NISSIN ELECTRIC

NISSIN REPORT 2017

Company Profile / Sustainability Report

NISSIN ELECTRIC CO., LTD.

We are committed to achieving greater growth and giving back to our society, underpinning our Business Mindset passed down since our founding

The Nissin Electric Group marks its 100th anniversary since its incorporation this year. The year 2017 also marks our 107th year in business.

Nobu Tomizawa, a researcher at Kyoto Imperial University during the dawn of the electrical age at the end of the Meiji era, used the proceeds from the sale of his home to found Nissin Kogyo in an effort to manufacture electric instruments in Japan. Later, with the aim of further growing the company, he incorporated Nissin Kogyo, changing the name to Nissin Electric Co., Ltd. Since then, we have contributed greatly to Japan's modernization and post-war growth as well as the development of electrical infrastructure in emerging countries, with the phrase "New Each Day" underpinning our business mindset and growth aspirations with "Venture Spirit" fostered since our founding.

The support of our customers and stakeholders has proven integral to our continued business success for more than a century. I also strongly feel that our culture of respecting innovation and developing novel technologies and new businesses, along with our location in Kyoto with its broad cluster of industries, were instrumental in this success as well.

Since last year, we have commenced several activities aimed at giving back to our stakeholders, Kyoto, and society in general to commemorate the milestone of our 100th anniversary since incorporation. First, we created a grant-based scholarship program for graduate students with the hope of developing future engineers. Every year this scholarship provides financial assistance to around 20 ambitious graduate students. Second, we are donating funds for the preservation of historical and cultural assets mainly in Kyoto. Finally, third, we have committed ourselves to environmental conservation activities, including our involvement with initiatives run by the Kyoto Model Forest Association. To continually enhance these initiatives, we established the Nissin Electric Group Foundation for Social Contribution in March 2017. We plan on obtaining approval as a public interest foundation before the end of this year so as to establish a more solid foundation for our future activities. Moreover, reinforcing our business foundation is one of the most important tasks; perhaps more important than anything else. This is because such a foundation represents a corporate fundamental accountability for fulfilling our responsibilities in a wide range of areas.

Fortunately, we find ourselves in a paradigm shift when it comes to the electric and energy industries, marked by demand for the stable supply of energy, for energy conservation and reduced electricity usage, for CO_2 reductions, and for the electrification of mobility. There is also the wave of rapid market changes in semiconductors and FPDs (Flat Panel Displays), coupled with technological innovation following these changes. Furthermore, we are also facing the change where there is sizeable demand for inspections, maintenance and repair services in order to extend the service life and ensure the stable operations of equipment and systems that have already been delivered to customers.

Over the five-year period from 2011 to 2016, under the Medium- to Long-Term Business Plan "VISION 2015," we were able to establish a business portfolio with the four business segments, by adding the Renewable Energy and Environment and Life Cycle Engineering business segments to our core Power System Equipment and Charged Beam Equipment and Processing business segments. This business structure enabled us to achieve more stable growth and generate greater profits. Over the next five years, we will work under our New Medium- to Long-Term Business Plan "VISION2020." To transform changes into business opportunities for new technologies, new products and new business models, we actively invest in R&D, capital investments, and training like never before so as to forge a business foundation for the next 100 years.

The Nissin Electric Group aims to be a group of companies that grows together with society and with its stakeholders by dedicating itself to further business growth and giving back to society based on this growth. I would like to conclude my message for the publication of Nissin Report 2017 by asking that stakeholders continue to support and encourage the Nissin Electric Group as we move forward.

June 2017

Hideaki Obata
Chairman

Shigeo Saito
President

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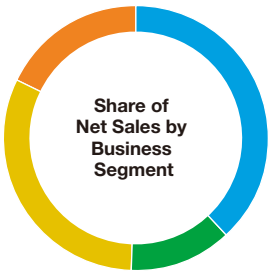
We engage in four business segments underpinning the with a focus on power system equipment

Business Description (as of March 31, 2017)



Overseas	41.7%
Private sector	38.1%
Electric power company	10.3%
Public sector	9.9%

By Business Segment		Value Provided	
Power System Equipment 38.1%	Development and manufacture of substation equipment for monitoring and controlling electrical energy and converting electrical energy into the correct voltage used by facilities 	Contribute to the safe and efficient supply of energy	
Renewable Energy and Environment 12.5%	Development and manufacture of energy management systems, including photovoltaic systems and related equipment as well as water treatment systems 	Contribute to energy conservation and the effective utilization of natural energy	
Charged Beam Equipment and Processing 31.7%	Development and manufacture of ion implanters for small / medium high-definition Flat Panel Displays (FPDs) and electron-beam processing systems 	Accommodate demand for cutting edge equipment and higher performance requirements	
Life Cycle Engineering 17.7%	Comprehensive life cycle support services, spanning from installation work to on-site testing, maintenance, facility assessment, and renewal 	Propose ways for customers to utilize equipment and facilities efficiently	

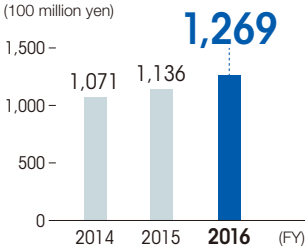
R&D (Research and Development)

Making use of the R&D results that we have accumulated over a long period, we are working to create stable energy systems, manufacture products that contribute to reductions in CO_2 emissions and develop next generation products applying our charged particle beam-oriented techniques. We are also committed to developing new techniques on a daily basis so that we can continue to grow as a global company that provides environmental and energy solutions while contributing to society.

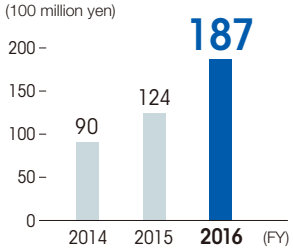
Company Outline (as of March 31, 2017)

Company Name	Nissin Electric Co., Ltd.
Incorporated	April 11, 1917
Stated Capital	10,252,840,000 yen
Employees	4,852 (consolidated)
Issued Shares	107,832,445 shares
Stock Code	6641 (First Section of the Tokyo Stock Exchange)
Operations	Manufacture and sales of electrical equipment and instruments as well as ancillary construction works

Net Sales (Consolidated)



Operating Income (Consolidated)



foundations of society and industry,

Corporate Philosophy of the Nissin Electric Group

We have established a new Business Mindset to define the Nissin Electric Group DNA passed down since our founding in order to create a driving force aimed at future growth and further evolve our corporate philosophy on our 100th anniversary.
The following three elements of our Corporate Philosophy, Principles of Activities and Business Mindset form our revamped Group Philosophy.

Group Slogan

Forge a bright future for both people and technology

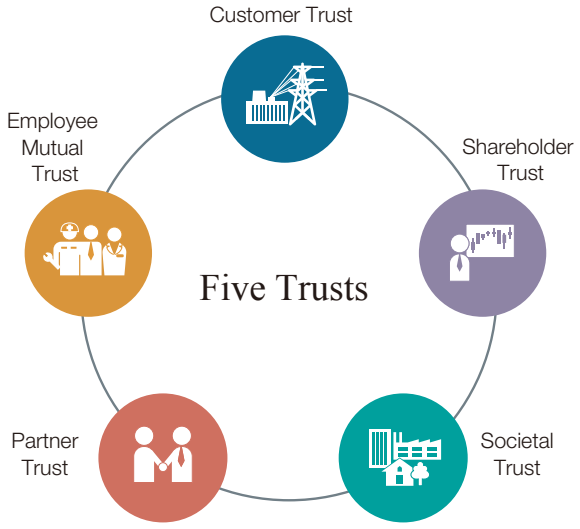
Corporate Philosophy

Through corporate activities that support the foundations of society and industry, the Nissin Electric Group will harmonize with the environment and contribute toward realizing a vibrant society.

Principles of Activity

Integrity, Trust and Long-term Relationships

We take the following Five Trusts as the principles of our activities. (Customer Trust, Shareholder Trust, Societal Trust, Partner Trust, Employee Mutual Trust)



Business Mindset

"Venture Spirit" fostered since our founding

The spirit to develop a future with high ambitions and a passion for constantly taking up challenges

The spirit of "New Each Day" embedded in our company name

The unwavering spirit to seek something new each day and make constant efforts toward one's goal

"Open-mindedness and the ability to digest different cultures and technologies"

The spirit to accept different things and eventually internalize them

Medium- to Long-Term Business Plan "VISION2020"

We will build a business portfolio using the equation "4×Global+NEW" in which our "global, energy, environmental and solutions businesses" represent our four core business domains. Our ultimate goal is to become a group of companies with greater growth potential and the ability to generate greater profits.

