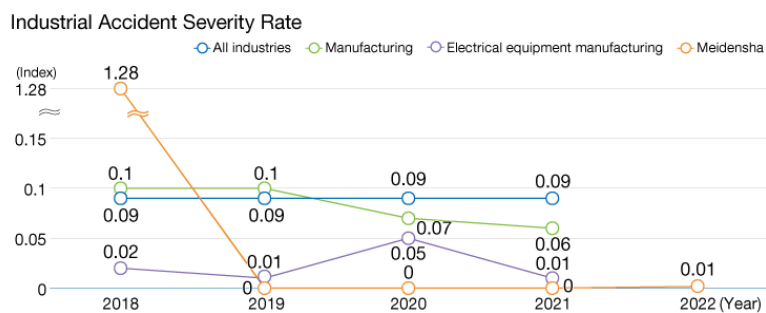
*3 The number of injuries leading to lost time is defined as injuries with one or more days of lost time as based on Meidensha's calculating regulations.

*4 "Accidents accompanied by lost worktime" refers to accidents that require at least one day off work according to Meidensha's own calculation standards.

Safety Record (only Meidensha)



* Supplementary information
 "Frequency rate" indicates the frequency of casualties due to industrial accidents.
 In contrast to the severity rate, which indicates the degree of industrial accidents that have occurred, the frequency rate uses the number of casualties per million gross hours of actual work.
 Frequency rate = (number of casualties / gross hours of actual work) × 1,000,000



* Supplementary information
 "Severity rate" indicates the degree of an industrial accident that has occurred.
 In contrast to the frequency rate, which indicates how often casualties happen, the severity rate indicates the seriousness of industrial accidents, based on the number of days of lost work per thousand gross hours of work.
 Severity rate = (number of casualties / gross hours of actual work) × 1,000

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

Item	FY2021	FY2022
Proportion of total workers (those whose operation or workplace is under organizational control) that send delegates to the Combined Labor and Management Safety and Health Committee	0.60% (26 delegates/4,027 people)	0.59% (24 delegates/4,039 people)

Safety and Health Initiatives

Initiatives

The Meiden Group has experienced industrial accidents throughout its long history and takes various measures to eliminate them. Measures include safety training, KYK (hazard prediction), risk assessment, safety patrols, a health and safety management system, and hands-on safety training.

Safety Patrols to Identify Risks

The Meiden Group continues to actively conduct safety patrols, which is a long-standing practice. For these, we depend on not only our own eyes, but also bring in health and safety consultants to provide an outside perspective and offer their knowledge.

Since FY2021, we have been using digital equipment to conduct remote patrols from all over Japan. Remote communication tools connect a single site (the subject of the patrol) with multiple sites and subsidiaries. The system enhances workplace safety and health by allowing many remote observers to offer new insights and give advice.



In addition, we launched Safety and Health Initiatives Reporting Meetings in FY2022 as a new effort to enhance safety and health in the Meiden Group. This event seeks to share information on the best safety and health initiatives in the Meiden Group with sites and subsidiaries to create an improvement spiral in the Group.

Each meeting includes a Group discussion, with a different theme each time. Each group shares its opinions with all the rest to increase their motivation.



Enhancing sensitivity to danger through hands-on safety training

In November 2019, we built hands-on safety experience truck No. 2 for employees' hands-on safety training, which we give at production sites (Numazu, Ota, Nagoya, and Kofu). Hands-on safety experience trucks are fitted with a VR system combined with a three-axis simulator to enable a more realistic experience of simulated industrial accidents.

We aim to eliminate industrial accidents by enhancing employees' sensitivity to danger through this hands-on safety training.

We also offer the VR hands-on safety training contents to parties outside the Company by subscription. Following the March 2021 development of Metaverse Hands-On Safety Training, in October 2022 we opened the new Metaverse Safety Promotion Center. Even trainees in remote locations can participate, represented by an avatar. The format brings past cases of occupational injuries back to life and raises employee safety awareness.



Safety Information Portal

The Meiden Group started operating the Safety Information Portal in 2020. This tool effectively gathers and analyzes safety and health management information as it accumulates in the Group and uses it to improve health and safety management (with the PDCA cycle). Currently, the system can manage industrial accident reports, traffic accident reports, near-misses, safety patrols, risk assessments, number of days with zero accidents, safety training, e-learning, accident frequency and severity rates, number of accidents per thousand persons each year, and more.

Using the system allows Group employees to easily access safety information and encourages their safety awareness and activities.



Safety Promotion Center Preserves Lessons from Industrial Accidents

Immediately following an industrial accident, the entire company comes together and vows never to repeat the same mistake; this resolve, however, fades as time passes. In particular, when there is a change of managers in workplaces where an industrial accident has occurred, the lessons learned from the accident fade even more quickly.



We established the Safety Promotion Center as a place to encourage story-telling and thinking about industrial accidents that have occurred.

We believe it is our mission to never turn our eyes away from the sad facts and to keep telling our stories so that our employees and their families will never have to suffer tragedy again.

The Meiden Group strives to raise safety awareness and eliminate industrial accidents by training the body (with our hands-on safety experience trucks) and the mind (through the Safety Promotion Center).

In October 2022, we developed the Metaverse Safety Promotion Center, using virtual space to further increase employee safety awareness.

The original Safety Promotion Center has struggled to bring in more visitors and trainees in recent years, in part because its location at the Numazu Works is too far for employees working at distant locations and also because of the COVID-19 pandemic. The Metaverse Safety Promotion Center was opened to solve the problem.

To access the Metaverse version of the Safety Promotion Center, participants just need a VR head-mounted display. Multiple employees, regardless of location, can gather on the Metaverse and exchange ideas with each other. The aim is to enable all employees to participate, both at Japanese manufacturing sites and overseas subsidiaries.



Occupational Safety and Health Training Attendees (Only Meidensha)

Occupational Health and Safety Training Record (FY2022)

	Training outline	Number of times conducted	Number of participants
Safety experience education	Training for the purpose of increasing sensitivity to danger	As required	1,009
General safety and health education	Foreman education, ability development education, etc.	58	597
Traffic safety education	In principle, held twice each fiscal year. Held at each site	21	2,680
Danger Experience Seminars through collaboration with the Japan Industrial Safety & Health Association	Training for the purpose of increasing sensitivity to danger	14	413

Health & Productivity Management

Policy

Health promotion: Aiming to maintain and improve the health of employees

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

We are promoting initiatives as an organization in order to support the health of each individual, such as sharing the belief that "nothing is more valuable than good health" with all employees and supporting employees' own health activities.

Through them, the Meiden Group is working to remain a leader in health & productivity management.

The Meiden Group Health & Productivity Management Policy Statement

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

We are promoting initiatives as an organization to support the health of each individual such as sharing the belief that "nothing is more valuable than good health" with all employees and supporting employees' own health activities. Through these initiatives, the Meiden Group is working to be a company that enables employees and their families to live vigorous and healthy lifestyles.

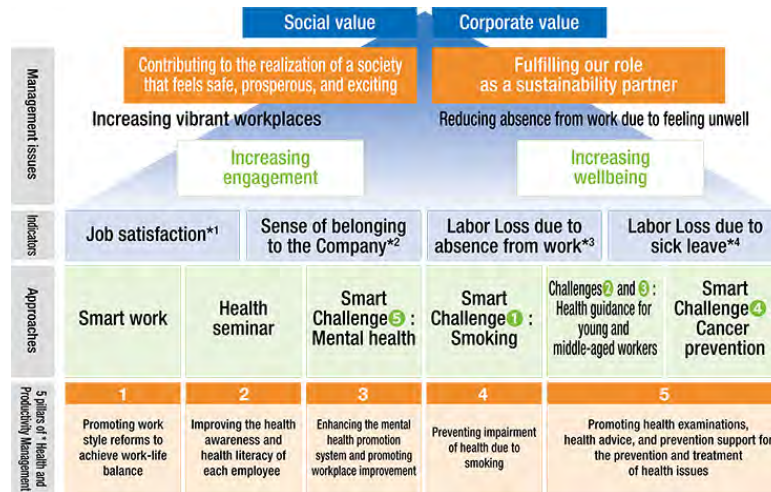
- (1) Promoting work style reforms to achieve work-life balance
- (2) Improving the health awareness and health literacy of each employee
- (3) Enhancing the mental health promotion system and promotion of workplaces that do not cause mental illness
- (4) Preventing impairment of health due to smoking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

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

Representative Director
President and Executive Officer



Meiden Group Health & Productivity Management Strategy Map



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

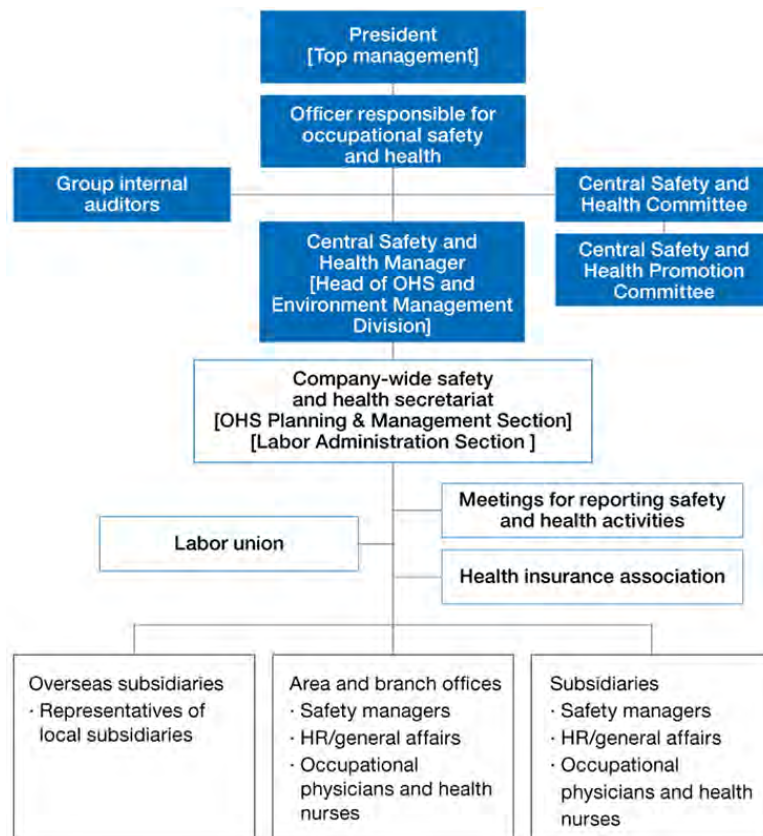
*2 Indicator of sense of community, agreement with Meidensha's philosophy and vision, and willingness to contribute, etc. (employee engagement)

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

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

Organization

The Meiden Group Organization System for Occupational Safety and Health and health & productivity management



FY2022 Results

Results of Occupational Safety and Health Initiatives

(1) Received 2023 Health and Productivity Management Outstanding Organization (White 500) Certification

Meidensha was certified as part of the Certified Health and Productivity Management Outstanding Organization Recognition Program that is jointly recognized by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi, and a 2023 Certified Health and Productivity Management Outstanding Organization in the White 500 list. This is our third consecutive year on the Certified Health and Productivity Management Outstanding Organization White 500 list.



(2) Smart Challenge Meiden Five



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

① Challenge 1: Taking action for passive smoking and promoting the quitting smoking program

We are continuously offering a program for quitting smoking, that can be taken online on an ongoing basis. Although the number of participants declined to 35 (down 21 from the previous year), 35 people successfully quit smoking (up three from the previous year). Meetings were held with the staff in charge of quitting smoking promotion at each business site to share information on the status of non-smoking and the program, as well as information from the health insurance and the union, and to promote awareness and educational activities. After much consideration and many discussions about prohibiting smoking during working hours and on Company property, we decided to ban smoking during working hours at all Meiden Group locations starting in April 2022.

② Challenge 2: Measures to combat lifestyle diseases – under 39

We continued to provide pre-obese under-40s with ICT health guidance programs. We provided a framework that allows a choice between a service to improve exercise habits using activity trackers and a service to improve diet, according to the interests and needs of young staff. The number of participants declined to 117 (down 41 from the previous year), and the program completion rate fell to 58.1% (down 25.9%).

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

For people aged 40 and over, we conduct health guidance programs using ICT with the slogan “health guidance for the joy of achievement.” We have also introduced a new program aiming to help employees regulate their body clocks. We provided participants with exercise guidance and diet and lifestyle improvement programs according to their preferences.

Results of measures to combat lifestyle-related diseases	FY2021		FY2022	
	UNDER-39	OVER-40	UNDER-39	OVER-40
Participants	158	200	117	270
Program completion rate (%)	84	72	58.1	95.6
Quantitative improvements				
Weight loss (kg)	-1.1	-1.2	-0.5	1.3
Waist-line shrinkage (cm)	-1.2	-1.7	-0.1	1.3
Behavioral changes				
Improved dietary habits (%)	69.7	81.1	82.4	91.2
Improved exercise habits (%)	53.8	64.3	76.5	85
Subjective wellness changes				
Average score at commencement	5.2	5.6	4.3	5.3
Average score at completion	5.0	5.3	4.7	5.4
Improvement in subjective wellness (%)	-0.2	-0.3	0.4	0.1
Presenteeism (first University of Tokyo scale)				
Average at commencement	85.1	82.2	79.2	81.7
Average at completion	84.8	81.2	78.6	84.2
Presenteeism improvement rate (%)	-0.3	-1.0	-0.6	2.5

- *1 Evaluation is conducted based on a score out of 10 for answering 10 questions relating to wellness.
- *2 This is an indicator of absence from work due to feeling unwell. Employees evaluate their own work in the previous four weeks, with performance when well and uninjured acting as a baseline of 100%.

④ Challenge 4: Measures to combat cancer

To encourage women to undergo cancer screenings, we provide full subsidies for out-of-pocket expenses for gynecological cancer screenings (cervical cancer screenings and breast cancer screenings). We have enhanced our gynecological cancer screening system so that employees can be screened in the health examinations conducted by the Company. The Company, health insurers, and unions are actively promoting awareness activities, such as issuing reminders and information concerning early detection of cancer.

⑤ Challenge 5: Promoting maintain mental health

We conduct interviews at workplaces with high health risks, encourage consultation with doctors for stressed individuals, etc., according to mental health plans. We conduct surveys of stressed individuals regarding mental health care awareness, ensuring anonymity. Additionally, to make the most of the results of the stress checks, we held another educational campaign to remind all employees how to read the results. In conjunction, we provide our workers with information and loan out textbooks to help them obtain the Mental Health Management® certification for the purpose of self-care, and eight employees took the exam in FY2022.

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

Health & Productivity Management Indicators (only Meidensha)

Item		FY2020	FY2021	FY2022	
Participants in the program for smokers to quit smoking		108	56	35	
Participants in Meiden Smart Walking		-	582	1,019	
Number of Health Web Kencom members		1,700	1,764	1,798	
Rate of regular health examinations		98.3	100	100	
Rate of thorough examination, second examination, or treatment (%) ^{*1}		63	58	76	
Rate of stress checks (%)		96.6	97.8	97.5	
Rate of high stress		13.4	13.9	13.8	
Rate of consultations with highly-stressed workers (%) ^{*2}		5	5	7	
Work engagement ^{*3}		2.47	2.44	2.43	
Average rate of utilization of leave		Listed in Smart Work 2024 labor practice targets >			
Average hours of overtime					
Number of workers exceeding 80 hours of out of hours work (work outside of legally stipulated hours) per month					
Rate of smoking (%)		21.8	20.0	20.7	
Regular health examination results (rate of conditions discovered (%))	Obesity (BMI of 25 or over)	Male	35.0	37.0	36.7
		Female	20.7	20.6	18.6

Item		FY2020	FY2021	FY2022
	Total	32.8	34.6	33.9
	Rate of blood pressure risks*4	0.8	0.7	1.2
	Proportion of workers at risk of diabetes*5	0.2	0.5	0.4
Medical expenses per person (yen)		137,297	155,251	162,972
Insurance expenses per person (yen)		13,660	19,120	17,041
Absenteeism (proportion of workers taking mental health leave or other leave (%))*6		1.35	1.45	1.58
Loss of absolute presenteeism (first University of Tokyo scale) (%)*7		17	27	29
above response rate (Percentage of total employees)		74.6	70.9	61.1
Job turnover rate (%)		Listed in labor practices results data >		

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

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

*3 Indicator of a positive state of mind in relation to work. Work engagement is quantified by halving the sum of the values assigned to responses to two of the 80 items on the new job stress survey ("I feel energized at work" and "I feel proud of my work") on a scale of 1 to 4 points, with 1 point for "Not at all" and 4 points for "Very much."

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

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

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

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

Health Training Attendees (Whole Group)

Health Education Results (FY2022)

Training outline		Number of times conducted	Number of attendees
Online health seminar	Session 1: Managing Your Well-being: Working at a High Level of Productivity and Creativity Session 2: Drinking Responsibly: How to Avoid Regrets Session 3: The Key Facts on Cancer in Women	3	906
New employees training	Stress Management and Health Management	2	210

Holding a Health Seminar

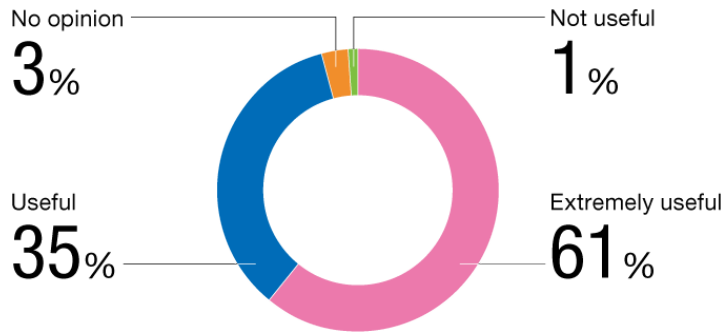
We held joint health seminars with a health insurance association to increase the health literacy of our employees.

These seminars were provided online during work hours so that employees could attend more easily.

In the first half of FY2022, Takashi Maeno, a professor at the Keio University Graduate School of System Design Management, gave a talk on "Managing Your Well-being" and in the second half of FY2022, Junzo Uchiyama, Hospital Director of the Nanmouri Medical Clinic, discussed "Drinking Responsibly."

We also held a women's health seminar titled "Key Facts on Cancer in Women" (Speaker: Saori Kakurai, CEO & Representative Director of the Wellness Life Support Research Center), which was open to male employees as well. Survey respondents expressed appreciation for the session, with participants saying, "It was a great opportunity as I didn't have many chances to learn about cancer in women" or "I'm going to recommend that my family members go in for a checkup."

Results of post-seminar questionnaire



Initiatives

Health Promotion Measures

In FY2023, we were recognized as one of the 2023 Certified Health & Productivity Management Outstanding Organizations (White 500), we will continue to strive for the certifications and implement measures in a timely manner while keeping an eye on the changing demands for Health & Productivity Management.