VISION 2020

Global, Energy, Environmental and Solutions Company
4×Global+NEW

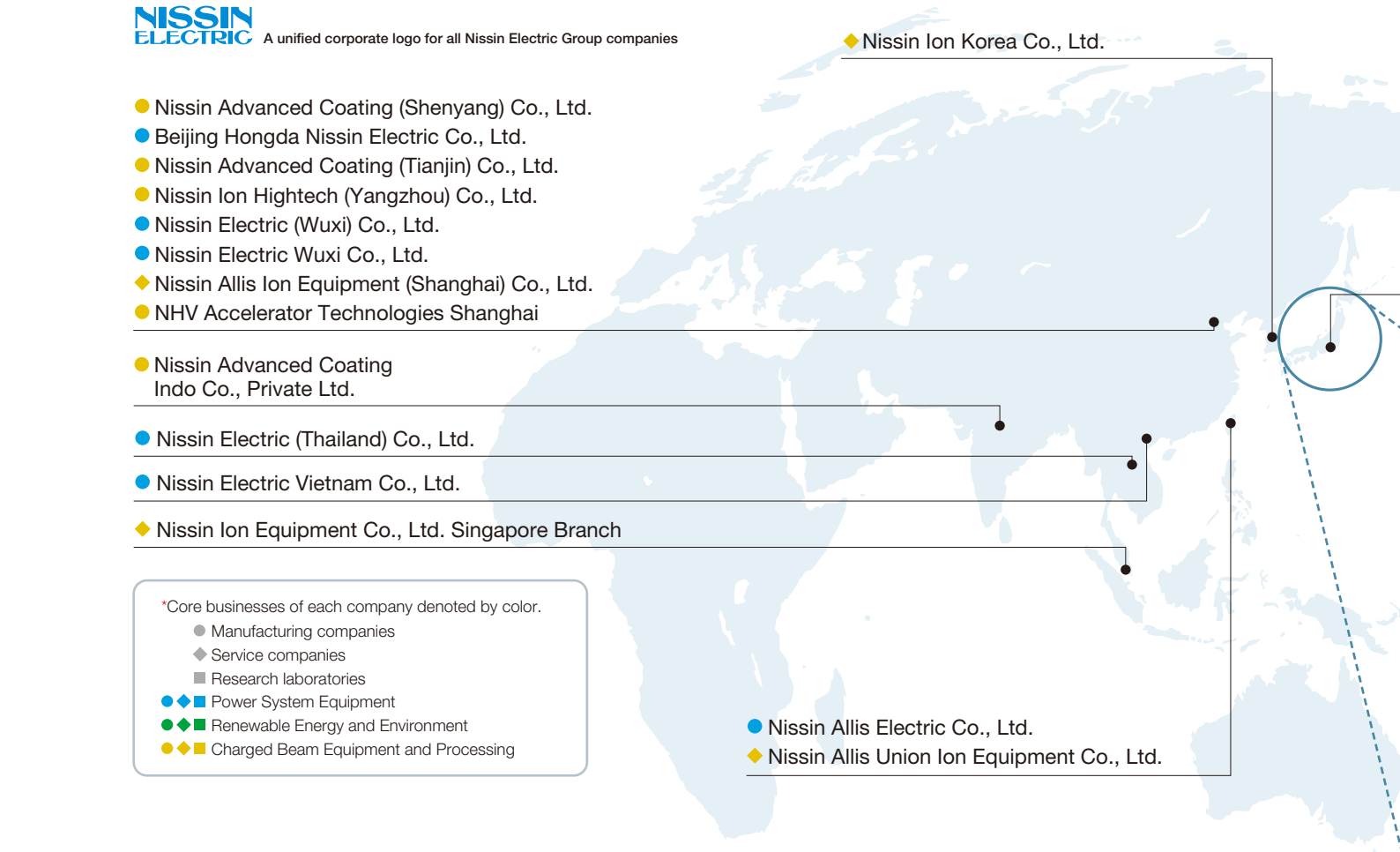
Consolidated Net Sales	180 billion yen
Consolidated Operating Income	18 billion yen (Consolidated Operating Margin 10%)
ROA·ROE	Over 10 %

Expanding globally by establishing manufacturing sites in can contribute to the development of the local economy

List of Group Companies

NISSIN ELECTRIC A unified corporate logo for all Nissin Electric Group companies

- Nissin Advanced Coating (Shenyang) Co., Ltd.
- Beijing Hongda Nissin Electric Co., Ltd.
- Nissin Advanced Coating (Tianjin) Co., Ltd.
- Nissin Ion Hightech (Yangzhou) Co., Ltd.
- Nissin Electric (Wuxi) Co., Ltd.
- Nissin Electric Wuxi Co., Ltd.
- Nissin Allis Ion Equipment (Shanghai) Co., Ltd.
- NHV Accelerator Technologies Shanghai
- Nissin Ion Korea Co., Ltd.
- Nissin Advanced Coating Indo Co., Private Ltd.
- Nissin Electric (Thailand) Co., Ltd.
- Nissin Electric Vietnam Co., Ltd.
- Nissin Ion Equipment Co., Ltd. Singapore Branch
- Nissin Allis Electric Co., Ltd.
- Nissin Allis Union Ion Equipment Co., Ltd.



*Core businesses of each company denoted by color.
- Manufacturing companies
- Service companies
- Research laboratories
- Power System Equipment
- Renewable Energy and Environment
- Charged Beam Equipment and Processing

Manufacturing Sites in Japan

1 Head Office & Works (Ukyo-ku, Kyoto)

Nissin Electric Co., Ltd.
NHV Corporation
Nippon ITF, Inc.

Major Products:
Switchgear, power transformer, capacitor, power conditioner for photovoltaic system, photovoltaic system, reactor, voltage dip compensator, supervisory control system, vehicle recognition system, electron-beam processing system, electron-beam processing service, thin-film coating system, and thin-film coating service

2 Maebashi Works
(Maebashi City, Gunma Prefecture)

Nissin Electric Co., Ltd.
NHV Corporation
Nippon ITF, Inc.

Major Products:
Gas insulated switchgear, circuit breaker, instrument transformer (voltage transformer, current transformer, combined instrument transformer, etc.), electron-beam processing service, and thin-film coating service

3 Kuze Works (Minami-ku, Kyoto)

Nissin Ion Equipment Co., Ltd.
Nippon ITF Inc.

Major Products:
Ion implanters for semiconductor, ion implanter for Flat Panel Display (FPD), and thin-film coating service

4 Kujo Works (Minami-ku, Kyoto)

Major Products:
Switchgear and power conditioner for photovoltaic system

5 Nissin Ion Equipment Co., Ltd. Shiga Works / Plasma Technology R&D Center (Koka City, Shiga Prefecture)

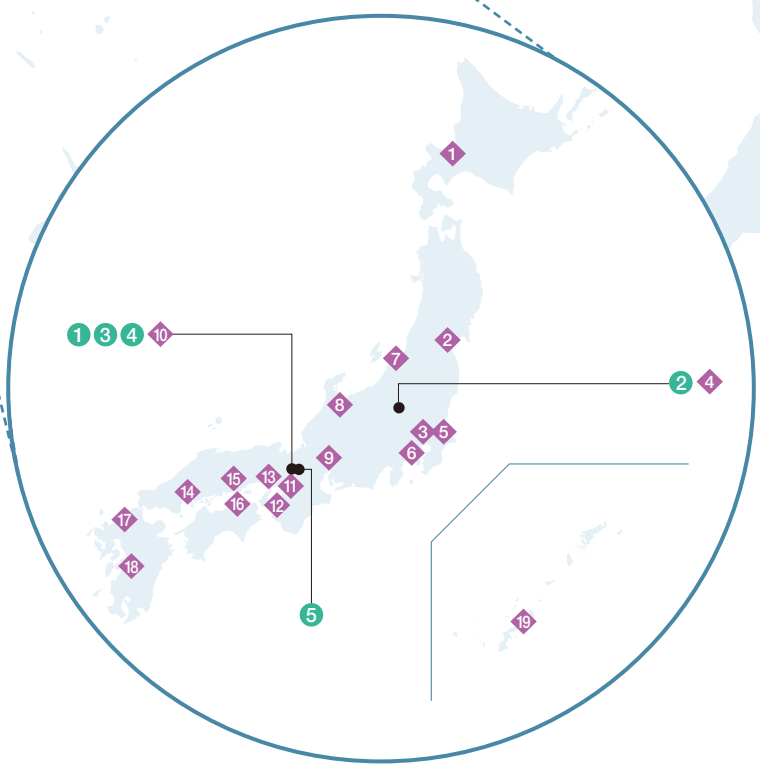
Major Products:
Ion implanter for semiconductor and ion implanter for Flat Panel Display (FPD)

areas where our core technologies

- NHV Corporation
- Nissin Ion Equipment Co., Ltd.
- Nissin Systems Co., Ltd.
- Nissin Business Promote Co., Ltd.
- Nippon ITF Inc.
- Nissin Denki Shouji Co., Ltd.
- Nissin Pulse Electronics Co., Ltd.
- Nissin Heartful Friend Co., Ltd.
- Auland Co., Ltd.

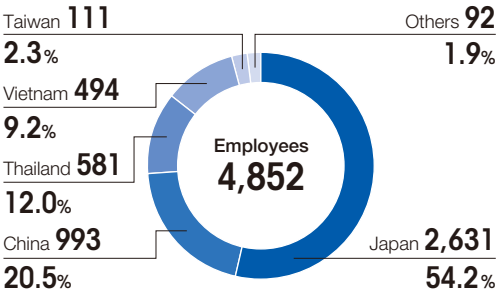
- Nissin Ion Equipment USA, Inc. Massachusetts R&D Center
- NHV America Inc.

◆ Nissin Ion Equipment USA, Inc. Texas Customer Service Center



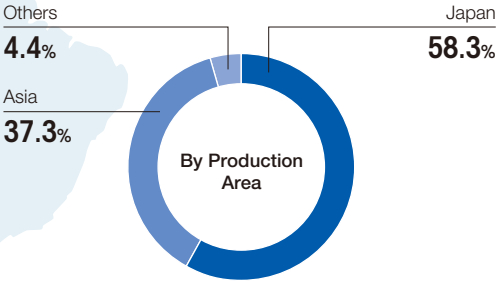
Employees by Location

(Consolidated; as of March 31, 2017)



Share of Sales by Production Area

(Fiscal 2016)



Major Sales Sites in Japan

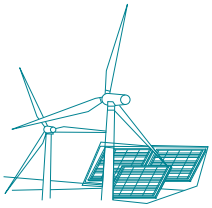
1. Hokkaido Office
2. Tohoku Office
3. Tokyo Office
4. Kitakanto Sales Office
5. Minamikanto Sales Office
6. Yokohama Sales Office
7. Niigata Sales Office
8. Hokuriku Sales Office
9. Chubu Office
10. Kansai Office
11. Kyoto Sales Department
12. Wakayama Sales Office
13. Kobe Sales Office
14. Chugoku Office
15. Okayama Sales Office
16. Shikoku Office
17. Kyushu Office
18. Kumamoto Branch Office
19. Okinawa Office

Pursuing safety, stability, and efficiency as a leader in the

The Nissin Electric Group supplies a wide range of products and services that support well-rounded social and industrial infrastructure, with an emphasis on power system and energy equipment. We will constantly create products and technologies essential for the world by leveraging our proprietary high voltage, vacuum, as well as monitoring and control technologies developed over the course of our more than 100-year history.