Of the 5 pillars of health & productivity management - namely mental health measures, anti-smoking measures, measures to prevent lifestyle diseases, including for young people, and measures to prevent cancer – we are conducting activities that prioritize health issues that require urgent measures, which are as follows.

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

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

We will work to improve the well-being of employees, with the belief that “nothing is more valuable than good health,” in order to fulfill the role of a sustainability partner that contributes to the happiness of people and a sustainable society.

Health measures by age group

		Challenge 4		Challenge 3		Challenge 5				Challenge 2		Challenge 1												
Age 60-69																								
Age 50-59																								
Age 40-49																								
Age 30-39																								
Age 20-29																								
Age 10-19																								
	Medical examinations	Health guidance		All employees				Self Training	Line Training	Women	Training By age group	Other	All employees											
	Medical examinations		Mental health				Training		Women	Health literacy														
	Regular medical examinations	Comprehensive physical examination	Maternal, reproductive, sexual health services	Cholesterol screenings	Follow-up guidance	Maternal, reproductive, sexual health guidance	Controlling services	Street parks	Support for returning to work	Helping people of all ages and levels of career experience	New employees	New medical claims	Health consultation services	Health services	Age 65+	Measures to young people	Health management services	Health support building at work	Health support building at work	Health support building at work	Health consultation services	Health promotion support services	Health support building at work	Health management services

Handling of International Travelers

Based on our health & productivity management policy, if an employee becomes infected with influenza, said employee or a representative of said employee shall promptly lodge a report through the Influenza Notification System and the Company shall take steps to prevent the infection from spreading such as ensuring the infected employee will stay at home for a set period and notifying relevant divisions.

Furthermore, we provide pre-departure explanations of overseas lifestyle, medical treatment, safety, etc., as well as education concerning infectious diseases that are global health issues, including malaria, tuberculosis, and HIV/AIDS, by industrial physicians for international transferees. We are conducting initiatives such as promoting vaccinations as appropriate for the country visited, and otherwise working to maintain health.

Community

Policy

Policy on Local Employment and Procurement

The Meiden Group gains awareness of issues and forms positive relationships with communities through lively two-way communication in countries and regions in which we conduct business.

Furthermore, the Meiden Group is aware of the importance of local hiring and local procurement to contribute to sustainable development in these countries and regions.

The Meiden Group is working to contribute to the economic development of countries and regions in which we conduct business through a range of initiatives.

Social Contribution Policies

Meiden Group Social Contribution Policies

1. We shall contribute to the sustainable development of society through our main business of manufacturer and supplier of electromechanical products.
2. We appreciate the local communities that support our business activities and we shall execute social contribution that helps the progress of community development.
3. The Group's executive officers and employees shall voluntarily support our social contribution initiatives.

We are working to conduct positive communication with people in the local community and our stakeholders that support us on a day-to-day basis, through contributions to society according to the Meiden Group Social Contribution Policies.

In 1918, Take Shigemune, the second President of the Company and wife of the Founder, Hosui Shigemune, used her own funds to establish Hosui Elementary School in Osaki (Shinagawa City, Tokyo), an area where the Company had a factory. Following in her footsteps, the Meiden Group will make a wide variety of social contributions through our active involvement with local communities and with society.

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

The Meiden Group aims to be a company that accepts the challenge of solving social issues by providing new value created through its business activities, in order to achieve our ideal state of being “work to build a new society through integrity to the earth, society, and people, and through the power of co-creation”. Solving social issues through our core business leads to growth, and this aligns with the Meiden Group Social Contribution Policy.

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

Initiatives

Contributions to Local Economies

Expansion of Comprehensive Water Supply Operations in Eastern Gunma Prefecture

In order to tackle a range of issues arising from aging water service personnel employed by local governments, such as labor shortages, skills transfer, and risk management, the Meiden Group not only designs and manufactures electrical equipment, but also offers comprehensive consignment services that include facility maintenance, management, and operations. In April 2017, a private sector group, for which Meidensha is the representative company, established East Gunma Water Supply Service Co., Ltd. along with the East Gunma Water Supply Industry Association through joint financing, and commenced water supply operations and comprehensive projects including extension works in three cities and five towns in the East Gunma region. Through this venture, we were able to achieve efficient business administration and transmission of skills to personnel, achieve public benefit, create new employment opportunities, and reduce maintenance costs, by leveraging the skills and knowhow of private enterprise.

Community Investment

In Support of Local Community and Government Initiatives: Donation of Facilities to Schools in Thailand

In the Kingdom of Thailand, we donated facilities for two schools in the mountainous regions of the north of Thailand, which are populated by ethnic minorities, in FY2017, to celebrate Meidensha's 120th anniversary and the 50th anniversary of THAI MEIDENSHA CO., LTD. We donated a library and a water tank to Kalayaniwattana Secondary School, which was one of those schools. As these regions are surrounded by mountains, it takes a long time to travel to school and many students choose to live in dormitories. With this water tank to store the water that is necessary for life and this library to help students learn, Meidensha was able to support children's rights and business principles, improve the learning environment for children in accordance with these principles, and contribute to the provision of opportunities for children to receive reliable and high-quality education. Employees of THAI MEIDENSHA CO., LTD. visit the two schools to which facilities were donated on an ongoing basis, conduct learning activities, etc., and maintain connections with teachers and the local community through activities with students.



Social Contribution Activities (Examples and Results of FY2022 initiatives)

Meidensha Manufacturing Classes: Teaching Children about the Joy of Manufacturing

Since FY2007, which was our 110th anniversary, we have held Meidensha Manufacturing Classes at elementary schools located nearby each of our sites, including Hosui Elementary School. Through these Manufacturing Classes, we will enable children to experience the joy of manufacturing by having them assemble and operate toys that incorporate motors by themselves. More than 10,000 children have participated the activity so far. Since FY2018, we have held Manufacturing Classes at Iwakuni Elementary School, which was attended by our founder, Shigemune Hosui.



In FY2022, we held these classes at Iwakuni Elementary School, Shinagawa Municipal Hosui Elementary School, and Ota Municipal Ikushina Elementary School, with a total of 51 Meiden Group employees and 326 children participating in them.

Visiting Science Lectures for Junior High Schools Nearby Meidensha Sites

Since FY2017 we have held visiting lectures entitled “How does electricity reach us?” for second-year junior high school students in the areas around our sites, through which children can learn about the importance of electricity through experience.

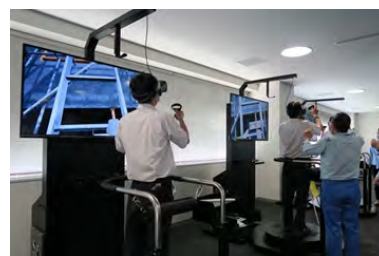


In FY2022, we conducted visiting lectures for 305 second-year students at Shinagawa Gakuen, Shinagawa Municipal Osaki Junior High School, Shinagawa Joshi Gakuin, and Ota Municipal Junior High School. A total of 20 Meiden Group employees served as instructors and assistants.

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

In December 2022, 20 local technical high school students visited Manabi-ya, the new skills training center at Numazu Works, for an observation designed to provide students from local technical high schools with hands-on safety experience. The students visited the Manabi-ya Digital Zone, the practical training area, and the study area.

Going forward, we will hold more observations for local schools and continue to provide learning experiences for even more students.



Global Wind Day in Mitane Town, Akita

Meidensha and M WINDS Co., Ltd., which operates and maintains wind farms, hosted Global Wind Day, an event both to thank local residents and to provide more information on wind power generation. Global Wind Day coincided with Mitane City's Sand Craft 2022 in Mitane on July 30 of that year.

Held for the first time in three years, the event featured a booth at Kamayahama Beach, a place for visitors to stand directly underneath the 18 wind turbines of the Hachiryu Wind Farm, video tours of the inside of a turbine, pinwheel making, and a decorative arch of multi-colored pinwheels between turbines for photographs. A large number of people came to the event, including local residents.



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

M WINDS Co., Ltd., a wind farm operation and maintenance service company, conducted visiting lectures on maintenance for wind power generation systems and the job of a chief electrical engineer at two high schools in Akita Prefecture in February 2023. These lectures were provided to high school students as part of the Akita Prefecture Wind Generator Maintenance Personnel Education Project, which aims to train technicians and retain young people in the prefecture.



During the lecture, an instructor conveyed the allure of the job to the high school students, saying, "I'm responsible for the safety of both the on-site technicians and the electrical equipment. It's hard work, but very rewarding," and encouraged them to "start studying while you are in high school and work to obtain certification as a chief electrical engineer." As momentum builds for the introduction of renewable energy to create a carbon-free society, the world will expect even more from the wind power sector, so securing and training maintenance personnel in the future will be essential.

The M WINDS Akita Sales Office maintains its own 18 wind turbines at Hachiryu Wind Farm, as well as 8 other regional wind turbines owned by other companies. We are strengthening efforts to hire employees from within Akita Prefecture and focusing on training technicians. Going forward, we will continue to contribute to the growth and steady supply of renewable energy with local roots by focusing on coexistence and co-creation with regional communities to expand business.

Presentation of Exploratory Research at Shizuoka Prefectural Mishimakita Senior High School

Since 2019, Meidensha has been endorsing initiatives of Shizuoka Prefectural Mishimakita Senior High School whereby students focus on global issues and work together to try solutions, as well as supporting their overseas training programs. Nine first-year students were scheduled to travel to Vietnam for on-site research in FY2022, but the travel plans had to be canceled because of the continued threat of COVID-19, so an alternative curriculum was devised where they presented the results of their research at Meidensha's headquarters.



The presentation

Three groups of students gave presentations on their research and findings to Representative Director President and Executive Officer (at that time) Takeshi Miida, Managing Executive Officer Akio Ikemori,

and members of VIETSTAR MEIDEN CORPORATION, our local Vietnam company, who joined the presentation remotely.

The presentations covered topics such as power generation methods that combine the issues of power in Vietnam with food loss, menu planning apps to address issues in nutrition and health, and alternative containers to help address the issue of microplastics, with each team proposing innovative solutions to their social issue.

Following the presentations, the Director and other employees offered feedback and everyone participated in an exchange of meaningful ideas for use in future research.

Environmental Beautification Activities at Sites around Japan

The Meiden Group engages in daily environmental beautification activities such as picking up litter and maintaining grassy areas to stay true to our mission of existing harmoniously with local communities. Residents appreciate these long-standing beautification activities that improve awareness of employees contributing to society and help foster a sense of unity with the community.



Ota Works Tending grass in Kanayama and Akamatsu



Numazu Works Outdoor cleaning

Results Data

Social Contribution expenditure

	FY2018	FY2019	FY2020	FY2021	FY2022
Social Contribution Expenditure (yen)	38,000,000	60,000,000	35,000,000	27,000,000	28,000,000

* Social Contribution expenditure includes donations and sponsorship costs.

HR

DEI (Diversity, Equity & Inclusion)

DEI (Diversity, Equity & Inclusion) >

[Promoting DEI >](#)

[DEI promotion road map >](#)

[Seminar on Unconscious Bias >](#)

Labor Practices

Labor Practices >

[Basic HR Management Philosophy >](#)

[Labor Practices Policy >](#)

[Ensuring Fair and Impartial Evaluation and Treatment >](#)

[Work Style Reform >](#)

[Creating a Fulfilling Workplace >](#)

[Communication Revitalization Initiatives >](#)

[HR Data >](#)

HR Development

HR Development >

[HR Development Policy >](#)

[Training system >](#)

[Development of Personnel with Abilities to Implement and Promote Our Business Strategy >](#)

[Developing the Next Generation of Group Personnel >](#)

[Strengthening Career Formation and Networking >](#)

[Data >](#)

DEI (Diversity, Equity & Inclusion)

DEI (Diversity, Equity & Inclusion)

Policy

By respecting diverse personalities and providing fair opportunities, the Meiden Group will work to create a workplace and culture in which all employees can work with all their heart.



Promoting DEI

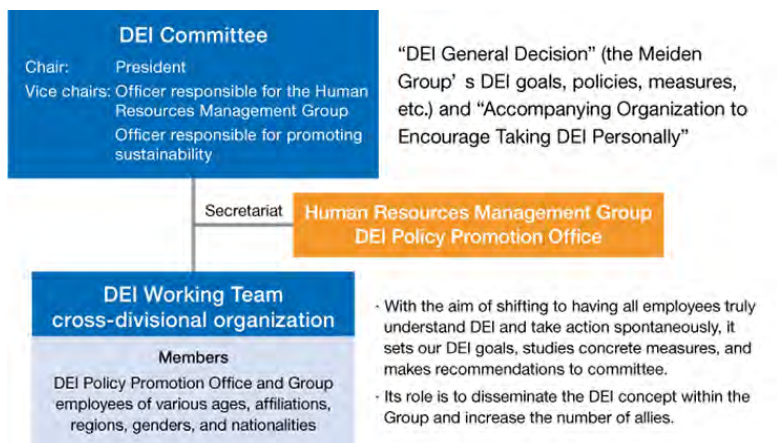
Against a backdrop of social changes such as globalization of business-to-business dealings, diversification of attitudes toward work and values of employees such as work–life balance and working at companies that maximize individual capabilities, as well as labor changes such as female workforce participation and increased labor participation by the elderly, Meidensha is working to eliminate factors that prevent participation based on specific attributes such as gender, nationality, and parenthood, and conducting activities with the goal of becoming a company that allows personnel with diverse skillsets to maximize their abilities and ties individual growth with organizational development, in a fair culture and environment, based on the awareness that it is necessary to transform into an organization in which diverse personnel can participate.

Framework

The Diversity Policy Planning & Promotion Office, established in FY2022, was renamed the DEI Policy Promotion Office in FY2023. Moreover, we established the DEI Committee, a body that makes decisions concerning DEI policies and measures as a whole, with the company President serving as chair and the officers responsible for the Human Resources Management Group and promoting sustainability serving as vice chairs. Through this framework, we are stepping up the promotion of DEI. By raising awareness

and enriching training, we will improve employee productivity and creativity and foster a rewarding workplace culture.

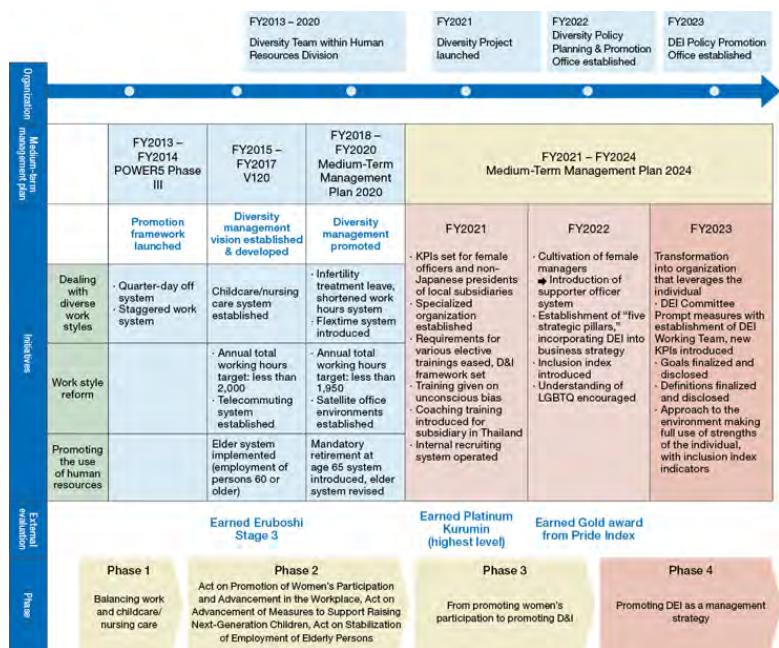
We value diversity and promote DEI so that every employee, regardless of gender, gender identity, sexual orientation, nationality, age, and the like can maximize their individual abilities and play an active role in the company. Moreover, by respecting diverse personalities and providing fair opportunities, we work to create a workplace and culture in which all employees can work with all their heart.



Strategy

DEI promotion road map

The Meiden Group began working for diversity in 2013. Starting with planning various programs for balancing work and childcare/nursing care, initiatives were undertaken by a working team in the human resources division until 2020. The team focused on supporting diverse work styles, work style reform, and promoting the use of human resources. We launched the Diversity Project in 2021, established the Diversity Policy Planning & Promotion Office in 2022, and renamed it the DEI Policy Promotion Office in 2023 to further accelerate the promotion of DEI as a management strategy.



Seminar on Unconscious Bias

Many respondents to an FY2021 employee questionnaire listed unconscious bias as a factor impeding diversity. In January 2023, we invited an outside lecturer to lead another seminar on the topic after doing the same in 2022. On the day of the seminar, the more than 300 participants, including managers and Group company presidents, learned that knowing about, recognizing, and dealing with unconscious bias can help establish an organization where each individual can play an active role.

We will continue to hold various seminars to create an organization and culture that accepts diverse human resources and allows them to play an active role.

Promotion of Participation by Female Personnel

Meidensha was evaluated for promoting women's participation and advancement, and in November 2017, for the first time in the heavy electric machinery industry, we earned the top Stage 3 "Eruboshi" certification by the Minister of Health, Labour and Welfare.

In March 2021, we were granted Kurumin certification, as well as Platinum Kurumin, which is granted to companies that conduct higher-level initiatives as companies that excel in providing childcare support, by the Minister of Health, Labour and Welfare.

As of now, we have formulated action plans in line with the purpose of the Act on Promotion of Women's Participation and Advancement in the Workplace and are implementing step-by-step measures by job level for women from recruitment through to the young and mid-career classes and management-level class. We are also actively taking steps to encourage male employees to take childcare leave.



Eruboshi



Platinum Kurumin

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

Increasing the proportion of female new graduates hired

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

Increasing the percentage of female managers

Issues for the Company	Continuous appointment of diverse human resources
Targets	Percentage of female managers <ul style="list-style-type: none"> Target for FY2030: 12% *This is about three times the percentage in FY2022 (4.1%)
Content of initiatives	<ul style="list-style-type: none"> Assign human resources to different industries and use trainings at external organizations to enhance experience Conduct detailed interviews to raise awareness of management and establish the mindset among relevant employees Use a supporting officer system to systematically train and assign young and mid-career employees
Time of initiatives	April 1, 2022 – March 31, 2030

Female officer appointment target

Issues for the Company	Development of diverse human resources at the management level
Targets	Female officer class (number of inside officers) <ul style="list-style-type: none"> FY2024: At least 1 FY2030: At least 3 (of which, at least 1 executive officer)
Content of initiatives	<ul style="list-style-type: none"> Create opportunities to improve competencies and skills through top management training at external institutions Expand experience through transfer or assignment to other divisions Foster self-motivation through interviews with officers
Time of initiatives	April 1, 2022 – March 31, 2030

Promoting utilization of childcare leave by employees

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

Work-Life Balance Support System

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

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

Improved Work Environment at Plant Construction Sites by Female Employees

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

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

<Examples of Improvements>

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



Helmets are placed in a lower location than before.