Islanding Phenomenon Detection System


Photovoltaic System




Power Conditioner for Photovoltaic System

Renewable Energy


Parallel Capacitor


Capacitor Voltage Transformer


Special Switchgear for Railroad Facilities


Harmonic Restraint Devices


Discharge Device for Earth-fault Protection


High Voltage Switchgear


Electrical Railroad

Power Plant


Ultra-high Voltage Substation


Primary Substation

Factory


550kV Capacitor Voltage Transformer


154kV Gas Insulated Switchgear


66/77kV Harmonic Filter Equipment


66/77kV Compact Gas Insulated Switchgear


66/77kV Oil Filled Transformer


Shunt Reactor


Power Capacitor


22kV Compact Gas Insulated Switchgear


Compact Unit Capacitor Equipment


Static Var Compensator


Voltage Dip Compensator

electrical infrastructure supporting industry and society


Power System Equipment P9

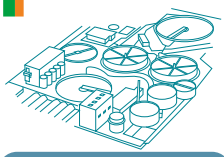

Renewable Energy and Environment P10


Charged Beam Equipment and Processing P11


Life Cycle Engineering P12


Supervisory Control System for Waterworks


Control Center


Water and Sewerage


Ion Implanter for FPD

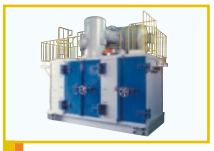

Smartphones


Home


Ion Implanter for Semiconductor


Tablet PC


Home Energy Management System


Electron-beam Processing System


Automobile


Thin-film Coating Equipment


Thin-film Coating Service

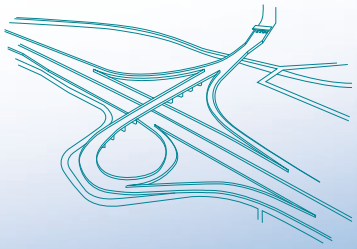
Office Building


66/77kV Gas Insulated Switchgear (Indoor Type)


6.6kV Switchgear


22/33kV Spot Network Substation Equipment

Expressways




Supervisory Control System for Expressways


Vehicle Recognition System

Power System Equipment

Contribute to the safe and efficient supply of energy

Social Issues

- ✓ Declining power supply capacity due to natural disasters and other factors
- ✓ Response to climate change (global warming)
- ✓ Development of power infrastructure in ASEAN, India and China, etc.

Nissin Electric's Solutions

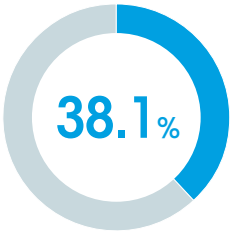
- ✓ Contribute to the stable supply of energy by manufacturing large capacity power transformers for power plants and substations
- ✓ Support the eco-friendly and sustainable supply of energy by developing substation equipment with high conversion efficiency
- ✓ Accommodate demand for energy in emerging countries with our advanced technical prowess

Reinforcing solutions that meet needs for stable energy supplies and energy conservation and reduce energy costs

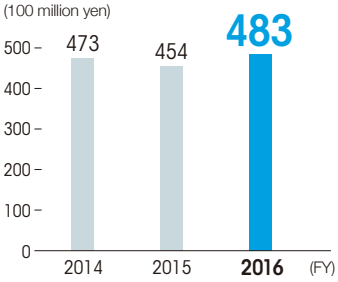
This business segment focuses mainly on the development and manufacturing of substation equipment, which converts power voltage to a level suitable for equipment. This substation equipment monitors and controls the voltage level to ensure safe and efficient energy supply from a power station. Our 66/77kV Super Compact Gas Insulated Switchgear, which has enjoyed the top market share in Japan for more than ten years, demonstrates unparalleled compactness thanks to Nissin Electric's unique high-voltage technology. Power capacitors designed for use by electric power companies have in recent years accounted for close to a 100% share of the domestic market, for which the company is called "Nissin for Power Capacitors."

Recently, we have actively rolled out our smart power supply system (SPSS) that offers various solutions based on a combination of hardware technologies focused on power equipment and software that controls this equipment and energy, in order to accommodate growing demand for lowering energy costs and conserving energy. Looking forward, we will propose solutions for the more efficient and stable supply of energy.

Share of Total Sales



Net Sales



Main Products

Gas Insulated Switchgear (GIS)

GIS receive incoming electricity from electric power companies and protect electrical equipment inside substations. GIS have become even more compact and space saving because they are directly connected to transformers.

Power Capacitor

Power capacitors are connected to power grids for power factor corrections or voltage regulations. Power capacitors help to promote the effective use of energy by improving the quality and reliability of power systems.

Capacitor Voltage Transformer (CVT)

A CVT is installed to accurately convert high voltage and large current into the applicable voltage and current for electric instruments or relays.

Switchgear (SWG)

Switchgears deliver electricity throughout a substation by switching power sources and protecting equipment. We supply a broad range of switchgears ideally suited to each individual installation site.

Renewable Energy and Environment

Contribute to energy conservation and the effective utilization of natural energy

Social Issues

- ✓ Response to climate change (global warming)
- ✓ Depletion of fossil resources
- ✓ Concerns about nuclear power
- ✓ Stable, low cost supply of natural energy

Nissin Electric's Solutions

- ✓ Smart Power Supply System (SPSS) that promotes reduced energy consumption
- ✓ Power conditioners that contribute to the stable and efficient supply of natural energy

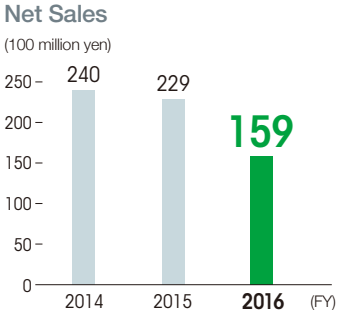
Proactively addressing the growing capacity of equipment for photovoltaic systems

This business segment addresses social needs which are increasing on a global scale, such as use of renewable energy sources, subsequent need for more stable electric power systems, electricity infrastructure improvement and prevention of environmental pollution. In the renewable energy business, we provide power conditioners and photovoltaic generation systems with them as the core, as well as products used for construction of next-generation power transmission and distribution systems (Smart Grid). In the environment business, we offer electrical equipment and supervisory control systems for water treatment facilities as well as products related to energy management systems (EMS) for water treatment plants, factory facilities and households.

Recently, we have proactively addressed the needs for higher capacity equipment, including supplying a new form of smart power conditioners for mega solar power plants. Also, as SPSS, we have also developed and supplied a monitoring and control system using ammonia sensors for sewage treatment plants and an energy management system for factories.

Share of Total Sales

Net Sales



Main Products

Power Conditioner for Photovoltaic System

A power conditioner transforms direct current electricity generated in the photovoltaic module into alternating current electricity. Our newly developed Smart Power Conditioner offers advancements that improve profitability.

Supervisory Control System for Waterworks

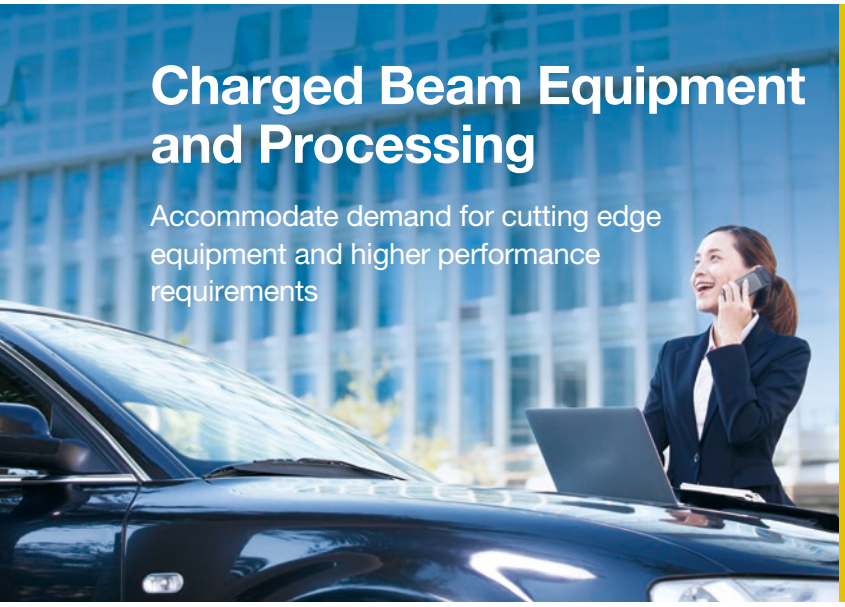
This system monitors and controls the operations of waterworks facilities, which are key lifelines in society, to improve water quality, contribute to reducing energy consumption and support their management and operation of the facilities.

Photovoltaic System with Storage Battery

This photovoltaic system coupled with a storage battery is able to effectively utilize energy from the sun without being affected by fluctuations in output caused by weather conditions.

HEMS (Home Energy Management System)

A Home Energy Management System, or HEMS, can display total power usage at home, and can also control electric appliances such as air conditioners using a tablet.



Charged Beam Equipment and Processing

Accommodate demand for cutting edge equipment and higher performance requirements

Social Issues

- ✓ Response to rising demand for semiconductors and automotive components, etc.
- ✓ Stable supply of high quality products
- ✓ Reinforced safety of foods and clothing

Nissin Electric's Solutions

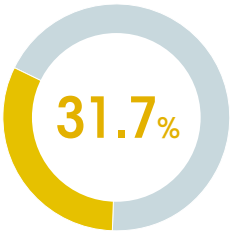
- ✓ Supply ion implanters for semiconductors and FPD in a stable manner globally
- ✓ Develop higher performance rigid thin-film coating systems
- ✓ Supply electron-beam processing systems

Supplying leading technologies to growing markets globally

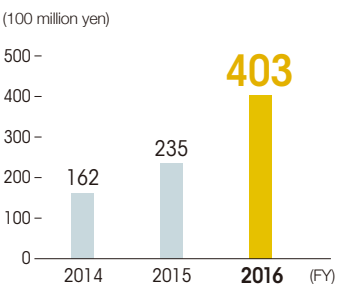
In the charged beam equipment and processing business, we apply our long nurtured high-voltage and charged particle technologies to manufacturing equipment for cutting edge products. These include ion implanters used for manufacturing semiconductors and small / medium high-definition Flat Panel Displays (FPDs), electron-beam processing systems used for improving the quality of automobile tires and electric wires, and thin-film coating services designed to improve the performance of tools and automobile parts. This business segment offers potential for future growth.

By upgrading various functions in response to enhanced maintenance and other requests from customers, we have managed to maintain a 100% market share for ion implanters for Flat Panel Displays (FPDs) in fiscal 2016. As for electron-beam processing systems, we are working to increase sales to automotive related industries and open up new applications in fields related to healthcare and foods. Meanwhile, in the thin-film coating systems business, we are increasing the capacity of our coating systems in China and ASEAN to address strong demand locally.

Share of Total Sales



Net Sales



Main Products

Ion Implanter for FPD

Ion implanters for small / medium high-definition FPD are essential for manufacturing small / medium high-definition displays used in high end mobile devices such as smartphones.

Electron-beam Processing System

An electron-beam processing system is used to manufacture heat resistant coated electric wires, heat-shrinkable tubing, polyethylene foam, and automobile tires. Electron-beam processing systems are also being widely used in an increasing number of other applications, such as for sterilization of medical equipment, and in environmental protection.

Ion Implanter for Semiconductor

An ion implanter for semiconductors is an essential piece of manufacturing equipment used to make semiconductor devices found in computers, mobile devices, and a host of other digital products. They use the same technologies as an ion implanter for FPDs.

Thin-film Coating Service

Thin-film coating services are provided using equipment designed for surface coating work on automobile parts, tools and molds, among others. The latest equipment is able to form coatings quicker and at a lower cost than conventional equipment, enabling roughly double the production volume.

Life Cycle Engineering

Propose ways for customers to utilize equipment and facilities efficiently

Social Issues

- ✓ Growing renewal demand from aging equipment
- ✓ Stable supply of energy infrastructure
- ✓ Energy and resource conservation
- ✓ Efficient management of facilities

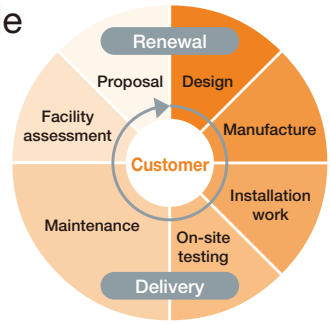
Nissin Electric's Solutions

- ✓ Checks from facility assessments, etc. will:
  - Prevent breakdowns and accidents before they happen
  - Address the need for renewals
  - Extend the service life of facilities through appropriate repairs

Providing support at every stage of the equipment life cycle

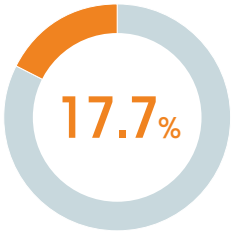
Over the entire life cycle of Nissin Electric Group products delivered to our customers, we provide comprehensive support services, spanning from installation work to on-site testing, maintenance, facility assessment, and renewal.

Our basic philosophy is defined by the phrases “safety and quality first,” “trust and peace of mind from the customer,” “good advisor for the customer (life consultant)” and “grow and develop to meet customer needs.” Our many years of experience and excellent technological prowess enable us to supply the optimal service to each individual customer. Going forward, we will expand our life cycle engineering business and further enhance customer satisfaction by developing new services.

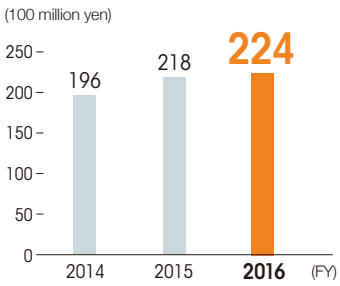


Life Cycle Map

Share of Total Sales



Net Sales



Main Services

1. Installation work

With safety and quality being our number one priorities, paying heed to the environment and in full compliance with various standards, laws and regulations, we carry out delivery, installation, assembly, and cable connection work.

3. Maintenance

We carry out regular maintenance inspections and replace or repair parts at the end of their life to prevent damage or accidents before they happen and to extend service life. Our commitment to the customer covers the entire life cycle of their equipment.

2. On-site testing

We carry out testing and adjustments for each facility and also comprehensive adjustment testing of all plant facilities to ensure our electrical equipment is installed and used correctly. Our equipment is then handed over to the customer after ascertaining that we have fulfilled all customer requests for systemization.

4. Facility assessment

Facility assessments are carried out to evaluate the entire equipment system to check for aging electrical equipment after a prolonged period of use. This enables us to propose renewal plans and extend service life, while coordinating with the service life of plant facilities.

Special Feature 1

Supporting Industry for a Century

In the 1890s, Japan's first commercial hydroelectric power plant and streetcar line appeared in Kyoto, leading to the establishment of a number of electrical equipment manufacturers.
Nobu Tomizawa, who established Nissin Kogyosya in 1910, incorporated the company as Nissin Electric Co., Ltd. in 1917 in order to manufacture integrating wattmeters for measuring the use of electricity locally in Japan. Since then, Nissin Electric has contributed greatly to the development of Japan's electric industries.

Products developed by Nissin Electric


Nobu Tomizawa, Founder

1910s

1910
- Founded as Nissin Kogyosya

Electric instruments

1912
Switchgears

1917
- Incorporated as Nissin Electric Co., Ltd.

Integrating wattmeter


Kurumazaka Plant at the company's founding

1930s

1937
- Constructed head office plant in Ukyo-ku, Kyoto (current location)

1945
- Took over the capacitor production business of Sumitomo Electric Industries, Ltd.

Oil-Filled capacitor

Coupling Capacitor (CC) for energy transport

Potential Device (PD)...currently Capacitor Voltage Transformer (CVT)

1950s

1961
- Listed its shares on the Tokyo Stock Exchange

1963
- Built the Maebashi Works in Maebashi City, Gunma Prefecture


Maebashi Works today

OF shunt reactor

Super Univar (system combining a capacitor for improving power factor with a series reactor and switch, etc.)

1968
- Built new works at Kuze and Kujo

Gas Insulated Switchgear (GIS)

Remote monitoring and control system

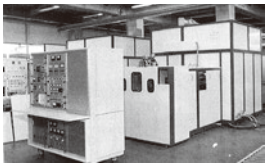
1970s

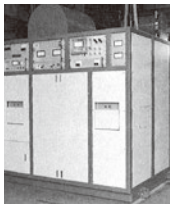
1970
- Established Nissin High Voltage and started business of charged particle accelerators (2003, NHV Corporation, took over the business of Nissin High Voltage.)

Ultra-High Voltage Test Laboratory

1978
Ion Implanter

1983
Electron-beam processing system (Area beam EPS)


First Ion Implanter

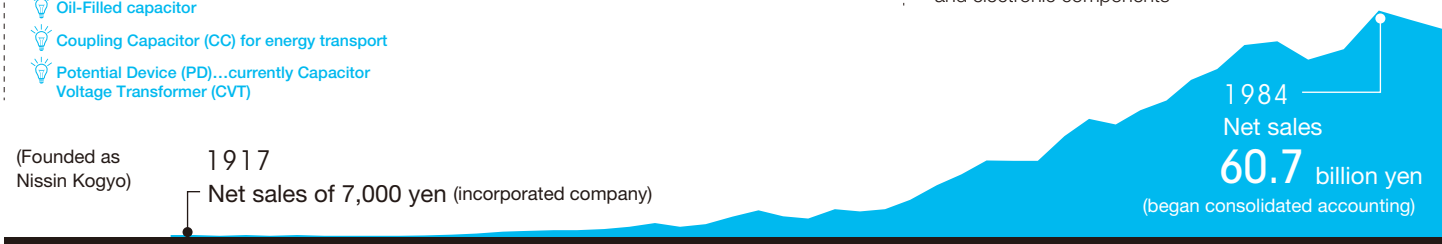

Area beam EPS

1984
- Established Nissin Systems Co., Ltd. for software development and systems design

Multi arc thin film deposition machine

1986
Voltage Dip Compensator

1987
- Established Nissin Electric (Thailand) Co., Ltd. to manufacture and sell medium-voltage capacitors and electronic components



(Worldwide Trends)

- 1910 • Keihan Electric Railway opens line connecting Kyoto and Osaka
- 1911 • Enactment of the Act on Electric Measurement
- 1913 • Completion of the Uji Power Plant by Ujigawa Electric Power Company
- 1929 • The Great Depression
- 1945 • Rapid growth in demand for electricity after World War II
- 1955 • Start of Japan's rapid economic growth • Advent of Japan's motorization
- 1964 • Tokyo Olympics
- 1973 • Oil Crisis
- 1974 • Sunshine Project
- 1987 • Tokyo Blackout

Origin of Company Name

Nissin – Developing original and innovative techniques each day to forge a future for both people and technology

The name "Nissin" is derived from the inscription on the basin used by Emperor Tang, the founder of the Yin Dynasty (17th – 11th century B.C.). This inscription means: "Truly new each day. New each and every day. Again, new each day." According to the Great Learning, one of the Confucian classics known as the Four Books, the noble and benevolent ruler engraved these words on the basin, which he used every morning, as a constant reminder of the importance of making continuous and untiring efforts to improve himself every day.

Combining the two Chinese characters, nichi (day) and shin (new), used in this inscription, the company name was created so that, following this precept, we would strive to develop original and innovative techniques each and every day to forge a bright future for both people and technology.