A screen in front of a restroom

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

In April 2020, Meidensha raised the mandatory retirement age from 60 to 65 years of age for all employees. We have also raised the level of remuneration so that older employees can enjoy about the same level of remuneration as when they were 60 years of age, depending on performance, in order to facilitate more meaningful work for experienced senior employees.

In addition, we have established a dispatch company (MEIDEN MASTER PARTNERS CORPORATION) to promote flexible workstyles to senior employees. For employees who wish to work reduced days/hours,

we have established a system that allows them to transfer to Meiden Master Partners and work as temporary employees at our office. We hope to promote successor development, improve quality, and enhance customer service by leveraging the knowledge and experience of senior employees more so than in the past.

In January 2017, we introduced an “Elder System” that allows employees to work from the age of 65 to a maximum of 70, and in October 2020, we raised the maximum age to 75.

Under this system, employees can continue to work after the age of 65 if they meet certain conditions, and veterans who have once retired can be rehired. Going forward, we will develop a workplace environment where seniors can play an active role without worries.

Senior employment system

- September 2001: Introduction of the extended employment system
- April 2006: Introduction of the re-employment system
- April 2013: Revision of the re-employment system (extended to all employees who apply)
- January 2017: Introduction of the elder system
- April 2020: Raised the mandatory retirement age from 60 to 65 years of age
- October 2020: Revised the elder system (made it possible to work up the age of 75)



Initiatives to Employ People with Disabilities

We established the special subsidiary company, MEIDEN UNIVERSAL SERVICE LTD., in order to create opportunities for people with intellectual disabilities to work, and thereafter we have been expanding the scope of employment at each manufacturing facility through branch deployment, etc. In 2015, MEIDEN UNIVERSAL SERVICE LTD. received a commendation from the governor of Gunma Prefecture as a “business of excellence for the employment of people with disabilities in Gunma Prefecture” for its contributions to employment and occupational independence for people with disabilities over many years.

Meidensha also promotes employment of people with disabilities. From FY2023, we continue aiming to increase the number of workplaces that welcome people with disabilities and promote company-wide hiring activities while stepping up support for those already hired and working to create an environment that lets each person make the most of their strengths.

Ratio of Employees with Disabilities (Meidensha and MEIDEN UNIVERSAL SERVICE)

Item	June, 2018	June, 2019	June, 2020	June, 2021	June, 2022
Ratio of Employees with Disabilities (%)	2.24	2.42	2.50	2.46	2.42
Statutory Employment Rate (%)	2.2	2.2	2.2	2.3	2.3

Initiative to promote understanding of LGBTQ

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

In FY2022, we issued the Meiden Group Human Rights Policy and along with that, eliminated the question about gender on employment entry sheets, provided basic training on LGBTQ issues, and established an LGBTQ consultation service. In October, we added a new Meiden partnership system that treats employees' de facto marriages (including same-sex marriages) the same as legal marriages. We allow employees to identify as a gender that may be different from what is shown on their family register.

The Meiden Group is also expanding our activities beyond the company by informing the public about our initiatives for the LGBTQ community and sponsoring banners at Pride events near and far. In recognition of these efforts, we earned the highest rating of Gold in PRIDE Index 2022, a program of an organization called "work with Pride" that evaluates efforts to promote understanding of the LGBTQ+ population and other sexual minorities.

In June 2023, we conducted basic LGBTQ training to promote understanding of this population. More than 1,200 participants, including managers and Group company presidents, attended the event. LGBTQ persons gave presentations that drew a positive response from participants, who said the event had changed their perceptions.

We will continue to spread correct knowledge and understanding of diverse sexualities, ensure that prejudice, discrimination, and harassment based on sexual orientation and gender identity are prevented, and foster a workplace culture that enables all employees including LGBTQ members to work enthusiastically and maximize their abilities.



Enabling Global Human Resources to Participate Actively

As an aspect of our effort to promote DEI, the Meiden Group employs people irrespective of nationality, and non-Japanese employees are active in various fields and occupations after joining the company. We also take account of religious considerations (for example, providing prayer space) and support non-Japanese employees in various ways so that they can get used to work and life in Japan as soon as possible. We also appoint their training personnel individually and provide various kinds of support to each employee to help improve their work skills.

To further grow our business overseas, moreover, we believe it essential to appoint local staff to the role of president at local subsidiaries. To develop candidates for this role, we are cultivating a management mindset through periodic interviews of management candidates by the responsible officers of each company. Along with this, we run coaching programs to enhance the management skills of candidates for management.

Non-Japanese Employees Appointed to Management (Entire Group)

	Target	FY2022
Non-Japanese presidents of local subsidiaries	FY2024: At least 3 FY2030: At least 5 (of which, at least 1 executive officer)	1

Labor Practices

Policy

Basic HR Management Philosophy

As issues facing our customers and society as a whole become increasingly complicated and unclear, it is important to have personnel with the abilities to think flexibly and act courageously, creating the value necessary to solve these issues in order to enhance corporate competitiveness. For this reason, we are determined to achieve sustainable growth by focusing on employing and developing competent personnel and creating an environment where each person can derive pride and fulfillment from their work.

In order for employees to maximize their individual strengths, it is important to promote DEI (diversity, equity & inclusion) and create a workplace in which a diverse range of employees are given fair opportunities and can participate with a healthy mind and body. Specifically, by engaging as a group in initiatives such as achieving a work-life balance, and improving occupational health and safety, we will enhance the corporate value for the entire group.

See the page “DEI (Diversity, Equity & Inclusion)” for details about DEI initiatives.

[DEI](#)



Labor Practices Policy

Employment Policy

We are creating an employment framework that enables a diverse range of employees to maximize their potential, irrespective of attributes such as age, gender, nationality, religion, sexual orientation, or disability. We are focusing on diversity education at all levels, rethinking human resource management systems and evaluation systems that can shape careers, and creating an environment where each person’s individuality can be expressed.

Policy and Initiatives

Ensuring Fair and Impartial Evaluation and Treatment

Meidensha conducts evaluation of results and roles as part of an HR treatment system that places weight on the results of both executives and regular employees in order to reform and enhance corporate character, with the key word of professional development. Therefore, we have introduced management by objectives to ensure that results are reflected in impartial treatment of employees. We hold discussions

to mutually confirm objectives and results indicators, etc., between superiors and subordinates through objective-setting interviews and objective management results interviews to ensure that there is no discrepancy in expected results.

Furthermore, we disclose our evaluation standards through the Company’s intranet and the explanatory leaflet issued by the trade union, we periodically hold evaluation feedback interviews for all employees that are subject to evaluation, and we focus on developing and fostering the abilities of individuals. In order to ensure impartial evaluation and treatment of employees, complete understanding of the evaluator concerning the HR system and prevention of errors during evaluation, as well as communication between superiors and subordinates are essential, so we conduct evaluator training, which includes evaluation and interview exercises, for new managers.

Work Style Reform

Rolling Out “Smart Work 2024” — Toward improved work efficiency and productivity

The Meiden Group promotes reduction of work outside of regular hours and taking leave as an important management issue. We are rolling out Smart Work, which promotes reduction of annual working hours. In FY2021, we considered the creation of a comfortable working environment for employees, and promoted communication through a hybrid office/remote work model, and the introduction of a flex-time system and shared offices, etc., based on the opinions of the employee survey and the working group, as part of the Professional Development & Diversity Promotion Project. In addition, we are making work styles more flexible and consistent with actual conditions. For example, in FY2022, we transitioned to a hybrid work system that allows employees to decide the number of days they will come to the office or work remotely, in keeping with their departments’ policies. Furthermore, we arranged our internal systems environment and made work efficiency and productivity improvements to enable workers to perform the same functions remotely as they can in the office. We have also introduced a system of shortened working days and hours to enable a balance of work and treatment of illnesses and are reviewing our HR system to enable all employees, not just those providing childcare or nursing care, to stay employed longer at Meidensha with peace of mind. Going forward, we will continue to realize improved work efficiency and productivity by promoting flexible work-styles and digital transformation for all companies.

Vision and Target Values of “Smart Work 2024”

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

	People worked overtime >80 h/month	Average hours of overtime	Total actual working hours per year
FY2024 targets	Achieved Zero	19 hours/person-month	Under 1,800 hours/person

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

Total actual working hours per year

	FY2018	FY2019	FY2020	FY2021	FY2022
Total actual working hours per year	2,027 hours/year	1,985 hours/year	1,990 hours/year	1,977 hours/year	1,959 hours/year

* *Average figure per person at Meidensha and Meiden Engineering

Promoting Flexible Work Styles (Establishment of Satellite Offices)

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

- September 2018: Opened satellite office at Numazu Works
- August 2019: Complete renovation of Meiden Plaza at Headquarters
- March 2020: Opened Relaffice ("relax" + "office") at Meiden R&D Center
- 2021: Updated satellite office at Nagoya Works

This is a comfortable place to eat but is also equipped with a large projector and broadcasting equipment, enabling use as a seminar hall for an audience of about 100. The space also functions as a company-wide disaster response headquarters in the event of disaster.



Meiden Plaza at Headquarters. The layout is easy to use by both individuals and groups.



Satellite office at Nagoya Works. The interior offers a colorful space and seating of various types.

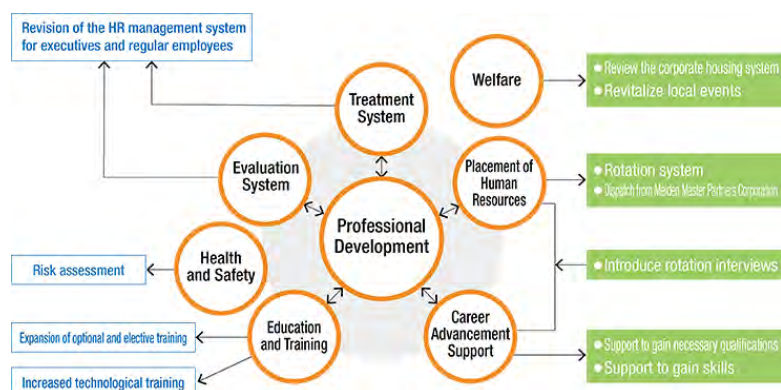
Creating a Fulfilling Workplace

Personnel Treatment System

In April 2015, we revised our personnel treatment system for general employees to give employees an incentive to contribute to the Company and to further improve their motivation. The system aims to operate personnel treatment that can reward employees with higher contributions, by balancing the "role" and "contribution" of employees, with a system that allows multi-track type qualification and treatment according to their degree of contribution. Furthermore, in order to be able to respond to a diversity of

work style, it is also a system that allows both executives and general employees can work in a limited area.

Diagram of the Personnel Treatment System



Major Initiatives

1. MBO Performance Measuring System	In order to ensure high evaluation transparency, we use the MBO (management by objectives) performance measuring system coordinated with MAP activities*. * Meidensha's reform and improvement activities (MAP = Meiden Advantage Program)
2. Self-Reporting System	The self-reporting system helps employees develop personal talent and form career plans.
3. Meister Program	We operate a Meister system that specially treats employees who contribute to the Company with outstanding skills as highly specialized professionals. We have certified 23 certified personnel as Meisters from 2008 to 2022.
4. Job Rotation System	We have adopted a job rotation program to develop the abilities of our young employees.

Ensuring a Complete Welfare System to Support the Lifestyles of Employees and Help Them to Refresh

1. Housing Lease System

We have a housing lease system that caters to people at all stages of life, from single dormitories for people that have newly joined the company through to family housing and houses for married couples. In addition, we offer full support systems for transferees in order to relieve any strain placed on them, including a system of providing assistance to rent appliances in addition to leasing corporate housing.

2. Welfare Service

We have introduced a general welfare service as a system to meet the diversifying needs of employees. As a perk unique to Meidensha, we offer a menu of options that enhance leisure time for the purpose of family travel or just taking a break, such as tickets for lodging and popular theme parks and company assistance for specific services like childcare and nursing care. We aim to further enhance our programs, for example by offering a menu of options to support work-life balance.

3. Cultural Events and Club Activities

Various cultural/sport events are planned and held at each business office or sites for the purpose of employee interaction, refreshment, and overcome lack of exercise. Sports events held on holidays, such as sports festivals, provide opportunities for employees and their families to socialize, and they have become regular events each year.

In FY2020, amid the COVID-19 pandemic, we collected photographs with messages written by employees, a theme song based video message to invigorate the Meiden Group, and posted it on the internal portal site, as part of an initiative for employees to encourage each other. In FY2020 and FY2021, in the midst of the COVID-19 pandemic, we held a remote riddle-solving event and an online sports festival as events for employees to have a good time together and cooperate.

In FY2022, we held a softball tournament for employees in the Headquarters area, its first face-to-face event in three years. The more than 300 participants enjoyed building up their friendships with colleagues they had not seen in person in a long while.

In addition, there are various other Company-endorsed cultural and athletic clubs that promote communication among employees beyond individual workplaces and age groups.



Meiden Group Sports Festival



Online Field Day



Soft tennis club event



Cultural club event



Walking event



Softball tournament

Communication Revitalization Initiatives

Industrial relations

Meidensha has concluded a labor agreement with the Meidensha Union and we periodically exchange opinions and conduct consultations about management policies, business conditions, and the working conditions of employees at the Central Management Conference and the Central Staff Gathering. We are promoting the creation of an environment where employees can securely work without interruption because labor and management respect each other's positions and sincerely engage in dialog.

Additionally, though not explicitly required in labor agreements, etc., Meidensha discusses and negotiates notifications of job reassignments and transfers so that the labor union has sufficient time to explain these to employees. That period of time varies depending on the nature of the change.

Employee Awareness Survey

We conduct an annual employee awareness survey for all employees. Each year, the response rate is close to 95%, demonstrating how much our employees value the survey. The survey comprises seven sections, which are “vision and management policy,” “motivation,” “career,” “management,” “evaluation systems,” “diversity,” and “workplace environment.” The purpose of the survey is to statistically understand what employees feel about their work, working conditions, and other general company-related information. In addition to the numerical results of the survey, we also evaluate the various measures and initiatives based on what employees really think written in the free description section, and use them for future measures. We further hold workshops for the head of each business unit and provide feedback and opportunities for discussion of results. Information gained from survey results and exchanges of opinion is reflected in the following year’s business unit targets.

Results Data

HR Data

Basic Data

Employees (only Meidensha)

		Units	FY2020	FY2021	FY2022
Number of employees (non-consolidated)	Male	People	3,371	3,431	3,425
	Female	People	571	596	614
	Total	People	3,942	4,027	4,039
Domestic subsidiaries	Male	People	3,056	3,242	3,287
	Female	People	469	484	494
	Total	People	3,525	3,726	3,781
Overseas subsidiaries	Male	People	1,642	1,733	1,595
	Female	People	358	437	401
	Total	People	2,000	2,170	1,996
Number of consolidated employees*1	Male	People	8,069	8,406	8,307
	Female	People	1,398	1,517	1,509
	Total	People	9,467	9,923	9,816
Number of foreign employees (non-consolidated)	Male	People	21	19	25
	Female	People	11	10	10
	Total	People	32	29	35
Domestic subsidiaries Number of foreign employees	Male	People	6	10	16
	Female	People	2	2	3
	Total	People	8	12	19
Overseas subsidiaries Number of foreign employees	Male	People	1,510	1,597	1,460
	Female	People	354	434	399
	Total	People	1,864	2,031	1,859
Number of foreign consolidated employees*1	Male	People	1,537	1,626	1,501
	Female	People	367	446	412

		Units	FY2020	FY2021	FY2022
	Total	People	1,904	2,072	1,913
Proportion of all employees accounted for by contractors and temporary workers		%	13.8	14.3	13.5
Average age	Male	Age	42.9	43.8	43.3
	Female	Age	43.4	43.6	42.8
	Total	Age	43.0	43.8	43.3
Years of employment	Male	Years	18.7	18.4	19.0
	Female	Years	20.0	19.1	19.1
	Total	Years	18.9	18.5	19.0
Number of managers*2	Male	People	973	985	968
	Female	People	40	45	51
	Foreigners	People	6	5	5
Managers of level of general manager or above*2	Male	People	214	215	201
	Female	People	5	4	4
	Foreigners	People	0	0	0
For reference: Number of management personnel	Male	People	642	672	680
	Female	People	23	25	29
	Foreigners	People	665	697	709
Officers*2	Male	People	35	34	36
	Female	People	1	1	1
	Foreigners	People	0	0	0
Executive officers*2	Male	People	24	25	30
	Female	People	0	0	0
	Foreigners	People	0	0	0
Proportion of women*2 *3	Managers	%	3.95	4.37	5.00
	Management positions	%	3.46	3.59	4.09
	Managers of level of general manager or above	%	2.28	1.83	1.95
	Officers	%	2.78	2.86	2.70
	Executive officers	%	0	0	0
Number of people with disabilities employed*4 *5		People	108	107	115
Rate of employment of people with disabilities*4 *5		%	2.5	2.46	2.56
Legally mandated percentage of employees with disabilities		%	2.20	2.30	2.30
Number of employees leaving the company (voluntary)	Male	People	75	69	69
	Female	People	5	11	20
	Total	People	80	80	89
Rate of employees leaving the company (voluntary)*6 *7	Male	%	1.9	1.7	2.0
	Female	%	0.1	0.3	3.2
	Total	%	2.0	2.0	2.2
Rate of union membership		%	65.1	65.2	65.3
Annual average salary*8		Yen	7,508,585	7,368,835	7,428,633

*1 Applicable organizations: The Meiden Group

*2 As of March each year

*3 Number of female managers are divided by number of total managers.

*4 Applicable organizations: Meidensha and special subsidiary

*5 Legally mandated employment rate: 2.2% (2.3% from March 2021)
The number was calculated in consideration of those with severe disabilities, etc. The specific number was 75.

*6 Ratio of employees leaving the company is calculated as follows: Number of people that have voluntarily left their position in the last fiscal year as of the end of each fiscal year/number of employees as of April 1 each fiscal year

*7 There is no difference in basic salary between men and women at the Meiden Group.

Number of Employees by Age (only Meidensha) (as of March 31, 2023)

	Male	Female	Total
Under 30	621	140	761
30-39	695	69	764
40-49	649	145	794
50-59	1,131	227	1,358
60 or over	329	33	362

Graduate Recruits (only Meidensha)

	University graduate			Junior/technical college graduates	High school graduates/other	Total
	Male	Female	Total			
Joined April 2017	54	14	68	6	29	103
Joined April 2018	54	11	65	5	27	97
Joined April 2019	60	15	75	5	47	127
Joined April 2020	52	16	68	6	35	109
Joined April 2021	55	14	69	9	42	120
Joined April 2022	59	21	80	5	38	123

* University graduates includes those with master's degrees and doctorates. Junior/technical college graduates includes those who attended colleges of technology

Mid-Career Hires (only Meidensha)

	University graduate			Other		Total
	Male	Female	Total	Male	Female	
2016.4 – 2017.3	26	2	28	5	1	34
2017.4 – 2018.3	29	3	32	2	5	39
2018.4 – 2019.3	28	4	32	24	7	63
2019.4 – 2020.3	45	1	46	12	1	59
2020.4 – 2021.3	40	4	44	10	3	57
2021.4 – 2022.3	29	2	31	14	2	47
2022.4 – 2023.3	39	7	46	6	3	55

Work Style-Related (only Meidensha)

		Units	FY2020	FY2021	FY2022
People taking maternity leave		People	6	12	17
Male employees whose spouses gave birth during the current fiscal year*1	Male	People	76	90	101
Female employees who gave birth during the current fiscal year	Female	People	5	11	18
	Total	People	81	101	119
People who took parental leave	Male (within 1 week)	People	4	7	14
			32	29	57
	Female	People	5	11	18
	Total	People	41	47	89
Rate of People who took parental leave	Male	%	47	40	70
	Female	%	100	100	100
	Total	%	51	47	75
Rate of return after leave of absence for child care purposes	Male	%	100	100	100
	Female	%	100	100	100
	Total	%	100	100	100
People taking family care leave		People	3	0	0
Average days of paid leave allocated		Days	23	23	23
Average days of paid leave taken		Days	15	17	18
Rate of taking paid leave		%	64	72	78
Average total hours worked per year*2		hours/year/person	1,980	1,970	1,957

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

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

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

		Units	FY2020	FY2021	FY2022
Proportion of employees that receive feedback interviews	Male	%	94.9	93.9	94.8
	Female	%	97.5	94.7	96.0
	Total	%	95.3	95.3	94.0
	Managers	%	94.6	95.6	93.6
	Regular employees	%	95.5	93.5	93.9
	Total	%	95.3	95.3	94.0

HR Development

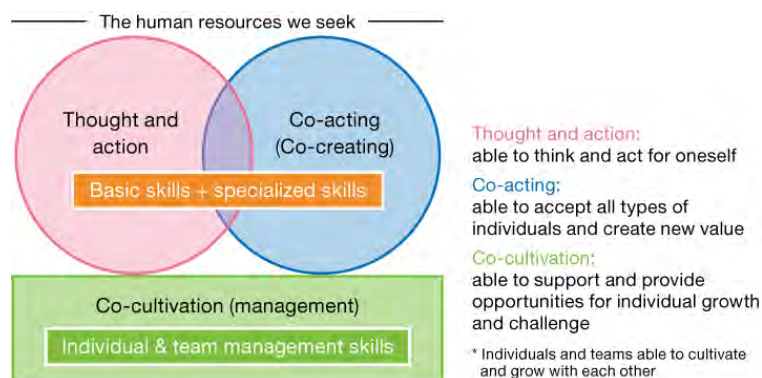
As society matures, people’s values are diversifying and the forms of happiness they seek and the ways they work are changing. At Meiden Group, we see our Employees as human capital. To maximize its corporate performance, the Group needs to enhance each employee’s abilities (A) and motivation (M) and create opportunities(O), and environments where all employees can play an active role. This AMO framework is the basis of the Meiden Group’s thinking about human capital.

Policy

HR Development Policy

Transform the training system from company-led to proactivity of trainees, aiming to develop human resources with the autonomy to think and act on their own.

1. People are the source of value creation, so we will make investment in human resources a higher priority and make human resources a pillar of management.
2. Learning should be proactive based on the diversity of individuals, so we will become a group of professionals who use their individuality and talents as strengths.



Plan and Targets

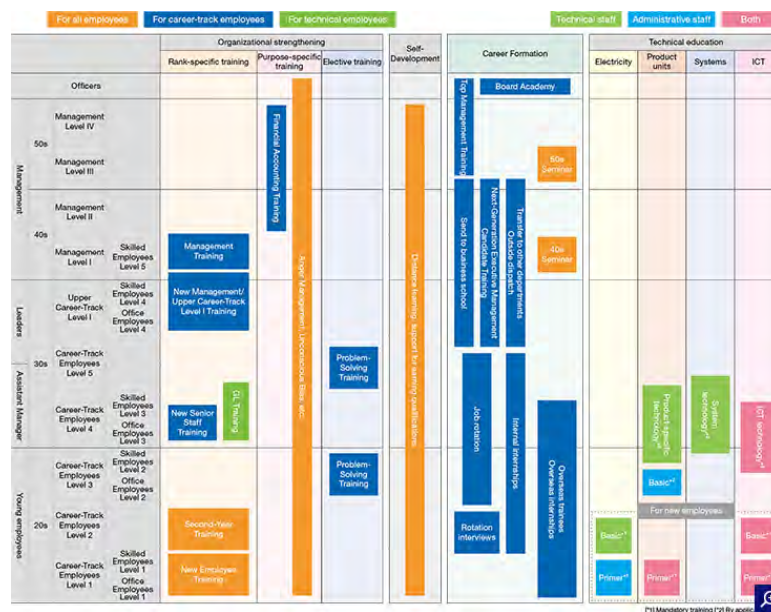
We implement many training programs to encourage employee growth in different aspects as an employee, member of society, and professional.

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

We are also enhancing our innovation education so that employees have the creativity and drive to try new things without being trapped by conventional ideas and methods, and fostering an environment conducive to innovation. For example, we are making opportunities to challenge and play an active role as a member of the Business Development Division, which recruits employees from within the company to try creating and launching new businesses.

Organization

Training system



Level-Dependent Curriculum

This training facilitates understanding of the roles, abilities and skills required of each age group or qualification level. Smooth growth and implementation are expected from this training.

Selective Program

This training hones the way of thinking, skills, and practical abilities to solve management problems with the aim of enhancing management capabilities.

Optional Program

This training teaches the knowledge and skills necessary for employees to achieve their own career goals.

Technical Training

This training teaches product knowledge according to the technical level of the employee.

Self-Development and Acquisition of Qualifications

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

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

Initiatives

Development of Personnel with Abilities to Implement and Promote Our Business Strategy

Enhancing Motivation

Meidensha strives to respect individual diversity and draw out each employee's independence and motivation. To that end, we have launched "My Vision/My Challenge," an initiative for employees to reflect on their own life vision, compare it to the company's vision, and put into words what challenges they will take on in the company ("My Challenge"). In FY2022, members of upper management put their "My Vision/My Challenge" into words.

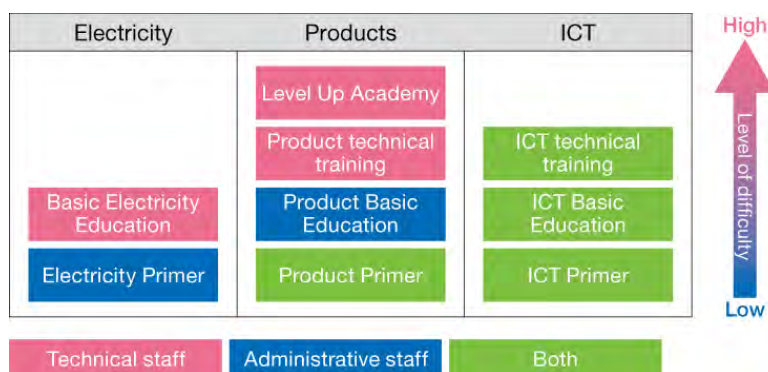
Also, the program is scheduled to be expanded to executive officers and managements, in FY2023.

[Spreading the Sustainability Vision >](#)

Extensive Technical Education

Meidensha has long provided technical training to help employees acquire specialized skills and improve their practical abilities. However, in order to strengthen the technical skills of younger employees, we have been providing training since 2018 for both technical and administrative staff to learn about electricity, which is essential for understanding Meidensha's technologies and products. In FY2019, we added ICT training, and we have been providing training on ICT fundamentals and design thinking, which will be crucial to achieving digital transformation. The following are initiatives we stepped up in FY2022.

- (1) Introducing hands-on ICT training for new employees
- (2) Developing textbooks for basic electricity training, by working with factory departments
- (3) Providing negotiating skills training for young employees in the sales and engineering departments

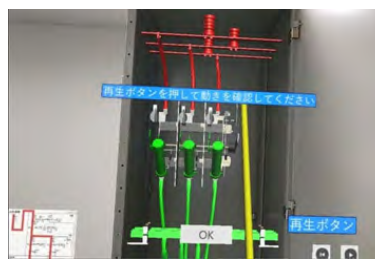


Acquisition and Transmission of Techniques and Skills

The technical training center Manabi-ya, located at the Numazu Works, is intended for the early development of engineers and the passing on of technology and skills. It provides technical and skills training, led mainly by experienced employees, and programs for the systematic training of engineers and raising the level of their work. Maintenance engineers in particular study for one year at the technical training center to learn maintenance skills. The center also offers experience-based training using virtual reality (VR), augmented reality (AR), and mixed reality (MR). We are making increasing use of these tools for safety and technical training. In FY2022, we enhanced our VR and AR training, for example by producing new training content on the structure of wind power generation equipment (nacelles).



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



Blackout procedure training using MR

Developing the Next Generation of Group Personnel

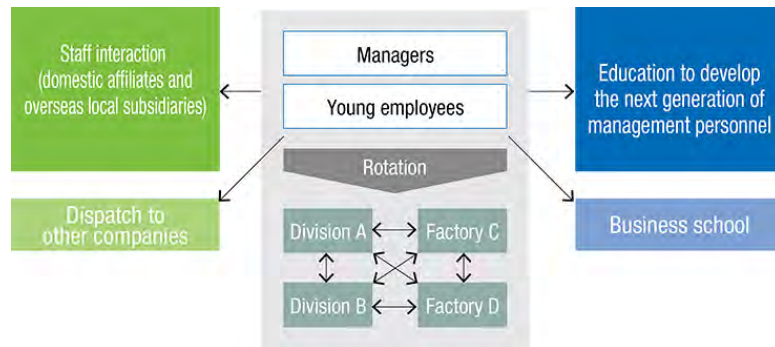
Systematic Development of Management Personnel

We offer the Career Development Management Program, a new training program to systematically and strategically develop the next generation of personnel.

We aim to develop personnel that can think and act with a broad perspective and outlook that exceed the bounds of their own areas of specialty and roles by selecting and recruiting young and mid-level personnel to attend business school and engage in professional exchange with people outside of their own business divisions, factories, and business units, engage in personal exchange with overseas subsidiaries and Japanese subsidiaries, and engage in cultural exchange through placement outside of the Group and at government institutions, etc.

We have also newly added a young employee program to selective training in order to systematically develop the next generation of management personnel for the medium to long term.

In addition, by introducing the Innovation Professional Development Program for the next generation of management and having them experience different fields with various human resources development measures, we aim to enhance their creativity by helping trainees absorb a variety of knowledge and broaden their experience, as well as to foster an innovation mindset.



We also train the general managers of each business on the knowledge and skills they need in the current management environment. These include finance and accounting training, which is essential for accurate decision-making, and training in unconscious bias, psychological safety, and anger management as part of promoting DEI. We also send general managers to outside seminars to build up their organizational capabilities.

Local Staff Development

Since FY2018, the Meiden Group has been conducting a Japanese exchange program for local staff (employees of overseas subsidiaries) in order to develop personnel who are candidates for leadership positions at overseas subsidiaries. The program includes interaction with Meidensha management, observations at Japanese sites and factories to which products are delivered, and on-the-job training at various workplaces for the purpose of increasing preparedness to take on leadership roles and the knowledge necessary for top management positions in the Meiden Group. We also offer coaching programs with the aim of organizational development, focusing on executive candidates from overseas subsidiaries. This Group-wide interaction of personnel and creating personal connections will bring the Meiden Group together.



Strengthening Career Formation and Networking

Raising Awareness of Career Formation

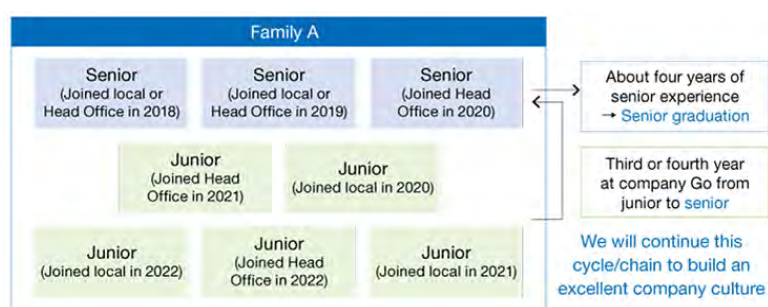
We conduct a rotation system to systematically develop young employees. Based on a rotation model, individuals share their career plans with their workplaces and the HR Department, and we implement rotation through regular interviews, etc. Having young employees experience a variety of jobs supports early development of their ability and raises their awareness of career formation.

Also, as people’s values grow more diverse, employees are becoming less passive about their careers and more self-reliant. For that reason, Meiden Group established a new specialized Career Consultation Service in FY2022. Employees of all ages are free to use the service, and we are stepping up support so that every employee can further demonstrate their abilities and play an active role in the company.

Revitalizing the MFC Mentor System

In FY2016, we introduced the MFC mentor system for the purpose of strengthening internal connections between young employees and building an atmosphere of professional development. The MFC stands for “Meiden Family Chain” with the idea that staff would form a supportive familial bond where they would support each other like links in a chain. We refer mentors as “seniors” and mentees as “juniors.” We also have groups consisting of multiple pairs, which we call them “families,” that create bonds that go beyond divisions and business units. We provide further impetus to activities by holding social events for families, and by establishing a Promotion Committee for young employees to plan and implement company-wide activities.

Composition of MFC Families



Results Data

Data

Number of Participants in Each Type of Training

(Total participants)

Training Type	FY2019	FY2020	FY2021	FY2022
Hierarchical program	2,181	2,463	2,569	2,672
Selective program	123	130	135	136
Optional program	314	147	409	2,357
Technical training	934	1,090	1,603	1,231
Education conducted by departments	8,049	7,111	10,096	25,125
Total	11,601	10,941	14,812	31,545

Data Concerning Professional Development

Item	FY2019	FY2020	FY2021	FY2022
Total expenses of education and training*1	104,590,000 yen	114,500,000 yen	133,428,000 yen	151,648,000 yen
Total hours of education and training*2	48,385 hours	51,583 hours	56,050 hours	78,686 hours

*1 Company-wide total, including expenses for training conducted by each department. Excludes personnel expenses for trainers and management and administrative expenses for training facilities, etc.

*2 Training days x designated work hours x number of participants (training conducted by the HR Department. Excludes OJT and remote training).

Corporate Governance

Corporate Governance

Corporate Governance >

[Basic Approach >](#)

[Corporate Governance Structure and Initiatives >](#)

[Directors' Compensation >](#)

[Board of Directors & Executive Officers as of July, 2023 >](#)

Risk Management

Risk Management >

[Basic Approach >](#)

[Risk Management Relating to Business Activities Preliminary Risk Assessment >](#)

[Business Continuity Plan \(BCP\) >](#)

[BCM Promotion System >](#)

[Strengthening Information Security Management >](#)

Compliance

Compliance >

[Compliance Policy >](#)

[Compliance System >](#)

[Whistleblower System on Compliance >](#)

[Initiatives to Avoid Infringement of Human Rights >](#)

[Compliance Training >](#)

[Anti-corruption Measures >](#)

[Tax >](#)

[Compliance Data >](#)

Dialogues with Shareholders and Investors

[Dialogues with Shareholders and Investors >](#)

[Basic Approach and the IR & SR System >](#)

[Results Briefings >](#)

[Sustainability Briefings \(ESG Briefings\) >](#)

[Individual Business Briefings \(Small Meetings\) >](#)

[Initiatives for Individual Investors >](#)

[Main IR & SR Activities in FY2022 >](#)

[Opinions of Analysts and Institutional Investors >](#)

[Results of Conversations with Stakeholders >](#)

Corporate Governance

Policy

Basic Approach

Under our Corporate Mission of “illuminating a more affluent tomorrow” and our Corporate Philosophy of providing value“ for customer peace of mind and satisfaction,” our group has set forth our Ideal State of Being/Vision for 2030 as “Work to build a new society through integrity to the earth, society, and people, and through the power of co-creation – Sustainability Partner –.” Our group takes the basic stance that we maintain fair and steady business activities with respect for people and the global environment, operate businesses focusing on profit while constantly pursuing new technology and high quality, and endeavor to give back to society.

In order to implement this basic stance, we formulated the “Basic Policy to Improve the Governance to Secure Fair Business Practices” at the regular Board of Directors meeting held in May 2006. In addition, we revised this basic policy at the regular Board of Directors meeting held in July 2022, as a result of a revision of the officer system to further clarify the division of roles between executive functions (executive officers) and so-called supervisory functions (directors and the Board of Directors).

We will work to further improve the fairness, efficiency, and transparency of management by promoting initiatives to enhance corporate governance in accordance with the Corporate Governance Code.

Basic Policy on the Corporate Governance Code

Meidensha will work to further improve the fairness, efficiency, and transparency of management by promoting initiatives to enhance corporate governance in accordance with the Corporate Governance Code.

i. Ensuring shareholder rights and equality

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

ii. Appropriate cooperation with stakeholders other than shareholders

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

iii. Disclosing information appropriately and ensuring its transparency

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

iv. Obligations of the Board of Directors

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

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

v. Dialogue with shareholders

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

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

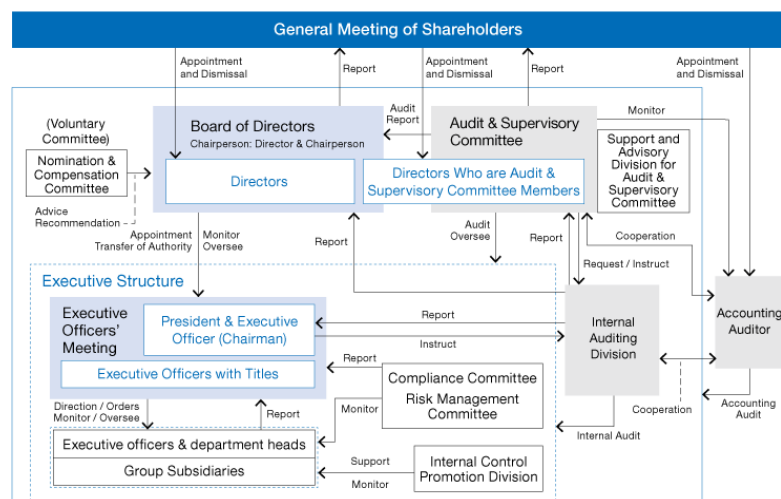
Organization and Initiatives

Corporate Governance Structure and Initiatives

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

- (a) We further enhance the supervisory functions of the Board of Directors through use of legal authority, such as directors that are Audit & Supervisory Committee Members holding voting rights at meetings of the Board of Directors and having the right to present a position statement relating to nomination and compensation of directors at General Shareholder's Meetings.
- (b) We further enhance discussions on management strategies, etc. by transferring the Board of Directors' meeting to a monitoring type, since a portion of the Board of Directors' authority to make decision on business execution has been transferred to the Director & President and Executive Officer (Executive Officers' Meeting).
- (c) We aim to further promote separation of supervisory and executive functions by making changes to increase legitimacy in June 2022, and combining it with the transfer of authority mentioned in (b) through the introduction of an executive officer system in June 2003, and a system for election of executive officers who are responsible for a flexible and agile business execution system by the Board of Directors, based on the Articles of Incorporation.