Conjectural replica of Emperor Tang's basin

1990s

1991
- Established Nissin Allis Electric Co., Ltd. in Taiwan to manufacture and sell gas insulated capacitors and gas insulated switchgears

1995
- Established Nissin Electric Wuxi Co., Ltd., the company's first joint venture in China, and commenced manufacturing and sales of capacitor voltage transformers

1998
Ion Implanter (EXCEED2000A)

EXCEED2000A

1999
- Established Nissin Ion Equipment Co., Ltd. for the manufacture, installation, and adjustment of ion implanters for semiconductors and FPD

2001
- Established Nissin Electric Wuxi Power Capacitor Co., Ltd. in China to manufacture and sell power capacitors (currently, Nissin Electric (Wuxi) Co., Ltd.) and Beijing Beikai Nissin Electric HV Switchgear Equipment Co., Ltd. in China to manufacture and sell gas insulated switchgears (currently, Beijing Hongda Nissin Electric Co., Ltd.)

Hydrogen-free DLC coating

2002
- Established Nissin Electric Wuxi Co., Ltd. in China to manufacture and sell voltage transformers for gas insulated switchgears

2003
66/77kV Super Compact Gas Insulated Switchgear (XAE7)

2005
- Made Nippon ITF Inc., a provider of thin-film coating services, a consolidated subsidiary.
- Established Nissin Ion Equipment Co., Ltd. Shiga Works / Plasma Technology R&D Center in Shiga Prefecture
- Established Nissin Electric Vietnam Co., Ltd. as a subsidiary for subcontracting the manufacturing and processing of industrial components

Ion Implanter for FPD

2007
- Became a consolidated subsidiary of Sumitomo Electric Industries, Ltd.

2008
Power Conditioner for Photovoltaic System (SOLARPACK)

2010s

2010
- Established Nissin Ion Equipment USA, Inc. to carry out installation, adjustment, modification, maintenance and inspection work for semiconductor manufacturing equipment

2011
- Established Nissin Ion Hightech (Yangzhou) Co., Ltd. in China to manufacture and sell semiconductor manufacturing equipment.
- Established NHV Accelerator Technologies Shanghai in China to manufacture and sell electron-beam processing systems

2013
SPSS (Smart power supply systems)

2015
- Established Nissin Heartful Friend Co., Ltd. in order to promote the employment of people with disabilities. (designated as a special subsidiary company to promote the employment of people with disabilities in March 2016)

100th anniversary stone plaque

2017
- Established the Nissin Electric Group Foundation for Social Contribution for giving back to society
- 100th anniversary of Nissin Electric Co., Ltd.

1992
Net sales
109.3 billion yen

2008
Net sales
109.6 billion yen

2016
Net sales
126.9 billion yen
(highest sales on record)

Medium- to Long-Term Business Plan "VISION2020"

VISION 2020

Global, Energy, Environmental and Solutions Company
4×Global+NEW

1990
- 1990 • Collapse of Japan's bubble economy
- 1995 • The Great Hanshin-Awaji Earthquake
- 1998 • Nagano Olympics

2000
- 2000 • Heavy electric machinery industries business downturn and industry realignment
- 2005 • Enactment of the Kyoto Protocol
- 2008 • Collapse of Lehman Brothers and the Global Financial Crisis

2010
- 2011 • The Great East Japan Earthquake • Thailand floods
- 2012 • Start of Japan's feed-in tariff system

Special Feature 1

Supporting Industry for a Century

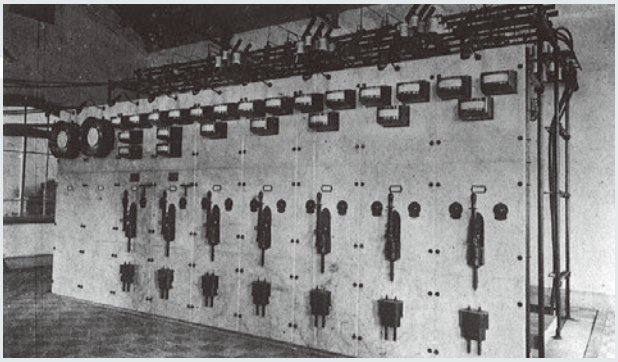
Development and sales of switchgears

1912-

Contributions to the dawn of the electrical age

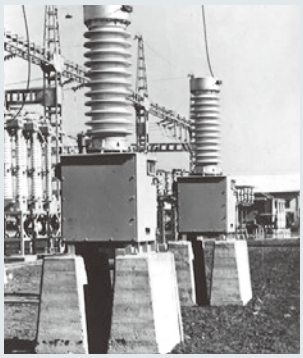
We began manufacturing switchgears in 1912, just two years after the company was founded in 1910. Our switchgears served as a mainstay product underpinning the company's growth and contributing to the development of society at the dawn of the electrical age.

After Nissin Electric Co., Ltd. was established in April 1917, we began manufacturing special high voltage switchgears, which formed the foundation for today's substation equipment business.



Kawaramachi substation switchgear

OF capacitor



Capacitor Voltage Transformer (PD)

Capacitor, Transformer

1945-

Supported Japan's post-war rebirth

The capacitor business was launched in December 1945 by acquiring the business from Sumitomo Electric Wire & Cable Works Ltd. (currently, Sumitomo Electric Industries, Ltd.). Our power capacitors at the time helped to provide energy that powered Japan's post-war reconstruction and rebirth.

In 1950, we developed a Capacitor Voltage Transformer (CVT) using our capacitor technologies, which led to porcelain-clad oil insulated transformers that form the heart of today's transformer business.

Relation building with partners

In 1951, we established the Nissin Electric Cooperative Association, which was approved as a business cooperative association in 1964. Today, 30 companies are members of this organization. For more than half a century, we have actively worked with our partners to not only improve technologies, but also help develop management to lead the company in the future.

Gas Insulated Switchgear (GIS)

1968-

Helped satisfy rising demand for energy during Japan's rapid economic growth period

We began developing gas insulated switchgears (GIS) in 1968, which we began delivering to electric power companies the following year. Our GIS helped satisfy sharply rising demand for energy during Japan's rapid economic growth period.

This technology helped form the foundation for our circuit breaker business, which is considered to be among the top in the industry.

Three-phase integrated GIS

1970-

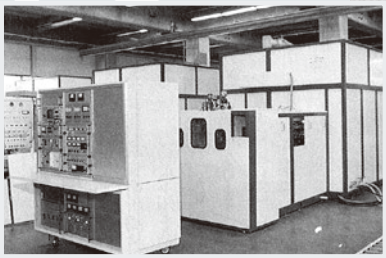
Electron-beam processing systems, Ion implanter

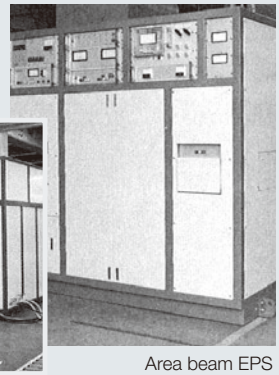
Made inroads into new business with our technical prowess

We made inroads into the new charged beam equipment and processing business segment centered on charged particle accelerators in the 1970s. With growing applications for industrial use, including tires for automobiles, we went on to develop large current electron-beam processing systems.

Furthermore, we also entered the ion implanter business essential for manufacturing semiconductors, which were growing at a remarkable pace at the time. We developed a medium-power ion implanter, which would be the first to be made in Japan.

First Ion Implanter





Area beam EPS

1990-

Growing need for smaller substation equipment

Addressing the downturn in heavy electric machinery industries and growing private sector demand after the collapse of Japan's bubble economy

To overcome the downturn in heavy industries after the collapse of Japan's bubble economy, we shifted from electric power companies to the competitive market of the private sector. In 2003, we developed a super compact GIS called the XAE7, which became a core product of our substation equipment business. This also helped to usher in smaller, more compact substation equipment.

We also developed and delivered our first monitoring and control system for waterworks facilities in the monitoring and control business.

Super Compact Gas Insulated Switchgear

Overseas expansion

We began our overseas expansion during the latter half of the 1980s. Following the establishment of Nissin Electric (Thailand) Co., Ltd. in 1987, we established Nissin Electric USA Co., Ltd. the next year. In 1991, we established subsidiaries in China and Taiwan, furthering our overseas expansion.

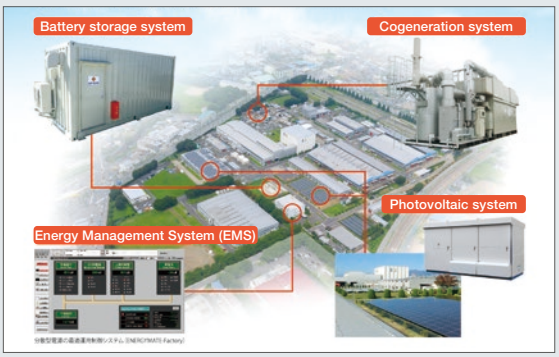
2008-

Power Conditioner for Photovoltaic System, SPSS®

Contributing to an eco-friendly society

We have introduced a number of new products under the SOLARPACK power conditioner brand for photovoltaic systems to the photovoltaic system market, which is undergoing rapid growth since the major earthquake and tsunami that struck Japan in 2011.

Additionally, we developed the Smart Power Supply Systems (SPSS) in 2013. This is a next-generation substation system based on our long-standing substation equipment technologies and power grid technologies. We began supplying SPSS in 2014.



SPSS (Smart Power Supply Systems)

Initiatives to Support the Active Role of Women

In 2004, we established a team for promoting the more active role of women in the workplace as a project team for creating a work environment where motivated female employees can play a more active role.

Involvement in Local Events

Our head office and other offices located across Japan take part in community clean-up initiatives and cooperate with other groups to conserve the local environment.

Special Feature 2

"Integrity, Trust and Long-term Relationships" as Seen Through Sekison-tei

Sekison-tei is the name of the former residence of literary legend Junichiro Tanizaki and also serves as the setting for the novel *The Bridge of Dreams*. Sekison-tei was donated to Nissin Electric in 1956. Since then, we have worked diligently to preserve this heritage residence in its original state, with the hope of putting the Principles of Activities of "Integrity, trust and long-term relationships" into practice.