Corporate Governance Structure



Outline of Corporate Governance Structure

Form of Organization	Company with an Audit & Supervisory Committee
Directors	Number of directors (outside directors): 7 (3)
Directors (Audit & Supervisory Committee Members)	Number of directors (outside directors): 4 (3)
Number of Independent Officers	6 (3 outside directors and 3 outside directors (Audit & Supervisory Committee members))

(1) The Company's Board of Directors

In principle, the Board of Directors convenes on a regular monthly basis and holds ad-hoc meetings as necessary, to discuss major executive matters, business issues, and management issues related to the our business execution. In FY2022, the Board of Directors held 13 meetings, and the attendance rate was 100% for all directors.

The specific composition of the Board of Directors and meeting attendance in FY2022 are described below in "Composition of the Board of Directors, Nomination & Compensation Committee, and Audit & Supervisory Committee and Attendance in FY2022" below.

① Composition of Board of Directors

Our Board of Directors consists of 11 directors, including 4 who are Audit & Supervisory Committee members. The 11 directors also include 6 outside directors (of which 3 are members of the Audit & Supervisory Committee). The 6 all satisfy the requirements for independent directors as defined by the Tokyo Stock Exchange and our Criteria for Determining the Independence of Outside Directors. This means that independent outside directors make up a majority of the Board of Directors, ensures the effectiveness of the supervisory function of the Board of Directors, and ensures that objective and independent opinions are fully incorporated into the company's management.

It is the basic policy to ensure the diversity of the Board of Directors as a whole based on the abilities, insight, and experience of individual directors and to assign appropriate human resources that contribute to the enhancement of our corporate value. It is also our policy to ensure the diversity and balance of the

Audit & Supervisory Committee as a whole based on the knowledge and experience of accounting, financial, and legal matters etc., of directors who are members of the Audit & Supervisory Committee. The balance of expertise, knowledge, experience, etc., is as described in the Board of Directors' Skill Matrix below.

Composition of the Board of Directors, Nomination & Compensation Committee, and Audit & Supervisory Committee and Attendance in FY2022
(period: April 1, 2022–March 31, 2023)

Name	Position (as of March 31, 2023)	Board of Directors	Nomination & Compensation Committee	Audit & Supervisory Committee
Yuji Hamasaki	Director & Chairman & Senior Officer Chairperson of the Board of Directors, Member of Nomination & Compensation Committee	13/13	12/12	–
Takeshi Miida	Representative Director & President & Executive Officer Member of Nomination & Compensation Committee	13/13	12/12	–
Norio Takekawa	Representative Director & Executive Vice President & Executive Officer	13/13	–	–
Masayuki Iwao	Director & Senior Managing Executive Officer	13/13	–	–
Hiroyuki Takenaka	Outside Director Chairman of the Nomination & Compensation Committee	13/13	12/12	–
Yoshiaki Shin	Outside Director Member of Nomination & Compensation Committee	13/13	12/12	–
Hiroji Adachi	Outside Director	10/10	–	–
Michihiko Kato	Director (Standing Audit & Supervisory Committee Member) Chairman of the Audit & Supervisory Committee	13/13	–	16/16
Keiko Hayashi	Outside Director (Audit & Supervisory Committee Member) Member of Nomination & Compensation Committee	13/13	10/10	16/16
Takashi Kuroda	Outside Director (Audit & Supervisory Committee Member)	10/10	–	13/13
Hideki Hiraki	Outside Director (Audit & Supervisory Committee Member)	10/10	–	13/13

Note: Attendance at meetings of each body is shown as “Attended/held”

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.

Major topics discussed by the Board of Directors in FY2022 included the following.

■Strengthening the supervisory function of the Board of Directors

The Board of Directors discussed this issue with the aim of further strengthening its supervisory function, as found in the FY2021 board effectiveness evaluation. In addition, an outside attorney gave a training on the role of the Board of Directors and outside directors and the exercise of their functions. Directors also met several times outside of formal Board of Directors' Meetings to trade opinions.

The following measures have been taken as a result of the Board's discussions and deliberations.

- Improved advance explanation of agenda items of the Board of Directors
The Executive Vice President & Executive Officer attends the explanatory meeting for outside directors to share information on overall business execution as it relates to agenda items of the Board of Directors and executive officers in charge provide explanations to resolve questions on individual operations related to agenda items in advance, we make an improvement that helps stimulate and enhance discussions and debates at Board of Directors' Meetings.
- Participation in discussions at the conceptual and planning stages
The FY2023 profit plan was discussed at a Board of Directors' Meeting at the stage where policy was forming. Directors discussed setting optimal profit targets and investment plans to enhance corporate value. The profit plan is decided at a meeting of the Board of Directors after it is reviewed by the business execution organization based on discussions.
- Improved agenda setting
It was suggested that to strengthen the supervisory function of the Board of Directors, it is important to strengthen Board of Directors agenda setting based on each director's understanding of management issues. Previously, the annual schedule of Board of Directors meetings was prepared based on the opinions of the directors and confirmed at each Board of Directors' Meeting. Starting in FY2023, the agenda of board meetings will be discussed and deliberated on a regular basis as a new agenda item itself. The aim is to strengthen agenda setting and further reinforce the supervisory function of the Board of Directors.

■Progress of Medium-term Management Plan 2024 in each business and strategies to achieve its objectives

The Board of Directors discussed several topics intended to monitor the progress of Medium-term Management Plan 2024 and supervise strategies to achieve its objectives. The Board of Directors discussed the situation and strategies in each business, especially measures to cope with rising component prices, collaboration between businesses (especially between the product sales and maintenance service businesses), and growth strategies beyond Medium-term Management Plan 2024.

■Promoting sustainability management

The Board of Directors' Meeting discusses the progress of the meeting of the Sustainability Management Strategy Committee (chaired by the President & Executive Officer) as part of supervision of sustainability management, which is a basic policy of Medium-term Management Plan 2024. It also discusses the status of human capital initiatives.

③ Participation of Outside Directors in Board of Directors' Meetings

■ Participation in the agenda

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

At Board of Directors' Meetings, multifaceted discussion occurs, based on the broad perspective of managers, the knowledge of technicians, and the high-level specialization of experts, etc. 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 FY2022, all members of the Board of Directors, including outside directors, conducted self-evaluations of the effectiveness of the Board of Directors, and the following discussions took place at the meeting of the Board of Directors, in order to revitalize deliberations by the Board of Directors.

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

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

Major issues in FY2021	Status of efforts in FY2022
(1) Ensure greater diversity and skills balance among directors	Starting with the Notice of Convocation of the 159th Ordinary General Meeting of Shareholders, disclosing "Skills Required to the Board of Directors and the Reasons"
(2) Explore monitoring-type Board operations, including the use of Board of Directors meeting agenda items	Participating in discussions at the conceptual and planning stages
(3) Further strengthen information sharing with outside directors	Improving advance explanation of agenda items of the Board of Directors and improving agenda setting

② FY2022 analysis and evaluation

1	Formulation of questionnaire	The Chairman and Secretariat of the Board of Directors formulate a questionnaire (11 questions, all descriptive) 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 of the response to them and evaluation, and new issues found by the Board of Directors in FY2022.
---	------------------------------	---



2	Conducting of questionnaire survey	All 11 directors are asked to fill out the above questionnaire in April 2023.
---	------------------------------------	---



3	Discussions at Board of Directors meeting	At the May 2023 Board of Directors meeting, all directors discuss the results of the evaluation of the effectiveness of the Board of Directors (Matters for Discussion by the Board of Directors), based on the results of the responses to the questionnaire received from each director. The FY2023 analysis and evaluation results are compiled to determine whether the Board of Directors is effective.
---	---	--



4	Analysis and evaluation results	<p>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.</p> <ul style="list-style-type: none"> • The composition of the Board of Directors and its deliberation time and operating methods are appropriate. • The quality of the content of deliberations (agenda setting and discussion by directors) has been enhanced. • Opinions and advice from outside directors have been adequately received, and follow-up on these has improved since last year. <p>Based on the above, we have judged that our Board of Directors is effective.</p>
---	---------------------------------	--

[Effectiveness evaluation items (questionnaire items)]

- ① Composition, deliberations, and operations of the Board of Directors (size, independence, diversity, content of deliberations, deliberation time, and operating methods)
- ② Ensuring the effectiveness of the Board of Directors (is the monitoring-type Board of Directors functioning?)
- ③ Self-evaluation (securing time required for duties, demonstration of expertise, inside: awareness of management and supervisory perspectives, outside: supervision from an independent standpoint)
- ④ Reorganization of Board of Director's mMeeting agenda items and supervisory function (how execution and supervision should be further separated)
- ⑤ Other (free description)

Issues and Future Initiatives

Major issues in FY2022	Initiatives in FY2023
(1) Improve board meeting agenda setting to further the Board of Directors' supervisory function	Enhance information sharing with outside directors, link agenda setting with the Executive Officers' Meeting, and hold discussions within the Board of Directors with an awareness of the active involvement of outside directors.
(2) Organize delegation of decisions of important business execution	To organize what is being delegated, we will first organize the monitoring function of the Board of Directors and seek a common understanding of the supervisory function of directors that should exist in a company with an Audit & Supervisory Committee.
(3) Establish a system on the execution side	The content of deliberations and operating methods of the Executive Officers' Meeting will be organized and linked to efforts to improve Board of Directors operations to enhance effectiveness.

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

(3) Nomination & Compensation Committee

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

The specific composition of the Nomination & Compensation Committee and meeting attendance in FY2022 are described in “Composition of the Board of Directors, Nomination & Compensation Committee, and Audit & Supervisory Committee and Attendance in FY2022” above.

■ Activities of the Nomination & Compensation Committee in FY2022

Month & year	Activity
April 2022	<ul style="list-style-type: none"> • Consideration of directors' composition in organization of the Nomination & Compensation Committee, etc. (Including revisions to Articles of Incorporation and related rules) • FY2021 officer compensation report
May 2022	<ul style="list-style-type: none"> • Report on estimated director's compensation in FY2022 • Consideration of interviews between candidates for the next management personnel (executive side) and Nomination & Compensation Committee members
June 2022	<ul style="list-style-type: none"> • Confirmation of agenda and dates of Nomination & Compensation Committee meetings for FY2022 • Consideration of interviews between candidates for the next management personnel (executive side) and Nomination & Compensation Committee members
July 2022	<ul style="list-style-type: none"> • Consideration of reviewing director's compensation system, such as performance-linked (incentive) ratios • Consideration of composition of Board of Directors and requirements for outside directors, etc.
August 2022	<ul style="list-style-type: none"> • Consideration of composition of Board of Directors
September 2022	<ul style="list-style-type: none"> • Consideration of reviewing director compensation framework for FY2023 and beyond • Consideration of reviewing director's compensation system, such as performance-linked (incentive) ratios
October 2022	<ul style="list-style-type: none"> • Consideration of director appointments for FY2023
November 2022	<ul style="list-style-type: none"> • Consideration of director appointments for FY2023 • Consideration of executive-side nominations taking account of FY2023 organizational system
December 2022	<ul style="list-style-type: none"> • Consideration of director appointments for FY2023 • Consideration of executive-side nominations taking account of FY2023 organizational system • Consideration of reviewing director's compensation system, such as performance-linked (incentive) ratios
January 2023	<ul style="list-style-type: none"> • Consideration of executive-side nominations taking account of FY2023 organizational system
February 2023	<ul style="list-style-type: none"> • Consideration of reviewing the Board of Directors' skills matrix
March 2023	<ul style="list-style-type: none"> • Consideration of reviewing director compensation framework for FY2023 and beyond • Consideration of reviewing director's compensation system, such as performance-linked (incentive) ratios • Consideration of reviewing Board of Directors' skills matrix

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

The number of directors is set at no more than 15 to allow sufficient discussion of management issues.

(10 Directors who are not Audit & Supervisory Committee members and five who are)

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) ④ Composition of Board of Directors above,

we select individuals who will help strengthen the decision-making and supervisory functions of the Board of Directors. The Board of Directors consults with the Nomination & Compensation Committee (a voluntary committee), with independent outside directors as the main members and chair, then the Board of Directors nominates candidates by resolution. Finally, nominations are submitted to the General Meeting of Shareholders.

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

•Board of Directors’ Skills Matrix

The scheduled composition of the Board of Directors on and after June 28, 2023

Position	Name	Fields in which Directors can particularly exert their expertise								
		Business management	DX/ Business transformation	Sales/Marketing	Research and Development "Monozukuri"	Global	Finance/ Accounting	Legal affairs/ Internal control	HR development	Environments
Director	Takeshi Mita <small>Reappointment</small>	•	•	•				•	•	
	Akio Inoue <small>New appointment</small>	•	•				•			•
	Norio Takakura <small>Reappointment</small>	•	•		•					•
	Masayuki Inao <small>Reappointment</small>	•				•	•	•	•	
	Hirovuki Takenaka <small>Reappointment</small>	•	•	•				•	•	
	Hiroji Adachi <small>Reappointment</small>	•	•		•	•				
	Mamabu Kinoshita <small>New appointment</small>	•	•	•					•	
	Michihiko Kato <small>Full time</small>			•	•			•		
Director (Audit and Supervisory Committee Member)	Keiko Hayashi <small>Outside Independent</small>						•	•	•	
	Takashi Kuroda <small>Outside Independent</small>	•		•				•		
	Hideki Hiraki <small>Outside Independent</small>	•		•				•		•

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

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

Skills	Reasons why such skill is required
Business management	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.

Skills	Reasons why such skill is required
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.

(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 Meidensha Group's management policies determined by the Board of Directors.

The Executive Officers' Meeting, which comprises Executive Officers with Titles, is created for executive decision-making, and decides matters based on the rules of internal approval, as well as matters for which consultation from a full-company perspective is required.

Furthermore, apart from the meeting body to make decisions, we established advisory and internal bodies such as review and strategy meetings, and with regard to important management matters, we created a system wherein thorough discussion and deliberation are conducted prior to decision-making, and follow-up strategy and planning and improvement initiatives are conducted following decision-making.

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.

In executing business, resolutions and decisions are made by executive officers who have authority over business execution and strive to execute operations proactively and flexibly.

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

(7) Auditing System

Meidensha transitioned from the prior institutional structure of a company having an Audit & Supervisory Board to a company having an Audit & Supervisory Committee at the General Meeting of Shareholders held on June 26, 2020.

Our Audit & Supervisory Committee consists of four directors who are Audit & Supervisory Committee members (three outside directors and one standing inside director).

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 in a month. Each Audit & Supervisory Committee lasts about two hours.

In addition, we established the Support and Advisory Division for Audit & Supervisory Committee exclusively to aid the Audit & Supervisory Committee. It has four members with legal, financial, accounting, sales, factory, quality control, R&D, overseas business, and internal auditing experience.

(8) Internal Auditing System

i Organization

Meidensha has established the Internal Auditing Division (16members as of March 31, 2023).

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 of Meidensha Group companies including in abroad.

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

ii Method of audits

In FY2022, the internal audits were mainly conducted by two methods.

We conducted risk-based audits in 10 divisions based on the major Company-wide risks identified by the Risk Management Committee. We covered those risks comprehensively while prioritizing high-risk areas. In FY2023, we will reevaluate the major Company-wide risks from the perspective of the Internal Auditing Division and will audit units selected in consideration of risk factors of particular importance to 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 FY2022, we audited 4 domestic subsidiaries and 12 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 FY2022, reports were presented monthly to the President & Executive Officer, semiannually to the Board of Directors and the Executive Officers' Meeting, and 10 times to the Audit & Supervisory Committee. Internal audit reports are also sent to the members of the Executive Officers' Meeting and standing Audit & Supervisory Committee members each time one is issued.

(9) Strengthening Group Governance

The Meidensha 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 Meidensha Group company, establishing a regulatory framework, and implementing the PDCA cycle.

1. Major Initiatives in FY2022

- (1) The Group Company Internal Control Committee met twice in the year to share information on important top risks for the Group as discussed by the Risk Management Committee and the progress of risk management at each company. It also introduced CSA (control self-assessment) to overseas subsidiaries and provided internal control training and CSA training for local staff at 13 companies, mainly at presiding companies.
- (2) In order to strengthen the internal controls of the entire Group, the Internal Auditing Division conducted standardized audits of four domestic subsidiaries and two overseas subsidiaries to check the status of their preparation and operation of internal controls.

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

Our purpose to hold cross-shareholdings is to maintain and expand transactions for the medium- to long-term and secure and strengthen medium- to long-term cooperative relationships with partners and allies, taking account of market conditions and other factors. Based on the purpose, our basic policy is to hold cross-shareholdings that help enhance corporate value and to consider selling cross-shareholdings that no longer seem significant or rational.

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.

we sold 10 listed and unlisted stocks for ¥1,03 billion out of its 102 listed and unlisted stocks (balance sheet amount: ¥16.406 billion) as of March 31, 2022, reducing the number of stocks to 96 (balance sheet amount: ¥16,418 billion) as of March 31, 2023. This represents 14.8% of consolidated net assets as of March 31, 2023.

Directors' Compensation

Directors compensation policy

i Level and System of Compensation

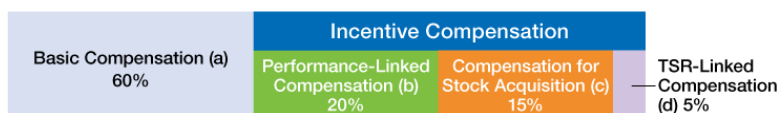
The level of compensation of Meidensha's directors is determined based on external objective compensation market data, economic conditions, industry trends, and Meidensha's business circumstances, etc. Giving consideration to this level, the content of the director's compensation system is determined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

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



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

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

iii Incentive Compensation System

The performance indicator for calculating performance-linked compensation as a short-term incentive is decided after the annual general meeting of shareholders for the relevant fiscal year. It is decided based on the operating income of the previous fiscal year to raise awareness of the need to improve

performance, especially profitability, each fiscal year. The performance-linked compensation indicator varies from 0 to 140 depending on the degree to which targets were achieved, with perfect achievement counting as 100.

Operating income for FY2021 was ¥9.468 billion, compared to a target of ¥10 billion, which represents an achievement rate of 94.6%.

Calculation Formula

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

Meidensha provides compensation for stock acquisition and TSR-linked compensation as medium- to long-term incentives to sustainably increase corporate value and ensure that directors (excluding Audit & Supervisory Committee members and outside directors) have some shared value with shareholders.

- (1) The amount of compensation for stock acquisition is determined for each position based on internal rules on officers' compensation. The amount is contributed to the Officers' Shareholding Association to acquire shares.
- (2) The TSR-linked compensation indicator varies generally between 80 and 120 depending on 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 (relative TSR^{*}).

Calculation Formula

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

* Relative TSR: Meidensha's TSR at the end of the latest fiscal year divided by the TSR of the TOPIX benchmark including dividends corresponding to the Company's TSR calculation period

iv Compensation Determination Procedures

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

Specific details of the amount of compensation for each individual director (excluding members of the Audit & Supervisory Committee) are delegated to the President & Executive Officer ("President"), who is a director, based on a resolution of the Board of Directors. 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. In FY2022, the Board of Directors resolved at its June 23, 2022, meeting to delegate President Takeshi Miida to determine the specific details of the amount of compensation for directors. The reason for delegating this authority is that the President, as the chief officer of the Company, is best suited to evaluate each director while looking at Meidensha's overall performance.

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.

FY2022 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)	246	175	70	6
Outside directors (excluding Audit & Supervisory Committee members)	26	26	-	4
Directors who are Audit and Supervisory Committee members (excluding Outside Directors)	34	34	-	2
Outside directors who are Audit & Supervisory Committee members	26	26	-	5
Total	333	262	70	17

Notes

1. Amounts are rounded down to the nearest ¥1 million.
2. The above includes three directors (excluding Audit & Supervisory Committee members) and two directors who are Audit & Supervisory Committee members who retired at the conclusion of the 158th Ordinary General Meeting of Shareholders held on June 23, 2022.
3. The amount of compensation for directors (excluding Audit & Supervisory Committee members) does not include employee salaries for directors who also serve as employees.

Board of Directors & Executive Officers as of July, 2023

[Board of Directors & Executive Officers as of July, 2023 >](#)

Risk Management

Policy

Basic Approach

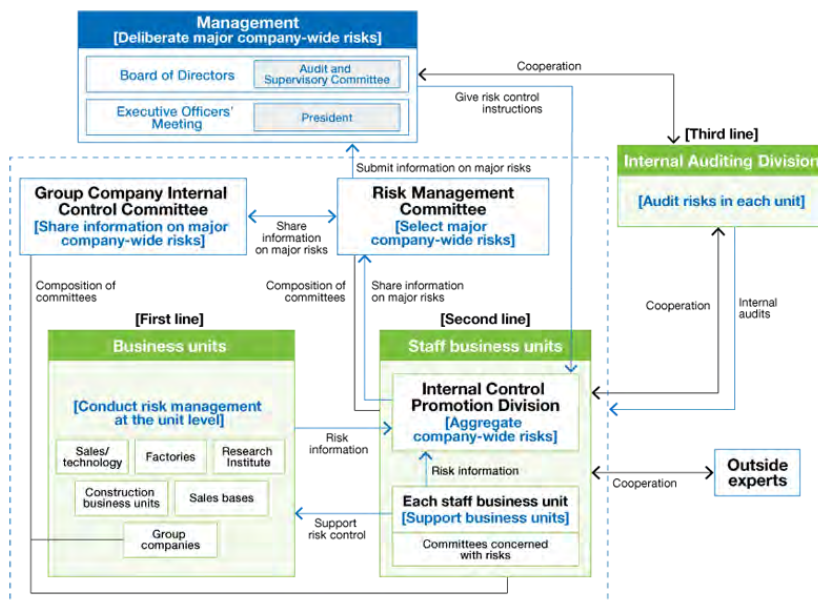
Businesses face conditions that change day to day: climate change, natural disasters growing in frequency and intensity, geopolitical risks coming to the surface, increasing digitalization, and diversifying values. Under these circumstances, we must identify the wide range of potential future risks in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

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

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

Risk Management Structure

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



[Explanation of terms]

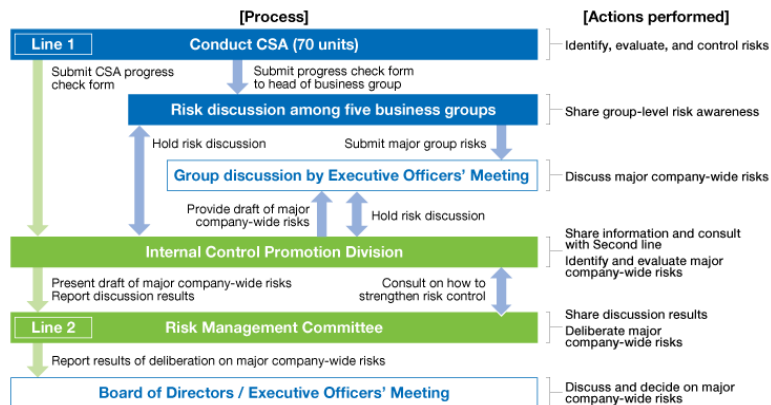
First line	In our business units (the first line), including plants and domestic and overseas subsidiaries, we have introduced Control Self-Assessment (CSA). With this tool, each unit identifies, assesses, and controls its own risks. To identify risks, units refer to a 120-item risk list to ensure their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

The Risk Management Committee and the Group Company Internal Control Committee are chaired by the Meidensha Director & Senior Managing Executive Officer, who is in charge of all administrative divisions.

Operations of the Risk Management Committee

The Risk Management Committee is chaired by the Director & Senior Managing Executive Officer and 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.

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



Major Risks from Business Activities

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

Major Risks Facing the Group

Ranking	Risk	Risk assessment					Comparison with previous year's assessment
		Impact	Likelihood	Speed of materialization	Effectiveness of response	Likelihood of harm to brand	
1	Environmental regulations/climate change	Large	High	Normal	Effective	High	➡
2	Inadequate procurement management	Large	High	Somewhat fast	Normal	Somewhat high	➡
3	Insufficient internal information management	Large	Medium	Extremely fast	Effective	High	➡
4	Geopolitical risks	Large	Medium	Extremely fast	Normal	Somewhat high	➡
5	Inadequate labor management	Large	Medium	Normal	Normal	High	➡
6	Occurrence of industrial accident	Large	Medium	Extremely fast	Somewhat effective	Somewhat high	➡
7	Reduced quality	Large	High	Fast	Somewhat effective	Normal	➡
8	Inadequate cyber measures	Large	Medium	Extremely fast	Effective	Somewhat high	➡
9	Human rights violations	Large	Medium	Normal	Normal	Somewhat high	➡
10	Insufficient personnel	Large	High	Somewhat slow	Somewhat effective	Normal	➡
11	Occurrence of a natural disaster	Large	Medium	Extremely fast	Effective	Normal	➡
12	Disguising quality or iniquitous inspection	Large	Low	Fast	Somewhat effective	High	➡
13	Breach of Construction Business Act	Large	Low	Fast	Somewhat effective	High	➡
14	Insufficient awareness or responsiveness to changes in market conditions	Large	High	Normal	Effective	Normal	➡
15	Breach of Antimonopoly Act or bribery	Large	Low	Extremely fast	Effective	High	➡
16	Losses due to fluctuations in exchange rates, interest rates, stock prices, and land prices	Medium	High	Somewhat fast	Somewhat effective	Normal	➡
17	Incomplete control of overseas subsidiaries	Large	Low	Extremely fast	Somewhat effective	Somewhat high	➡
18	Insufficient or poor internal communication	Medium	High	Somewhat slow	Somewhat effective	Normal	➡
19	Incomplete control of Japanese subsidiaries	Large	Low	Normal	Somewhat effective	Somewhat high	➡
20	Reduced ability to cater to customers	Large	Low	Extremely fast	Normal	Normal	➡

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

Risk Management Relating to Business Activities

Preliminary Risk Assessment

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

In FY2022, we conducted preliminary risk assessments on nine cases. Including these, we have not yet identified any cases that have caused new losses. Preliminary risk assessment plays an important role in managing risk prior to the start of a project.

There are four key parts to preliminary risk assessment, as follows.

- (1) Identify and assess the high risk factors of EPC project such as risk of construction works and project profit and take necessary measures to the project.
- (2) Identify and assess contract risk such as commercial and technical conditions regard to tenders, partnerships etc., and enhance risk management to the relatives.
- (3) Analyze risk from multiple perspectives by third party experts and take measures to reduce risk.
- (4) Through discussions, encourage the unit proposing the action to provide information necessary for management decision-making, such as relevance to business strategy, appropriateness of risk estimates, and feasibility of various plans.

As mentioned above, in the preliminary risk assessment, we evaluate not only financial risks, but project risks, operation risks, etc. The Corporate Policy Planning Group and the Internal Control Promotion Division serve as the secretariat for assessments, and their supervising officers determine whether a meeting needs to be held. Other units involved include the General and Legal Affairs Division, the Accounting and Financing Group, and the Sales Planning & Administration Group.

During M&A, a third-party unit performs the due diligence. Besides doing a financial investigation of the target company, we also evaluate it from an ESG perspective to strengthen risk management. This includes the target's corporate culture, legal compliance systems including human rights concerns, compliance with environmental regulations, labor conditions, occupational health and safety, and other factors.

Business Continuity Plan (BCP)

Basic BCP Policy

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

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

(3) Limit impact on customers and Meidensha's businesses as much as possible.

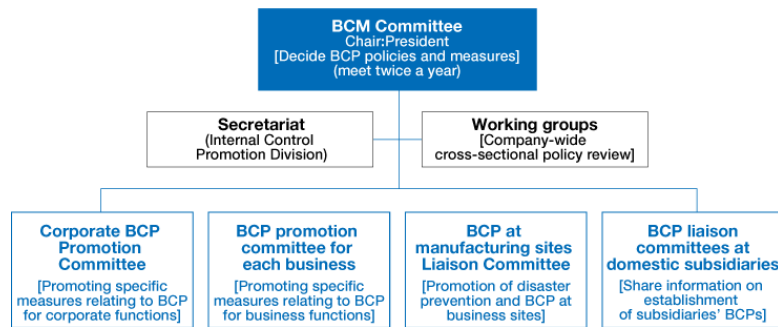
Medium-term Management Plan 2024 Initiatives

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

- **Ongoing BCP initiatives**
 - Moving from an earthquake-based BCP to an “all-hazard” BCP that applies to a range of risks
 - Establishing a BCP and creating systems to maintain, evaluate, and confirm its effectiveness
 - Continuing education and training, and ensuring that each employee is involved with BCP initiatives
 - Extending the BCP to overseas subsidiaries, and creating a BCP with a global perspective
- **Improving corporate and organizational resilience**
 - Encouraging independent promotion of BCPs by business units, and work to improve Disaster responsiveness by company organization
 - Considering alternative production sites for important operations
- **Contributing to society and communities**
 - Contributing to disaster-resilient community development by supplying Meidensha's BCP products and corporate BCP initiatives to communities and society

System

BCM Promotion System



Under the BCM Committee, which determines the Meiden Group's BCP policy and measures, the Meiden Group established the Corporate BCP Promotion Committee, BCP promotion committees for each business, BCP liaison committees at domestic subsidiaries, the Working Group to Consider Priority Businesses, and the Working Group to Handle and Protect Employees, and promotes BCP throughout the Group.

Initiatives

Third Natural Disaster Response Headquarters Drill

In September 2022, we conducted a company-wide natural disaster response headquarters drill to verify the effectiveness of BCPs that had been created. In the hypothetical scenario used for the drill this time, the Numazu Plant was hit by a Nankai Trough earthquake centered on the east side of Suruga Bay on a

Sunday night, with Numazu Works the first production site to be damaged. Since the disaster occurred on a non-working day and at night, the initial response was not to gather in one place, but rather to organize information on just a portal site that would be set up when the disaster happened. Subsequently, staff verified and confirmed events particular to a damaged production site, including trade-offs between customer response and plant restoration when several days had already passed since the disaster happened, based on damage information prepared in cooperation with Numazu Works.

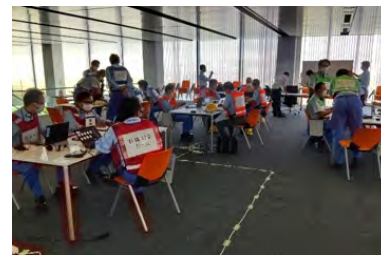
We will revise BCPs in light of the various issues identified during the training.



Scenes from the drill (Headquarters)



Scenes from the drill (Numazu Works)



Disaster Response Drill at Numazu Works

In March 2023, we brought a mobile power supply vehicle to Numazu Works to prepare for power outages at the site. In conjunction with the introduction of the vehicle, we conducted a drill to verify the process of requesting the vehicle and dispatching it to the site in the event of a power outage, as well as the work to be performed at the site. For the drill, we did in fact cut power to a portion of the plant. Participants restored electricity by connecting to the mobile power supply vehicle. This allowed us to confirm how the work would actually be performed. On the day of the event, an outside company provided drone footage of the drill. We have also discussed the usefulness of drones in times of disaster.

The Meiden Group will improve on issues identified during the drill to help create better BCP measures.



A scene at the drill



Drone footage

Start of Works BCP Liaison Committee

To improve disaster prevention and BCP at each production site (works), we launched the Works BCP Liaison Committee in November 2022. In the event of a disaster, works must set up an area disaster response headquarters to deal with a wide range of issues such as responding to personnel in the area, gathering information from their factories and other units and subsidiaries, and managing stockpiles. However, each works had established its own methods of responding and there was no interaction with others. The new liaison committee organizes disaster prevention and BCP-related issues at each works and discusses solutions to each one. This has enhanced disaster prevention and BCP systems at each works.

This effort continues in FY2023 to strengthen the disaster response capabilities of each 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 FY2022, we gave training for new employees and mid-career hires. We have also visited regional offices in Japan to conduct extensive awareness-raising initiatives, including disaster prevention and BCP training for local employees and training for BCP staff of Group companies.

In addition, we created a training video to further spread the word about our disaster prevention and BCP efforts. The video will be released in FY2023 and we will work to ensure that all Group employees view it.



Employee BCP training video



New-employee training (online)

Policy

Strengthening Information Security Management

The Meiden Group understands that ensuring the security of the information we handle is a most critical issue. We therefore protect information assets from disasters, accidents, criminal acts, errors, and other threats. We also maintain and enhance information management to prevent leaks, tampering, theft, or loss.

Meidensha Basic Information Security Policy

1. Purpose and Scope of Information Security

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

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

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

2. Legal Compliance, etc.

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

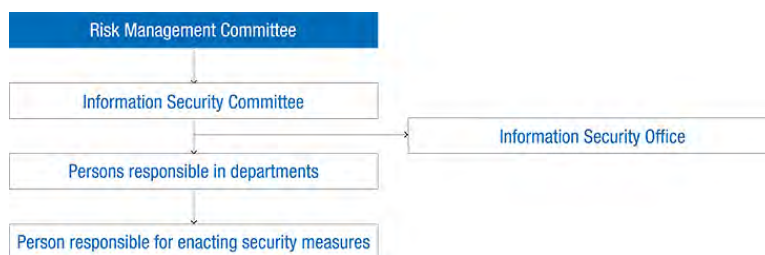
Everyone involved with business activities ensures thorough compliance with matters required by laws and regulations, obligations imposed by agreements, this policy, and internal management regulations relating to information security.

3. Establishment and Maintenance of Information Security

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

System

Information Security Control System



Information Security Management

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

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



Initiatives

In fiscal 2022, we are continuing to implement initiatives to reinforce information security for the entire Meiden Group.

Analysis of Incidents and Countermeasures for Each Cause

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

We analyze and implement both hardware and software measures to protect data from unauthorized logins, etc., and virus infections from suspicious emails, such as targeted email attacks, as well as measures mainly aim at combatting human factors such as theft, loss, or mishandling of information devices. We introduced the Security Operation Center (SOC) in fiscal 2017, established a detection system that operates 24 hours per day, 365 days per year, and in fiscal 2019, we installed next-generation antivirus software on all computers, in order to enhance detection.

We established the Meiden Computer Security Incident Response Team (CSIRT) and joined the Nippon CSIRT Association in order to enhance response. In addition, we have begun strengthening information security measures for customers of our products and services so they can better respond to cyberattacks, which have become increasingly sophisticated in recent years. We are also establishing internal systems to speed up incident response.

Information Security Education and Training

All of the Meiden Group’s officers, employees, dispatch workers, and contract workers, etc., engage in information security education. In fiscal 2022, we conducted e-learning on information security threats based on case studies. The e-learning was attended by 90% of employees, plus materials were sent to those who were unable to attend online.

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

Going forward, we will continue to strengthen hardware and software measures and continue to conduct personnel measures, such as information security education and suspicious email drills. We will continue to roll out measures for information security on a group-wide basis.

Enhancement of Supply Chain Information Security

Since FY2017, we have continuously conducted activities to enhance our suppliers' information security. We ensure that suppliers are aware of information security measures as management issues, and we hold training and information sessions as required.

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

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

In this way, we are continuing to conduct activities to enhance information security throughout the entire supply chain.

Compliance

Policy

Compliance Policy

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

In accordance with this code of conduct, the Meiden Group aims to sincerely engage in activities to live up to the trust of customers and society. Directors, executive officers, and general managers of Meidensha and each Group company play a central role in promoting compliance in each of their workplaces, in accordance with the Meiden Group Compliance Promotion Rules.

System

Compliance System

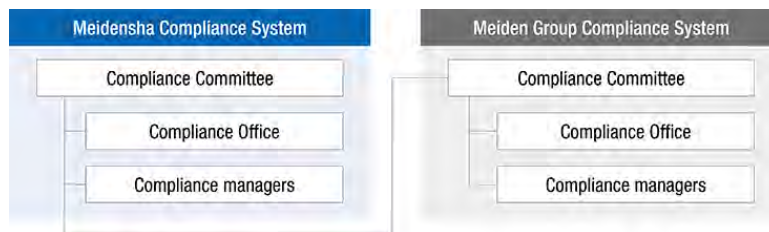
Meidensha has enhanced and constructed a compliance promotion framework that is an important pillar of risk management, by integrating the Legal Affairs Division and the Enterprise Risk Management Division into the Governance Headquarters in April 2022. The Legal Affairs Division is the office responsible 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 workplace has a compliance manager, who reports matters being discussed at the workplace and issues that have been discovered that relate to compliance, to the Legal Affairs Division. The Compliance Committee shares information reported to it with compliance managers through compliance training, etc. This strengthens communication and reporting systems.

Each Japanese company in the Meiden Group has a similar compliance committee and compliance manager system to Meidensha. 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.