Beloved heritage residence entrusted to Nissin Electric by its owner, a literary legend

The more than century-old Sekison-tei faces the Tadasu no Mori Forest of the Shimogamo Shrine World Heritage Site in Kyoto. It features a main house with a modern take on Sukiya-style architecture popular in the early 20th century as well as a beautiful Japanese garden. Literary legend Junichiro Tanizaki, who is famous for moving more than 40 times during his life, loved this residence greatly, originally naming it Senkan-tei. He spent seven years here from 1949, during which he wrote a number of novels including *The Modern Translation of the Tale of Genji, Captain Shigemoto's Mother*, and *The Key*.

Nissin Electric, connected by fate with Tanizaki's wife at the time, took over the residence for a guest house when Tanizaki moved to Atami in 1956, on the condition that the company maintains the residence in the same condition as he left it, as he desired to see it on his visits to Kyoto. To this day Nissin Electric has kept its promise, preserving the residence that Tanizaki renamed "Sekison-tei" when he passed it on to the company.

Donald Keene, a prominent researcher of Japanese culture and friend of Tanizaki, was impressed with our commitment to preserving this cultural heritage when he visited the property in July 2016.

Tanizaki living at Senkan-tei (currently, Sekison-tei) (photograph courtesy of Minoru Masuda)

Special Feature 2

"Integrity, Trust and Long-term Relationships" as Seen Through Sekison-tei

Preservation and Utilization of Cultural Heritage

Sekison-tei conveys the story of a literary legend while maintaining the style of the 1950s

Over the years, we have worked diligently to preserve Sekison-tei in its original state as a piece of cultural heritage that once was used as a residence and place of writing by novelist Junichiro Tanizaki. In recent years, we completed repair work on the 100-year-old main house and made repairs to the garden after researching how the house and garden once looked when used by Tanizaki. Today, the palace-style main house which Tanizaki liked very much because of his fondness for the Heian period (794-1185), maintains its original elegant look after replacing the roof tiles, while the garden now features a number of garden stones, befitting of the name Sekison-tei (stone village residence).

Normally, Sekison-tei is closed to the public, but on occasion Nissin Electric opens it to tours by groups conducting research on Japanese literature, architecture and gardens as well as for reporters writing stories for newspapers, magazines or television programs. These visits help to convey the original state of this cultural heritage site to the rest of society.

We will continue to preserve Sekison-tei, which has become the pride and joy of the company, because it stands as a symbol of the integrity of our promise to Tanizaki, and earn the trust of society through our preservation and utilization efforts.

"Sekison-tei welcomed me in its original state unchanged from the times I would visit my old friend Junichiro Tanizaki.
This is because Nissin Electric has done a magnificent job of preserving and taking care of this cultural heritage.

I was moved to hear that Nissin Electric held onto the compound as a source of pride even when it faced financial difficulties.

It is very important for Sekison-tei to be preserved as a cultural heritage site and former Kyoto home of legendary novelist Junichiro Tanizaki."

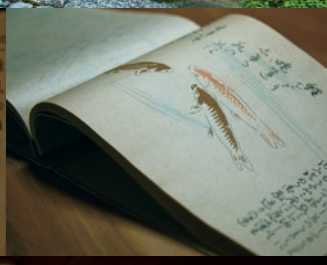
Waraku Magazine, October / November 2016 Edition, p.148 (Shogakukan) (photography courtesy of Makoto Ito)

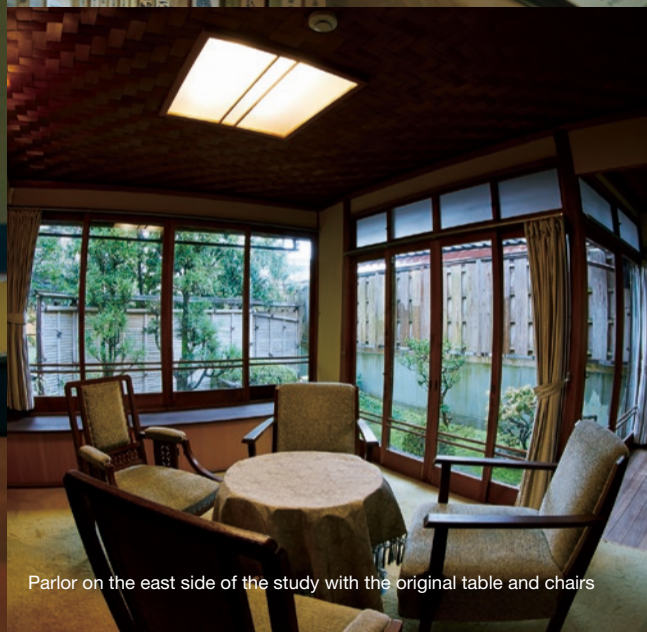
About Donald Keene

Born in New York in 1922, Keene served as Professor Emeritus at Columbia University prior to his retirement. He is considered one of the world's foremost scholars of Japanese literature and Japanese culture. During his two years attending the Graduate School of Kyoto University beginning in 1953, he met and befriended the Tanizakis who were living in Senkan-tei (currently, Sekison-tei) at the time. In 2002, Keene received an award for his outstanding cultural contributions and in 2008, he was bestowed with the Order of Cultural Merit, recognizing his efforts of introducing Japanese culture to Europe and North America. Keene became a Japanese citizen in 2012.

Entrance to the main house

Collection of first edition books





Parlor on the east side of the study with the original table and chairs

Main house and inner garden

Column Sekison-tei was the setting for the novel *The Bridge of Dreams*

The Bridge of Dreams (Yume no ukihashi) was the first novel written based on dictation taken from Tanizaki, who lost the movement of his right arm. This novel was one of Tanizaki's most well-known stories about love for one's mother.

The main character Tadasu lives in a residence called Goi-an, which is based on Sekison-tei. The novel makes the garden and rooms in the residence come alive for the reader. The scenery depicted in four illustrations of Sekison-tei can be viewed in person completely unchanged from before.

The novel *The Bridge of Dreams* (Chuko Bunko)

(Cover: woodblock print by Shiko Munakata)

(Illustration by Konosuke Tamura)

Veranda of the main room depicted in the illustration

Inner gate depicted in the illustration

(Illustration by Konosuke Tamura)

Stone statue of a Yi Dynasty official along the path

Fulfilling our responsibilities to stakeholders based on our

Basic CSR Promotion Policy (revised April 2017)

1) We will pass on our business mindset and grow in a sustained manner as a group of companies that will harmonize with the environment and contribute toward realizing a vibrant society.

2) We will further solidify the Five Trusts with Stakeholders embodied in our Principles of Activities which state “Integrity, Trust and Long-term Relationships.”

3) We will emphasize coexistence with the environment and strive to popularize products and services that mitigate environmental impacts, while also reducing the environmental impacts of our own business activities.

4) We will carry out fair and transparent corporate management grounded in compliance with laws and social norms.

Core CSR Fields

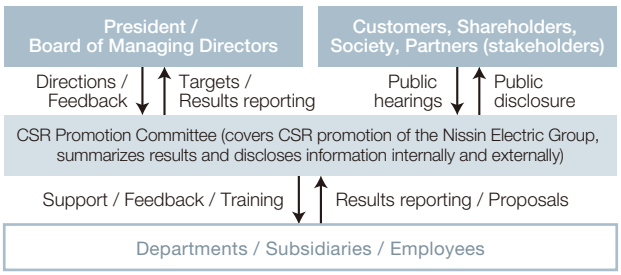
1) Solidify the Five Trusts
2) Initiatives for global environmental conservation
3) Initiatives for fair and transparent corporate management

Promoting Activities through the CSR Promotion Committee

The CSR Promotion Committee is mainly responsible for the company’s CSR efforts as a company-wide cross-functional organization chaired by the President of Nissin Electric Co., Ltd. Information is shared with overseas group companies so that efforts can be made to tackle the various issues they face based on the situation locally.

Results are reported to top management, including the Board of Managing Directors, and activities are continued based on the directions and feedback of top management provided as needed.

CSR Promotion Structure



Composition of the CSR Promotion Committee (April 2017)

Chairman	President
Deputy Chairman	Executive Officer in Charge of Corporate Administration
Executive Secretary	General Manager for Corporate Administration
Members (27)	General Manager for Corporate Planning
	General Manager for Legal
	General Manager for Human Resources and Safety
	General Manager for Human Resources Development
	General Manager for Financial & Accounting
	General Manager for Information Systems
	General Manager for Procurement
	General Manager for the Environment
	General Manager for Quality
	General Manager for Technology Development
	General Managers for Business (2)
	General Managers for Sales (2)
	General Manager, Maebashi Works
	Presidents or division general managers of group companies in Japan (8)
	Division general managers of overseas group companies (3)
	Chief Senior Staff for CSR
Head of Secretariat	Senior Staff for CSR