Compliance System



Whistleblower System on Compliance

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

The internal whistleblower system includes the internal reporting system (Compliance Hotline) dealing with a broad range of compliance issues including breaches of laws such as the Antimonopoly Act, breaches of general anti-corruption regulations such as those dealing with bribery, other breaches of internal or external rules, and labor problems and the Harassment Consultation Hotline, which is specifically designed to deal with harassment. The External Hotline is a hotline operated by outside lawyers for early detection and rectification of unlawful acts, etc. We also provide a whistleblower hotline exclusively for use by our suppliers. In conjunction with the 2022 enforcement of the revised Whistleblower Protection Act, we have made our whistleblower hotlines easier to understand and revised and improved relevant regulations and systems, such as strengthening protection of whistleblowers. We have also finished setting up whistleblower hotlines at all Group companies, including those overseas.

The external hotline (Compliance Hotline) enables employees to lodge reports using a dedicated email address. The external hotline is handled by a law firm, and may be used by employees of the Meiden Group (including retirees), temporary staff and subcontractors, and suppliers.

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

The Legal Affairs Division works with relevant departments to investigate reports that are brought to the external hotline and, if necessary, consults with lawyers to deal with them. We are working to increase the dependability of management of information, such as the names of whistleblowers, and the whistleblower system as a whole, in accordance with national guidelines, to ensure that whistleblowers are not disadvantaged by using the system.

In FY2022, the Meiden Group received 59 reports and consultations, of which we thoroughly confirmed which cases required a response and dealt with them accordingly. The Audit Department conducts internal audits of the operation of the system.

System to Respond to Individual Incidents

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

Initiatives to Avoid Infringement of Human Rights

Harassment Prevention System

Harassment is one of the compliance issues regarding which consultation is most frequently sought, so we established the Harassment Prevention Committee to create a system that is specifically designed to handle harassment issues, and we are working to centralize handling of confidential information and responses as well as enhance activities to promote understanding.

When a report of harassment is made, responses are required that are considerate of personal relationships, and particularly those of the reporter, so we created a system to avoid infringement of human rights by establishing a hotline that is specifically designed to deal with harassment issues and creating an environment that is conducive to talking about issues. In addition, we are working to raise awareness about our anti-harassment measures. For example, the scope of the anger management training for managers was extended to other employees as well starting in FY2022. Our goal is to firmly entrench these lessons in the Meiden Group and provide better guidance.

	Unit	FY2020	FY2021	FY2022
Anger management training	Times	3	8	26
	People	91	289	2,350
Unconscious bias seminar	Times	-	2	2
	People	-	200	321

Initiatives

Compliance Training

The Meiden Group conducts compliance training every year, in order to maintain and improve awareness of compliance and internal control systems while collecting opinions from workplaces. In FY2022, we conducted individual training online for locations around Japan, and there were a total 4,336 participants in the Group. At this training, in addition to making reports concerning the status of compliance activities to employees of each company in the Meiden Group, such as compliance managers, we conducted education concerning the Antimonopoly Act, the Subcontract Act, harassment, and environmental laws.

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

Anti-corruption Measures

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

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

As our anti-corruption policy, in 2016, we developed the Meiden Group Bribery Prevention Policy. We reorganized it in 2020 into two parts – the Meiden Group Bribery Prevention Policy and the Guidelines for the Meiden Group Bribery Prevention Policy – which we are using to remind members of the Group about our stance.

Group Corporate Code of Conduct toward Globalization

The Meiden Group revised the Meiden Group Corporate Code of Conduct in 2022 in consideration of sustainability management, and is increasing awareness of employees with regard to compliance with laws and other social norms and contributing to the realization of a sustainable society. The revised Corporate Code of Conduct includes a commitment by the Meiden Group to contribute to the realization of a sustainable society. We also promise to conduct business honestly and fairly to prevent bribery and other forms of corruption; respect human rights; create workplaces where employees can play an active role; protect the environment; cooperate with society; manage information; practice timely disclosure; and manage risk. It also defines the responsibilities that top management has with respect to the Corporate Code of Conduct. The Board of Directors approved the revised Corporate Code of Conduct. We are educating Meiden Group employees around the world by compiling this code of conduct in addition to the corporate philosophy system and guidance into a booklet in three languages (Japanese, English and Chinese).

Furthermore, we are broadly expanding our compliance education activities such as by releasing the Meiden Group Bribery Prevention Policy and the Guidelines for the Meiden Group Bribery Prevention Policy in the same three languages.

These regulations and policies are available on the Group-common web portal.

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

[Meiden Group Anti-Bribery Policy \(PDF : 440KB\) !\[\]\(21199eb166cc97331a0c54c649195dcc_img.jpg\) >](#)

Officer Training

Meidensha conducts training for officers of the executive officer level and above, with a focus on compliance with the Antimonopoly Act. In FY2022, we conducted Antimonopoly Act compliance training administered by outside instructors, reviewed the basics, and considered case studies.

Policy and Initiatives

Tax

Tax Policy

The Meiden Group is aware that ensuring transparency of tax matters and payment of tax is its corporate social responsibility, and understands and complies with the principles of the taxation law of each country and region in which it conducts its global business activities. We contribute to the prosperity of each country and region by paying tax appropriately according to the application of a preferential tax system that avoids double taxation through normal procedures and complies with the aims of each system.

Furthermore, our policy is to refuse to engage in international tax avoidance, such as by complying with the OECD* Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and refusing to use tax havens according to business circumstances.

Going forward, we will work to build friendly and healthful relationships with tax agencies through timely and appropriate provision of information and responding sincerely in the event of advance rulings and tax audits.

* OECD : Organization for Economic Co-operation and Development

Results Data

Compliance Data

FY2022 Breaches of the Law, etc., in Japan and Overseas (Whole Meiden Group)

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

Consultations and Reports Through the Compliance Hotline

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

	Unit	FY2020	FY2021	FY2022
Number of consultations and reports	Cases	53	52	59

* Includes incidents at subsidiaries referred through the Meidensha Hotline.

Compliance-Related Training

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

		Unit	FY2020	FY2021	FY2022
Compliance Training		Times	11	11	4 + video viewing
		Participants	1,338	1,711	4,336
Education by level (compliance presentations)	New staff education	Participants	213	275	262*
	Leader training	Participants	110	110	123
	New manager training level 1	Participants	90	92	94
Training for overseas management candidates (compliance presentations)		Participants	10	10	—

* Includes subsidiaries and employees hired in mid-career

Dialogues with Shareholders and Investors

Basic Approach and the IR & SR System

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

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

Initiatives

Results Briefings

We hold financial results briefings twice a year in May and October (or November). In FY 2022, we distributed a video of the financial results briefing explained by President to analysts and institutional investors who had registered for the briefing on the day of the presentation. Q&A sessions were held the next business day, with the session for the May Annual Results Briefing conducted via teleconference and the session for the November Mid-Term Results Briefing held via Zoom in a webinar format.

[Financial Results >](#)

Sustainability Briefings (ESG Briefings)

We held our second ESG briefing in November 2022. We changed the name to "Sustainability Briefing" and gave presentations on "Progress in Sustainability Management," "Initiatives in Smart Maintenance and Substation Products That Make Up Green Extra-High Voltage Substations," and "Initiative to Become a Hydropower Service Provider."

40 analysts and institutional investors joined the briefing and it was the opportunity to deepen understanding of Meidensha's ESG vision and initiatives through Q&A sessions with President & Executive Officer Miida and Senior Managing Executive Officer Tamaki.

[Event materials >](#)

Individual Business Briefings (Small Meetings)

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

9 analysts attended the February 2023 small meeting at the Nagoya Works (Kiyosu City, Aichi). After a report on the overall state of business by President & Executive Officer Miida, Senior Managing Executive Officer Mochizuki gave a presentation on “Our Efforts and Vision for the EV Business” before taking questions from those in attendance. This meeting also provided an opportunity to tour the EV Factory involved in the mass production of integrated motor inverters and the production line of the Ceramic Membrane Production Unit.

[Event materials >](#)

Initiatives for Individual Investors

Since FY2022, Meidensha has exhibited at the IR EXPO hosted by the Nagoya Stock Exchange. During this two-day event, about 200 individual investors visited our booth and learned about our business, growth strategy, shareholder return policy, and more.

Main IR & SR Activities in FY2022

Individual Sessions	Number	Breakdown of Investor Type
Domestic Investors	77	Analyst: 43 Fund Manager: 34
Overseas Investors	32	Analyst: 11 Fund Manager: 21
Total	109	

(Note: There were 41 meetings with securities analysts not listed above for a total of 150 meetings with investors.)

Opinions of Analysts and Institutional Investors

We publish a quarterly IR report that includes the opinions and requests given at results briefings and individual meetings and this report is given to directors, executive officers, heads of business units, the Staff Business Unit, managers, and others. The main themes that came up in discussions with analysts and institutional investors in FY2022 are as follows.

- The impact on performance and countermeasures following the sharp rise in the cost of materials, energy, and logistics, and the emergence of geopolitical risks
- View of the future outlook and capital investment of the EV Business

- Measures for improved profitability of overseas businesses and a timeline for achievement

Results of Conversations with Stakeholders

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

- 1) Introduce relative TSR (Total Shareholder Return) into director's compensation benchmarks
We were told that it would be good to introduce performance-based compensation with relative TSR as an index in addition to the conventional stock acquisition compensation in the medium- to long-term incentive compensation from fiscal 2023. This would make the director compensation system and benchmarks align more closely with stakeholder interests.
- 2) Disclose the reasons (including definitions) behind the skills matrix selection
We received feedback that we should establish items with more specific definitions of the skills required for the Board of Directors to function. Therefore, starting with the Notice of Convocation of the 159th Ordinary General Meeting of Shareholders to be held in June 2023, we disclosed the "Skills Required to the Board of Directors and the Reasons."

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

Evaluations from External Bodies

Status of incorporation of the ESG Index* (as of September 2023)

* ESG is an acronym for “Environment,” “Social,” and “Governance.” It is a set of investment principles that include management’s concern for society and the environment as important criteria for determining investment in addition to the company’s financial factors.

S&P/JPX Carbon Efficient Index

The S&P/JPX Carbon Efficient Index is an environmental index that was developed by S&P Dow Jones Indices LLC. It gives weight to companies with high carbon efficiency and that fully disclose carbon emissions. The S&P/JPX Carbon Efficient Index also serves as an ESG index for Japanese companies that are GPIF investment targets. Meidensha was added to the index in 2018.



Sompo Sustainability Index

Meidensha has been selected for the Sompo Sustainability Index, which was instituted by Sompo Asset Management Co., Ltd. in August 2012. Sompo Sustainable Investment is a responsible investment product for pension funds and institutional investors that invests broadly in companies with a high ESG (environment/social/ governance) rating.

Each year, revision of companies listed in the index is conducted based on the results of a survey conducted by Sompo Risk Management Inc. Meidensha’s ESG initiatives have been highly rated by investigation, leading us to be continuously selected by index since FY2016.



FTSE Blossom Japan Index

The FTSE Blossom Japan Index is designed to measure the performance of companies that have taken exceptional action on environmental, social and governance (ESG) issues, and is selected by FTSE Russell, a global developer and manager of equity bond and other indices. The index consists of stocks that meet various evaluation criteria related to ESG. These criteria are used to select investments by investors who place importance on corporate social responsibility and sustainability, and are reviewed based on the results of annual evaluations.



FTSE Blossom Japan

FTSE Blossom Japan Sector Relative Index

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

Morningstar Japan ex-REIT Gender Diversity Tilt Index

This Morningstar index is focused on companies where gender diversity policy has taken root in their corporate culture and companies who have made a commitment to equal opportunity for employees regardless of gender. The index uses Equileap's Gender Equality Score. Companies are sorted into five groups based on score; Meidensha is in Group 3. The same index is also used as an ESG indicator of the Government Pension Investment Fund (GPIF).

Other Major Evaluations from Outside the Company

CDP (Climate Change and Water Security)

CDP is an international NGO that operates a global information disclosure system to manage the environmental impact of investors, companies, cities, countries, and regions. It investigates, evaluates, and discloses information about environmental initiatives on behalf of institutional investors. Meidensha received a rating of C for climate change and B- for water security from CDP in 2022.



MSCI ESG Ratings

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



Science Based Targets Initiative (SBTi)

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



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

Meidensha receives highest rating for a syndicated commitment line loan based on ESG/SDGs evaluation

Meidensha received the highest rating for a syndicated commitment line loan based on an ESG/SDGs evaluation concluded in September 2023 with Sumitomo Mitsui Banking Corporation (SMBC).

This syndicated commitment line loan is offered by financial institutions that endorse the criteria developed by SMBC and The Japan Research Institute, Limited and use them to evaluate the ESG initiatives, information disclosure, and contributions toward achieving the SDGs of the borrowing companies (their clients). The following are the key points of the evaluation of our efforts.

Environment (E)	The company's climate change measures include expanding renewable energy procurement and introducing an internal carbon pricing system to promote capital investment that contributes to decarbonization. In addition to promoting the EV components business and expanding its renewable energy-related business, the company has recently focused on expanding sales of extra-high-voltage products for green transformation packaged with environmentally friendly products. Having set medium- and long-term goals for reducing GHGs in Scope 3 Category 11 (Use of Sold Products), the company is commended for accelerating its response to climate change.
Social (S)	The company is commended for creating a system for proposing specific measures from the bottom up after establishing committees and working groups for diversity, equity, and inclusion (DEI) to clarify organizational policies that respect diversity with the aim of creating an organization in which all employees can play an active role.
Governance (G)	The company's top executives have demonstrated their commitment to promoting ESG-based management, setting non-financial KPIs for achieving carbon neutrality, improving diversity and employee engagement, and more in their

	medium-term management plan. The company is also commended for identifying ESG-related issues, conducting risk analysis, and clarifying material issues.
Sustainable Development Goals (SDGs)	The company has identified areas in its business strategy that contribute to solving societal issues and narrowed its focus on particular targets of SDGs. Specific efforts to achieve the SDGs through its core businesses include developing (input) and institutionalizing (output) services and businesses that contribute to solving societal issues—for example, energy solution services and infrastructure business—to reduce its customers' environmental impact (outcome) and contribute to the achievement of the SDGs, namely Goal 7 (Affordable and Clean Energy), Goal 11 (Sustainable Cities and Communities), and Goal 13 (Climate Action).

2023 CSR Company Ranking (Toyo Keizai Inc.)

Released by Toyo Keizai Inc., the CSR Company Ranking generally evaluates and ranks CSR (corporate social responsibility) and Finance by evaluating utilization of human resources, environment, corporate governance, social responsibility, profitability, safety, and scale, based on responses to an annual survey given to companies. Meidensha was ranked 46th out of 111 companies in the electrical machinery industry in the 17th CSR Company Ranking (in 2023).

The 6th Nikkei Smart Work Management Survey

The Smart Work Management Survey, conducted by Nikkei Inc. from 2017, selects leading companies who are challenging the productivity revolution through work style reform. The survey was conducted on listed companies nationwide and leading unlisted companies, and consists of three elements: the realization of diverse and flexible working systems, a system for new businesses, and the ability to develop markets. They define efforts to maximize organizational performance as "smart work management" and evaluate them in five stages, taking into account management foundations such as corporate governance. In the 6th survey, Meidensha was recognized as a 3.5-star company.



The 4th Nikkei SDGs Management Survey

The SDGs Management Survey comprises questions relating to the four categories of "SDGs strategy and economic value," "social value," "environmental value," and "governance." In the 4th survey, Meidensha was recognized as a 3.5-star company.



Eruboshi

In 2017, Meidensha received the highest level of Eruboshi mark (grade 3).

Eruboshi is a system under which certification is granted by the Minister of Health, Labour and Welfare to companies that have formulated and submitted action plans under the Act for the Promotion of Women's Participation in Working Life (Act for the Promotion of Women's Participation), that meet certain standards, and that have been exceptional in their implementation of initiatives. There are three levels of certification, and Meidensha has received grade 3, which is the highest level as it is recognized as having met the required standards in all five evaluation categories. Receiving Eruboshi certification also increases our rating for comprehensive evaluation bidding systems, etc., of public enterprise.



Kurumin and Platinum Kurumin

In 2021, Meidensha was granted Kurumin and Platinum Kurumin certification by the Minister of Health, Labour and Welfare (MHLW). The Kurumin certification is a system in which the Minister of MHLW certifies companies that have formulated the Plan of Action for General Employers based on the Act to Advance Measures to Support Next-Generation Child-Rearing and that meet certain standards, such as achieving the goals set in the action plan, as companies that support child-rearing. Platinum Kurumin certification is a special certification system for companies that have been certified as Kurumin certification and have made efforts at a higher level to become exceptional child-rearing support companies.



PRIDE Index 2022

In November 2022, Meidensha obtained gold status – the highest evaluation – in the PRIDE Index 2022. This initiative was started by the nonprofit organization “work with Pride,” an organization that strives to increase understanding of sexual minorities such as the LGBTQ+ community. The PRIDE Index contains 5 pillars for evaluations and aims to “create LGBTQ+ inclusive workplaces in Japan through efforts that transcend the boundaries of companies and organizations.” In addition to establishing basic policies toward promoting understanding of sexual minorities (LGBTQ), the Meiden Group has published the

Meiden Group human rights policies, eliminated questions about gender from job applications, begun providing basic education on LGBTQ topics, set up an LGBTQ consultation line, and recently created the Meiden Partnership System. The Meiden Group also works to promote understanding of LGBTQ individuals by treating common-law marriages (including same-sex marriages) the same as legal marriages, allowing employees to specify a different gender than the one listed on their family register, and more.



Health and Productivity Management Organization (White 500)

Meidensha has been certified as a "Health and Productivity Management Organization - White 500" by the Ministry of Economy, Trade and Industry (METI) for its excellent health management practices. The "Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500)" is a joint effort by METI and Nippon Kenko Kaigi (Japan Health Council) to recognize large corporations, including unlisted companies, that practice good health management in cooperation with insurers. Meidensha has been certified since 2021.

In April 2023, our subsidiary Meiden System Solutions Corporation was certified in the Large Enterprise Category and our subsidiary Meiden Techno Systems, Co., Ltd. was certified in the Small and Medium-sized Enterprise Category, a first for both companies.



Received the 2022 "Minister of the Environment Awards for Climate Action" Award

In December 2022, Meidensha and one of its subsidiaries, Meiden Kohsan Co., Ltd., received the 2022 Minister of the Environment Awards for Climate Action Award in the Advanced Introduction / Active Implementation Category for introducing ABW and Meidensha's multi-functional PCS at Meiden Kohsan's new office building. Meidensha concurrently applied separately for its initiative "Contributing to a decarbonized society: The World's First Ecotank Type Vacuum Circuit Breaker that does not use SF₆ gas," which received the Minister of the Environment Awards for Climate Action Award in the Product Development and Commercialization Category.

The Minister of the Environment Awards for Climate Action Award is presented by the Ministry of the Environment to individuals and organizations that make outstanding achievements toward mitigating and combating climate change.

The Meiden Group was the only company to receive two awards in 2022.