Basic CSR Promotion Policy

Responsibility to Stakeholders and Opportunities for Engagement

Overview of stakeholders	Main responsibilities	Main forms and opportunities of engagement
Customers We supply various products and services to customers in Japan and overseas in the four core segments of Power System Equipment, Charged Beam Equipment and Processing, Renewable Energy and the Environment, and Life Cycle Engineering.	Supply safe, high quality products and services that are useful to society	Engagement through daily sales and marketing activities
	Provide trustworthy customer services that turn into long-term relationships	24-hour acceptance of inquiries and notifications of defects and swift responses Dissemination of information to facility managers Customer training on product usage
	Provide accurate and appropriate information about products	Engagement through facility assessments and maintenance Engagement concerning the impact of products on the environment Exchange of information at exhibitions and trade fairs Information provision through product brochures and websites
Shareholders We have 9,474 shareholders and the total number of shares outstanding is around 100 million. The breakdown of shareholders includes 16% financial institutions, 58% domestic corporations, 12% foreign corporations, 11% individuals, and 3% other (as of March 31, 2017).	Sustained enhancement of shareholder value Appropriate level of dividends Timely and appropriate disclosure of corporate information	Annual shareholder meetings and earnings presentations Brochure *To Our Shareholders* Information provision through websites Response to shareholder inquiries Investor presentations and response to interview requests
Society The Nissin Electric Group operates around 40 business sites in Japan and abroad (as of March 31, 2017).	Compliance with social norms such as laws	Compliance with various laws and regulations
	Achieve harmony with the environment	Engagement concerning the impacts of products on the environment Compliance with investigations by the mass media and governments Information provision through websites
	Act as a member of society	Support the development of engineers Corporate citizenship activities through cooperation with various outside organizations
	Respect the local culture and customs Cooperation with local communities	Cooperation with historical and cultural asset preservation mainly in Kyoto Cooperation with local environmental conservation activities Participation in and sponsorship of local events
Partners A total of 72 partners participated in partner meetings held for suppliers (results for the second half of fiscal 2016; Nissin Electric Co., Ltd.). Additionally, 20 distributors participated in the nationwide meeting of distributors (results for fiscal 2016; Nissin Electric Co., Ltd.).	Engage in honest and fair relationships Cooperate for the coexistence and mutual prosperity of partners Cooperate for the coexistence and mutual prosperity of distributors	Engagement through daily procurement activities Partner meetings Engagement through partners surveys Information provision through websites Nationwide meeting of distributors and engineering seminars for sales personnel Integration of order targets
Employees The Nissin Electric Group employs a workforce of 4,852. This workforce is broken down into 54% in Japan and 46% overseas (as of March 31, 2017).	Respect for human rights, character, individuality and diversity	Human Rights Promotion Committee Administration of Help Line Desk
	Develop human resources	Education and training Personnel evaluations and interviews
	Create workplaces that are safe and employee friendly	Safety and Health Committee and labor-management meetings Employee satisfaction survey and meetings between the President and employees Dissemination of President's message via intranet and publication of company newsletter

Pursuing a systematic approach to CSR activities with a focus on the autonomous involvement of each and

CSR Activities – Plan / Results for Fiscal 2016 and Policy for Fiscal 2017

Domain		PLAN	DO (Fiscal 2016 Results)
Corporate management	**Fair and Transparent Corporate Management** P25-26	Thorough compliance	●Continue to maintain the compliance system ●Carry out activities for establishing Company Rule of Anti-Bribery ●Provide guidance to overseas group companies about compliance	●Established and enacted Company Rule of Anti-Bribery that stipulate Nissin Electric's regulations and basic policies for domestic and overseas group companies
		Thorough risk management	●Understand risk situations and determine management policy and measures ●Organize risks facing the Nissin Electric Group and determine response measures ●Roll out various measures to address large-scale disasters	●Held meetings of the Risk Management Committee and Risk Management Working-Level Committee ●Conducted training drills on disaster prevention and for checking the safety of employees
		Utilizing ICT and thorough information security	●Reinforce management of confidential company information	●Held interviews for the selection of top level engineering know-how
			●Implement various measures at Nissin Electric and domestic group companies ●Implement various measures aimed at overseas group companies	●Reinforced measures to prevent viruses (controls on connected devices, removal of executable file attachments, exit surveillance, display of posters raising awareness, and email training, etc.)
Trust	**Customers** P27-29	Quality improvement activities	●Roll out quality improvement measures for the entire Nissin Electric Group by sharing recurrence prevention measures and preventive measures along with management of changes made to each	●Rolled out the 3H (Hajimete, Henkou, Hisashiburi) activities at five companies in China ●Held the Nissin Electric Group QA Conference monthly ●Built and began testing IT-based design review mechanism
		Use customer feedback to make improvements	●Make improvements by collecting and analyzing customer feedback	●Collected customer feedback using a survey and interviews with sales and sales engineering staff and made improvements based on a ranking of priority
		Promotion of life cycle engineering	●Implement assessments and inspections for preventing product accidents caused by aging degradation or other factors	●Proposed maintenance based on engineer visits to customers ●Judged the quality of facilities ●Proposed maintenance and upgrading plans based on facility assessments
		Provide products and services that resolve customer issues	●Analyze customer needs and create concrete solutions for the Smart Power Supply Systems (SPSS)	●Created sales tools and carried out proposal activities aimed at resolving customers' energy issues ●Launched sales of "ENERGYMATE®-Factory"
	Shareholders P25,30	Enhance governance system and information disclosures in accordance with the Corporate Governance Code	●Compliance with Japan's Corporate Governance Code	●Completed compliance with all 17 principles with disclosure obligation
		Enhance investor relations activities	●Carried out face-to-face investor relations activities ●Carried out investor relations using publications	●Conducted one company presentation for investors and two company presentations for individual investors, and accommodated 159 IR-related interview requests ●Published earnings reports, annual report and fact book, etc.
	Society P31-32	Support the development of engineers	●Carry out initiatives for expanding the horizons of engineers and assist them with finding schooling in Japan and overseas	●Began grant-based scholarship program for graduate students ●Rolled out science classes for elementary school students in Kyoto, Maebashi and Chiba ●Provided scholarship benefits to overseas students
		Preserve historical and cultural assets mainly in Kyoto	●Expand monetary donations to businesses and groups we can identify with based on our social contribution activity policy	●Provided one ongoing donation and four new donations after cooperating with the initiatives of Kyoto Prefecture and the City of Kyoto
			●Prepare for the expanded utilization of Sekison-tei including garden repairs and other work	●Repaired the building and garden of Sekison-tei and made repairs and improvements to items on display
		Cooperate with local environmental conservation activities	●Participate in community clean-up activities ●Cooperate with forest conservation	●Participated in local clean-up activities in Kyoto Prefecture, Nagoya City, and Fukuoka City, etc. ●Cooperated with the Kyoto Model Forest Association
	Partners P33-34	Promotion of CSR procurement	●Expand scope of CSR procurement survey	●Conducted new CSR procurement survey for 30 major partners of the Maebashi area and provided results as feedback
		Partnerships with partners	●Plan and conduct partner meetings	●Held partner meetings on two occasions ●Held partner meetings at the division level for two divisions ●Held regular meetings with partners concerning transport on five occasions
	Employees P35-38	Promote educational and training opportunities that support personal and professional growth	●Increased human resource development opportunities (target for annual number of participants: 4,700 or greater)	●Systematically held education and training for eligible employees during necessary times (increased training curriculum as well as newly established the CS College [specialized customer service course] and the global education course)
		Utilize diverse workforce	●Achieve the statutory rate of employment of people with disabilities at the group	●Hired four new employees at Nissin Heartful Friend Co., Ltd. ●Obtained special exception certification for three affiliated companies in Japan
			●Achieve targets of action plan under the Act on Promotion of Women's Participation and Advancement in the Workplace (percentage of female hires: 15%, and percentage of female managers: 1.8%)	●Achieved female hiring plan for new graduate hires ●Exceeded the plan for the ratio of female managers
		Encourage diverse work styles and work-life balance	●Encourage use of leave for memorial holidays and the planned holidays system ●Hold elderly care seminars and set up consultation office	●Began accepting applications in fiscal 2016 and issued another notice at the start of the second half because of the low number of applications ●Held elderly care seminars at all business sites and opened consultation office
		Promote safety and health awareness	●Take measures to eliminate the three serious occupational accidents (electric shocks, falls, and transport-related injuries) ●Have all eligible employees take practical safety training ●Perform stress checks ●Implement measures to prevent secondhand smoke	●Conducted comprehension test of all employees handling electricity including outside contractors ●Practical safety training completed by all eligible employees (1,100 over the five-year period from 2012) ●Performed stress checks, including at group companies ●Reorganized smoking rooms and fully separated smokers from non-smokers
		Strengthen communication	●Continue to hold meetings between employees (managers and chiefs) and the President ●Hold the trilateral subsection chiefs networking session to build horizontal connection ●Hold a networking session with the Maebashi and Kyoto manufacturing units ●Conduct an employee satisfaction survey and analyze the results	●Held seven times with total attendance of 80 ●Participants increased to 100 in the second year ●Held at the head office and Maebashi with attendance of around 40 ●Provided analysis results to division general managers as feedback
Environment	**Global Environmental Conservation** P39-42	Please see pages 41 and 42.	