Recipient of the 19th LCA Japan Forum Incentive Award

Meidensha was awarded the 19th LCA Forum Incentive Award in February 2023. This award aims to support corporations, organizations, and researchers working to reduce the environmental impact of products throughout their life cycle and honors those who produce exceptional work with LCA. Meidensha received the award for their “Working to promote and improve products by calculating and assessing life-cycle CO₂ emissions – SF₆ gas-free Ecotank Type VCB.” The SF₆ gas-free Ecotank Type VCB (Vacuum Circuit Breaker) helps Meidensha not only meet GHG emission targets, but also contributes significantly to reduced GHG emissions throughout the supply chain. The award recognized how clearly transitioning to products that do not rely on SF₆ gas reduced the impact on global warming in LCA.



At the Award Ceremony
(right) Chairman Atsushi Inaba of LCA Japan Forum
(left) Meidensha Senior Managing Executive Officer
Nobuaki Tamaki

Excellence Prize at Zero Carbon Challenge Cup 2023

In March 2023, Meidensha won the Excellence Prize at the Zero Carbon Challenge Cup 2023. The Zero Carbon Challenge Cup is a national competition in which schools, organizations, companies, and municipal governments make presentations and submit written documentation describing their local decarbonization activities aimed at stopping global warming. These are then judged and the groups that made outstanding efforts receive awards. By recognizing the decarbonization efforts of a wide array of groups from across Japan, this system both encourages the sharing of information and know-how on exceptional work being done domestically and helps foster the desire and connections for further activities. Meidensha’s presentation covered company initiatives using the concept of “contributions that make Meiden Group’s total value chain carbon neutral” and focused on creating state-of-the-art offices that can contribute to the company’s environmental impact, workplace reforms, disaster prevention, and connecting with the local community during Meidensha’s reconstruction of the Meiko Building, the shared headquarters of Group companies Meiden Kohsan Co., Ltd. and Meiden Engineering Corporation.



Group photograph at the Zero Carbon Challenge Cup

Winner of the YouTube Works Awards Japan 2023 Grand Prize

In June 2023, Meidensha won both the Grand Prize and the Breakthrough Advertiser category at the YouTube Works Awards Japan 2023 (hosted by Google) for their pixel-art edition of the social media ad campaign “Electricity: Taking action” (hereinafter called “this work”).

YouTube Works Awards Japan recognizes eight categories of video advertisements that have made significant strides on YouTube. This work drove engagement and succeeded even with little advertising history and won the Breakthrough Advertiser category, which targets campaigns that have recently begun advertising on YouTube. Meidensha’s campaign was also selected as the Grand Prize finalist from among 49 other entries.

This work is aimed at younger generations and uses pixel art to demonstrate how electricity is an essential component of daily life and events. It was created to convey the core values of Meiden Group and its goal of creating a safe, prosperous, and exciting society by 2030, while the catchphrase “Electricity: Taking action” is meant to communicate Meidensha’s desire to create such a society.



Pixel art edition of “Electricity: Taking action” [🔗](#)

Editorial Policy

Editorial Policy

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

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

Furthermore, the Meiden Group is conducting internal communication activities as part of the process of drafting reports in order to understand changes in the external environment and share future issues and trends. In addition, we work to strategically promote future ESG management by exchanging opinions based on the reports that have been created, and having each department reflect on its own activities, taking into account outside perspectives.

Report Media

1 Meidensha Report print edition and web edition

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



1. Booklet, PDF

[Meidensha Report >](#)

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

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



2. WEB edition

Reporting Period

This report mainly covers initiatives taken in fiscal 2022 (April 1, 2022 - March 31, 2023)

It also includes some information from prior to fiscal 2021 and until July 2023

Subject Organization

The report mainly covers initiatives of Meidensha Corporation and its affiliated companies. Human resources data applies to affiliated companies in Japan, while environmental reporting data applies to Meidensha and its 40 major affiliated companies (21 in Japan and 19 overseas).

Publication

- Publication of this report: September 2023
- Next scheduled publication: September 2024

Guidelines Used as References

- IFRS Foundation International Integrated Reporting Framework
- IFRS Foundation SASB Standards
- Ministry of Economy, Trade and Industry “Guidance for Collaborative Value Creation”
- GRI “Sustainability Reporting Standards”
 - * For the period from April 1, 2022, to March 31, 2023, we refer to GRI standards and report information listed in the GRI content index.
- Ministry of the Environment “Environmental Reporting Guidelines (Fiscal Year 2018 Version)”

Inquiries about This Report

Meidensha Corporation
Public & Investor Relations Section, Corporate Communication Promotion Division
ThinkPark Tower, 2-1-1, Osaki, Shinagawa-ku, Tokyo
141-6029 Japan
TEL: 81-3-6420-8100

Disclaimer


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

GRI Standards Content Index

Usage declaration	Meidensha Corporation reports information contained in this GRI index for the period from April 1, 2022, to March 31, 2023, with reference to the GRI Standards. Furthermore, some information from prior to FY2022 and until July 2023 is included.
GRI1 used	GRI1: Foundation 2021

General Disclosures

Disclosure Title		References
GRI 2 : General Disclosures		
2-1	Organizational details	Company Profile >
2-2	Entities included in the organization's sustainability reporting	–
2-3	Reporting period, frequency and contact point	Editorial Policy >
2-4	Restatements of information	Not applicable
2-5	External assurance	Third-Party Verification >
2-6	Activities, value chain and other business relationships	Products & Services > Company Profile > Supply Chain Management >
2-7	Employees	Company Profile > Labor Practices> HR Data >
2-8	Workers who are not employees	Labor Practices> HR Data >
2-9	Governance structure and composition	Corporate Governance >
2-10	Nomination and selection of the highest governance body	–
2-11	Chair of the highest governance body	–
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Management > Environmental Management > Climate Change > Human Rights > DX > Corporate Governance > Risk Management >
2-13	Delegation of responsibility for managing impacts	Sustainability Management > Environmental Management > Disclosure based on TCFD Recommendations > Product Responsibility >

Disclosure Title	References
GRI 2 : General Disclosures	
	Human Rights > DX > Occupational Safety and Health > Health & Productivity Management > Corporate Governance > Risk Management >
2-14	Role of the highest governance body in sustainability reporting Sustainability Management >
2-15	Conflicts of interest –
2-16	Communication of critical concerns Not applicable Compliance >
2-17	Collective knowledge of the highest governance body Sustainability Management > Corporate Governance >
2-18	Evaluation of the performance of the highest governance body Environmental Management > Climate Change > Corporate Governance >
2-19	Remuneration policies Corporate Governance >
2-20	Process to determine remuneration Corporate Governance >
2-21	Annual total compensation ratio Reason for omission:Confidentiality constraints
2-22	Statement on sustainable development strategy The President's Commitment >
2-23	Policy commitments Corporate Philosophy > Supply Chain Management > Human Rights > Risk Management >
2-24	Embedding policy commitments Sustainability Management > Product Responsibility > Supply Chain Management > Human Rights > Occupational Safety and Health > Labor Practices > HR Development > Compliance >
2-25	Processes to remediate negative impacts Human Rights > Compliance >
2-26	Mechanisms for seeking advice and raising concerns Compliance >
2-27	Compliance with laws and regulations Not applicable
2-28	Membership associations Sustainability Management > Group Membership Credentials >
2-29	Approach to stakeholder engagement Meiden Group Value Creation Process  > Promotion of Environmental Communication > Product Responsibility > Supply Chain Management >

Disclosure Title	References
GRI 2 : General Disclosures	
	Human Rights > Labor Practices > Diversity, Equity & Inclusion > Community > Dialogues with Shareholders and Investors >
2-30	Collective bargaining agreements Labor Practices >
GRI 3:Material Topics	
3-1	Process to determine material topics Sustainability Management > Identification of Materiality >
3-2	List of material topics Identification of Materiality >
3-3	Management of material topics Corporate Code of Conduct > Sustainability Management > Identification of Materiality > Promotion of Strategic Environmental Management > Environmental Management > Climate Change > Disclosure based on TCFD Recommendations > Prevention of Pollution and Effective Utilization of Resources > Water Resources > Biodiversity > Product Responsibility > Supply Chain Management > Human Rights > Occupational Safety and Health > Community > Diversity, Equity & Inclusion > Labor Practices > HR Development > Risk Management > Compliance >

Topic-specific Disclosures

Disclosure Title		References
Material Topics		
200 series (Economic topics)		
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Policies to Support Local Communities > Company Profile >
201-2	Financial implications and other risks and opportunities due to climate change	Environmental Management > Disclosure based on TCFD Recommendations >
201-3	Defined benefit plan obligations and other retirement plans	–
201-4	Financial assistance received from government	Not applicable
Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Human Rights >
202-2	Proportion of senior management hired from the local community	–
Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Community >
203-2	Significant indirect economic impacts	Community >
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	–
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	–
205-2	Communication and training about anti-corruption policies and procedures	Compliance >
205-3	Confirmed incidents of corruption and actions taken	Not applicable
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not applicable
GRI 207 : Tax 2019		
207-1	Approach to tax	Compliance> Tax >
207-2	Tax governance, control, and risk management	–
207-3	Stakeholder engagement and management of concerns related to tax	–
207-4	Country-by-country reporting	–
300 series (Environmental topics)		
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	Overview of Environmental Impacts by Our Business Activities >
301-2	Recycled input materials used	–
301-3	Reclaimed products and their packaging materials	–
GRI 302: Energy 2016		
302-1	Energy consumption outside of the organization	Climate Change >

Disclosure Title		References
Material Topics		
200 series (Economic topics)		
		Overview of Environmental Impacts by Our Business Activities > Environmental Impact Data from the Four Main Manufacturing Sites (Domestic Manufacturing Sites) >
302-2	Energy consumption outside of the organization	Information is disclosed annually concerning internal energy usage volume and greenhouse gas emissions. There are many customers and trading partners outside the organization. As it is inefficient to manage the energy usage of these parties, greenhouse gas emissions are managed in accordance with SBT and GHG protocols.
302-3	Energy intensity	Climate Change >
302-4	Reduction of energy consumption	Climate Change >
302-5	Reductions in energy requirements of products and services	Promote environmentally conscious design >
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Water Resources > Overview of Environmental Impacts by Our Business Activities > Environmental Impact Data from the Four Main Manufacturing Sites (Domestic Manufacturing Sites) >
303-2	Management of water discharge-related impacts	Water Resources >
303-3	Water withdrawal	Water Resources > Overview of Environmental Impacts by Our Business Activities > Environmental Impact Data from the Four Main Manufacturing Sites (Domestic Manufacturing Sites) >
303-4	Water discharge	Water Resources > Overview of Environmental Impacts by Our Business Activities > Environmental Impact Data from the Four Main Manufacturing Sites (Domestic Manufacturing Sites) >
303-5	Water consumption	Water Resources >
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity >
304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity >
304-3	Habitats protected or restored	Biodiversity >
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity >
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Climate Change > Disclosure based on TCFD Recommendations > Overview of Environmental Impacts by Our Business Activities > Environmental Impact Data from the Four Main Manufacturing Sites (Domestic Manufacturing Sites) >

Disclosure Title		References
Material Topics		
200 series (Economic topics)		
305-2	Energy indirect (Scope 2) GHG emissions	Climate Change > Disclosure based on TCFD Recommendations > Overview of Environmental Impacts by Our Business Activities > Environmental Impact Data from the Four Main Manufacturing Sites (Domestic Manufacturing Sites) >
305-3	Other indirect (Scope 3) GHG emissions	Climate Change > Disclosure based on TCFD Recommendations >
305-4	GHG emissions intensity	Climate Change >
305-5	Reduction of GHG emissions	Climate Change >
305-6	Emissions of ozone-depleting substances (ODS)	Climate Change >
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Prevention of Pollution and Effective Utilization of Resources > Overview of Environmental Impacts by Our Business Activities > Environmental Impact Data from the Four Main Manufacturing Sites (Domestic Manufacturing Sites) >
GRI 306: Waste 2020		
306-1	Water discharge by quality and destination	Prevention of Pollution and Effective Utilization of Resources > Overview of Environmental Impacts by Our Business Activities > Environmental Impact Data from the Four Main Manufacturing Sites (Domestic Manufacturing Sites) >
306-2	Waste by type and disposal method	Prevention of Pollution and Effective Utilization of Resources >
306-3	Significant spills	Prevention of Pollution and Effective Utilization of Resources > Overview of Environmental Impacts by Our Business Activities > Environmental Impact Data from the Four Main Manufacturing Sites (Domestic Manufacturing Sites) >
306-4	Transport of hazardous waste	Prevention of Pollution and Effective Utilization of Resources > Overview of Environmental Impacts by Our Business Activities > Environmental Impact Data from the Four Main Manufacturing Sites (Domestic Manufacturing Sites) >
306-5	Water bodies affected by water discharges and/or runoff	Prevention of Pollution and Effective Utilization of Resources > Overview of Environmental Impacts by Our Business Activities > Environmental Impact Data from the Four Main Manufacturing Sites (Domestic Manufacturing Sites) >
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Supply Chain Management >
308-2	Negative environmental impacts in the supply chain and actions taken	Climate Change > Supply Chain Management >
400 series (Social topics)		

Disclosure Title		References
Material Topics		
200 series (Economic topics)		
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Labor Practices >
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Labor Practices >
401-3	Parental leave	DEI (Diversity, Equity & Inclusion) >
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	Labor Practices >
GRI 403: Occupational Health and Safety 2018		
403-1	Workers representation in formal joint management–worker health and safety committees	Occupational Safety and Health >
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Safety and Health >
403-3	Workers with high incidence or high risk of diseases related to their occupation	Occupational Safety and Health >
403-4	Health and safety topics covered in formal agreements with trade unions	Occupational Safety and Health >
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	HR Development >
404-2	Programs for upgrading employee skills and transition assistance programs	Product Responsibility> Developing Human Resources to Support the Supply of High-quality Products > DEI (Diversity, Equity & Inclusion) > HR Development >
404-3	Percentage of employees receiving regular performance and career development reviews	Labor Practices> HR Data >
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Labor Practices > DEI (Diversity, Equity & Inclusion) >
405-2	Ratio of basic salary and remuneration of women to men	Labor Practices> HR Data >
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	–
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	–
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	–
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	–
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	Not applicable
GRI 411: Rights of Indigenous Peoples 2016		

Disclosure Title		References
Material Topics		
200 series (Economic topics)		
411-1	Incidents of violations involving rights of indigenous peoples	Not applicable
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Biodiversity > Community >
413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Supply Chain Management >
414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management >
GRI 415: Public Policy 2016		
415-1	Political contributions	–
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Product Initiatives (Management of chemical substances in products) > Product Responsibility >
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not applicable
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Product Responsibility > Promote environmentally conscious design > Management of chemical substances in products > Prevention of Pollution and Effective Utilization of Resources >
417-2	Incidents of non-compliance concerning product and service information and labeling	Not applicable
417-3	Incidents of non-compliance concerning marketing communications	Not applicable
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not applicable

SASB Content Index

Major Sustainability Disclosure Topics & Accounting Metrics


					Content of Disclosure
Disclosure Topics	Accounting Metrics	Category	Unit of Measure	Code	(FY2022 response status and place of reporting)
Energy Management	(1) Total energy consumption	Quantative	Gigajoules (GJ)	RT-EE-130a.1	997,570 *Breakdown: Japan - 801,205GJ / overseas - 196,365GJ References: Climate Change>Energy Consumption (crude oil equivalent) >
	(2) Percentage grid electricity (out of (1))		Percentage (%)		62.3 *Breakdown: Japan - 57.8% / overseas - 80.6%
	(3) Percentage renewable		Percentage (%)		11.4 *Breakdown: Japan - 14.2% / overseas - 0.0%
Hazardous Waste Management	Amount of hazardous waste generated	Quantative	Metric tons (t)	RT-EE-150a.1	336.1 *Breakdown: Trace amount processing volume - 336.0t / high concentration processing volume - 0.1t References: Prevention of Pollution and Effective Utilization of Resources>Promotion of Disposal and Processing of Devices that Include PCBs >
	Percentage of hazardous waste recycled		Percentage (%)		—
	(Optional) Percentage of incinerated hazardous waste for the purpose of energy recovery (%)		Percentage (%)		—
	Supplemental information		—		<ul style="list-style-type: none"> Meidensha discontinued manufacturing equipment using PCBs in September 1972. As directed by the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes (PCB Special Measures Act), we are gradually disposing of devices containing PCBs (polychlorinated biphenyls), such as transformers and capacitors that we manufactured in the past and stored for nearly 40 years.


					Content of Disclosure
Disclosure Topics	Accounting Metrics	Category	Unit of Measure	Code	(FY2022 response status and place of reporting)
					References: Prevention of Pollution and Effective Utilization of Resources>Promotion of Disposal and Processing of Devices that Include PCBs >
	Total number of reportable spills	Quantative	Number	RT-EE-150a.2	0
	Aggregate quantity of reportable spills		Kilograms (kg)		—
	(Ref) Total number of spills according to internal standards		Number		1
	(Ref) Aggregate quantity of spills according to internal standards		Kilograms (kg)		—
	Supplemental information		—		<ul style="list-style-type: none"> In fiscal 2021, there was a single incident involving exceeding voluntary standards for wastewater, but there were no serious violations of environmental laws or regulations (including water intake, wastewater, other waste, and harmful chemicals). Discharged substances have been recovered and ongoing monitoring has been implemented for our only on-site discharge incident.
Product Safety	Number of recalls	Quantative	Number	RT-EE-250a.1	—
	Total units recalled				—
	(Optional) (1) Percentage of voluntary recalls				—
	(Optional) (2) Percentage of involuntary recalls				—
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantative	Yen	RT-EE-250a.2	0
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantative	Percentage by revenue (%)	RT-EE-410a.1	—
	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria	Quantative	Percentage by revenue (%)	RT-EE-410a.2	—
	(If applicable) If the products certified to a previous version of an ENERGY STAR® standard,				—

					Content of Disclosure
Disclosure Topics	Accounting Metrics	Category	Unit of Measure	Code	(FY2022 response status and place of reporting)
	disclose information including the version of the standard to which its products are certified, a breakdown of how many products are certified to that version of the standard, and its timelines to achieve certification to the most current version of the standard.				
	Revenue from renewable energy-related and energy efficiency-related products	Quantative	Yen	RT-EE-410a.3	—
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and analysis	n/a	RT-EE-440a.1	Promotion of Sustainability that Involves the Entire Supply Chain >
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Discussion and analysis	n/a	RT-EE-510a.1	Anti-corruption Measures >
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantative	Yen	RT-EE-510a.2	0 References: Compliance>Compliance Data >
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantative	Yen	RT-EE-510a.3	0 References: Compliance>Compliance Data >

Activity Metrics

				Content of Disclosure
Accounting Metrics	Category	Unit of Measure	Code	(FY2022 response status and place of reporting)
Production units for each product category	Quantative	Number	RT-EE-000.A	—
Number of consolidated employees*2	Quantative	Number	RT-EE-000.B	9,816 References: Labor Practices>HR Data >

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

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

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