every employee

○ :Results, ✳ :Issues

CHECK	ACTION (Fiscal 2017 Policies)
○ Implemented as planned ✳ Rolled out further at domestic and overseas group companies	●Establish company regulations at domestic and overseas group companies based on anti-bribery laws and situations in each country
○ Held committee meetings as planned, identified risk and decided on countermeasures ○ Conducted disaster prevention training at 12 business sites	●Examine a management policy for reinforcing management of business risks and implement countermeasures ●Continue and expand implementation items from fiscal 2016
○ Selected top level engineering know-how ✳ Established the Confidential Information Management Regulations	●Re-examine approaches to measures ●Focus on revising Confidential Information Management Regulations
○ Measures for Nissin Electric and domestic group companies were effective to some extent ✳ Need to raise the level at overseas group companies so that it is the same as domestic group companies	●Continue and expand current measures in Japan ●Raise the management level overseas
○ Rolled out of 3H activities at five companies in China ○ Firmly established the Nissin Electric Group QA Conference ○ Tested IT-based design review	●Roll out the 3H activities in Vietnam ●Improve effectiveness of the Nissin Electric Group QA Conference ●Expand application of IT-based design review
○ Centralized in-person contact point for system products ○ Made improvements to issues pointed out regarding safety	●Deliver even greater satisfaction to customers by considering their feedback
✳ Need to expand activities because we fell short of the target number	●Carry on and expand engineering visits and assessment activities
○ Increased customer awareness of Nissin Electric's activities ○ "ENERGYMATE®-Factory" recognized with the 66th Electric Industry Technology Achievement Awards	●Continue to expand business for customers resolving energy issues and expand win-win relationships with customers
○ Implemented as planned	●Continued with improvements based on analysis and evaluation of the Board of Directors ●Carried out measures aimed at further enhancing corporate governance system
○ Implemented as planned	●Expanded engagement with investors
✳ Increased graduate school student recipients of scholarship benefits ○ Science classes for elementary school students were held at 23 schools, an increase of three	●Expand scope of scholarship program
○ Increased donations to five projects, helping to repair cultural properties mainly in Kyoto	●Carry on and expand donations through tie-ups with governments
○ Enhanced cultural value of Sekison-tei and further embodied the stance of the Nissin Electric Group	●Carry out activities that increase the value of Sekison-tei among employees and convey Nissin Electric's stance
○ Increased the number of participants in community clean-up activities ✳ Need to expand activities outside of Kyoto	●Expand and promote employee-centered activities, including forest conservation efforts
○ Implemented as planned and broadened initiatives	●Raise awareness through daily business dealings, etc. ●Expand targets of the CSR procurement survey to group companies
○ Implemented as planned	●Reinforce partnerships by continuing and expanding partner meetings
○ Achieved target for annual number of participants: 5,072 ○ Annual curriculum: increased to 171 courses ○ Training time per employee: increased to 35 hours/employee	●Encourage career development of junior employees and expand global education in order to further expand human resources development opportunities
○ Achieved target: employment rate of 2.14% for the group	●Continue hiring and business expansion in order to raise the employment ratio in fiscal 2018
○ Achieved target ○ Percentage of females versus total hires of new graduates: 15%, and percentage of female managers: 2.2%	●Work to maintain a 15% ratio of females in new graduate hires for fiscal 2018 ●Carry out human resource development and increase the number of female managers through discussions with female managers
✳ Leave programs still not fully used. Need to increase ratio of leave taken to around 60% ○ Identified needs for elderly care system and consultations currently on the rise	●Increase the percentage of employees taking leave for memorial and planned leave by following up on their applications ●Distribute and promote work-life balance booklet for all employees
✳ No electric shock accidents, but need to eliminate transport related injuries and falls on stairs ○ Training reduced the number of accidents caused by employees with little experience ○ Achieved stress check implementation rate of 95% and conducted interviews of employees with elevated stress levels ○ Eliminated indoor smoking rooms and currently setting up smoking areas	●Carry on initiatives aimed at eliminating the three serious occupational accidents ●Rebuild practical safety training for its second round and continue implementing it ●Carry out second year of stress checks and verify improvement results ●Continue to implement measures to prevent secondhand smoke
○ Sharing targets of the company through active discussions ○ Meaningful initiative for sharing safety and improvement efforts ○ Contributed to many exchanges and horizontal connections ○ Made it easier to come up with detailed measures by conducting interviews with each level	●Continue holding discussions with newly appointed managers and chiefs in fiscal 2017 ●Plan to expand to quadrilateral subsection chiefs networking session that includes those from Maebashi ●Continue to hold a networking session for junior employees of manufacturing units ●Conduct the fiscal 2017 employee satisfaction survey and verify the results of improvements

Initiatives for Fair and Transparent

Committed to strict compliance with all laws and regulations as well as to enhanced corporate governance

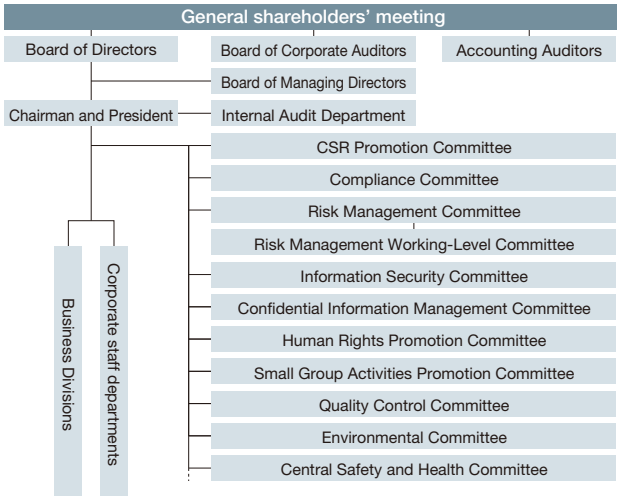
Corporate Governance

Strengthening governance with audits

Nissin Electric has an Audit & Supervisory Board. In addition to three outside auditors, we appointed another outside director in June 2016, bringing the number to two.

As the ultimate management decision-making body, the Board of Directors discusses and makes decisions on important matters, and supervises the execution of duties by directors. Working together with auditors and accounting auditors, the Internal Audit Department, which directly reports to the President, conducts internal audits on the entire Nissin Electric Group, including overseas operations. Looking forward, we will continue to make efforts to further improve corporate governance.

Corporate Governance Structure



Compliance with Japan's Corporate Governance Code

Japan's Corporate Governance Code was established in June 2015. Following this, in June 2016, Nissin Electric Co., Ltd. disclosed 11 of the 17 principles required to be explained and disclosed, on the Tokyo Stock Exchange's website again, with information about the remaining six principles disclosed on the Nissin Electric website. Currently, we have implemented all 17 principles, marking our full compliance with the Code.

In May 2016, we established our Corporate Governance Guidelines, which summarize our basic policy and approach to corporate governance, including compliance with the Code. We disclosed these Guidelines at the same time as they were published.

Thorough Compliance

Basic policy on compliance

The Nissin Electric Group believes that compliance forms the very heart of its management and an absolute foundation for its future continuity and growth. We strive to ensure complete compliance with laws and ordinances and to build a positive relationship with stakeholders based on the Nissin Electric Group's Principles of Activities.

As we further globalize our operations under the new Medium- to Long-Term Business Plan called "VISION2020" launched in April 2016, we will ensure that our business activities and the actions of executive officers and employees alike fully comply with the laws, culture and customs of each country as well as international rules.

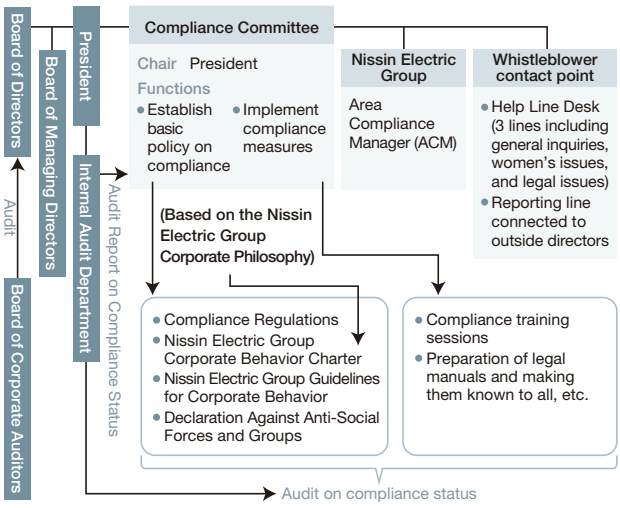
Maintaining the excellence of our compliance system

The Nissin Electric Group Corporate Behavior Charter and Nissin Group's Guidelines for Corporate Behavior were established based on Our Philosophy, Principles of Activities, and Business Mindset. Both are made known to all executive officers and employees. The Compliance Committee works with Area Compliance Managers* of workplaces and group companies to roll out measures and training or awareness activities related to the enhancement of compliance.

In addition, we encourage overseas group companies to constantly review and update important company rules. The Nissin Electric Group has not had any legal violations for approximately eight years since 2009 and thus has not been subject to any penalties.

* Area Compliance Manager: A person responsible for ensuring thorough compliance at each workplace. ACMs are selected from division general managers or the presidents of group companies.

Compliance Structure (As of April 2017)



Corporate Management

Expansion of whistleblower reporting system

In 2004, the Nissin Electric Group launched a Help Line Desk for employee comments and consultations regarding compliance issues, including sexual and power harassment, in order to promote early detection and investigation as well as voluntary correction and resolution of compliance issues. Since then, we have expanded the Help Line Desk to include contact points staffed by female persons in charge, an external lawyer, and outside directors for receiving consultations or whistleblower reports.

The Help Line Desk received 12 consultations in fiscal 2014, 14 in fiscal 2015 and 9 in fiscal 2016. This help desk is now widely used and forms a solid foundation for voluntary actions and solutions prior to issues becoming too large.

Promotion of compliance education

In fiscal 2016, the nationwide compliance training session was held for all employees of the group within Japan and focused on the themes of thorough compliance with cartel regulations, key revisions made to the Construction Industry Act, and insider trading regulations in Japan. The compliance training session for executive officers focused on the theme of business decisions by the Board of Directors and shareholder litigation.

At compliance meetings for sales staff, we explained about thorough compliance with cartel regulations and held discussions on issues or questions about laws pertaining to daily sales and marketing activities.

Compliance training session at Maebashi Works

Respect for human rights

The company-wide and cross-functional Human Rights Promotion Committee broadens correct understanding and awareness about human rights issues and promotes initiatives for creating positive and open workplaces where all employees respect human rights and can work in a lively manner.

In fiscal 2016, we conducted stratified training sessions for newly appointed managers and new hires, as well as a training session for all employees focused on human rights issues in the workplace.

Risk Management

Thorough risk management

We have established the Risk Management Committee, which stipulates basic policies and other matters, and, as its subordinate organization, the Risk Management Working-Level Committee, which ensure the effectiveness, as a system for examining risk management and measures for the entire Nissin Electric Group, including business risk. Departments responsible for addressing risk during emergencies have been designated for each risk, based on scenarios created for each risk such as natural disasters and information security. In this manner, risk management is conducted in a cross-functional manner across the group. At each division and group company, general managers and group company presidents carry out risk management for their respective organization in their role as risk managers.

Utilizing ICT and thorough information security

To respond to the changing environment of information security, the Nissin Electric Group has established the Information Security Committee, chaired by the executive officer in charge of information systems. We are now working to ensure rigorous information security practices are in place, including the timely revision of regulations and rules on information as well as the development of various measures for preventing information leakages and requiring employees to take part in security training. From fiscal 2016, we are expanding the scope of efforts to include business partners and have begun holding security training sessions, for thorough information security management.

Looking forward, the entire Nissin Electric Group will continue to actively utilize ICT to promote contributions to business and management while also raising the level of information security.

Customer Trust

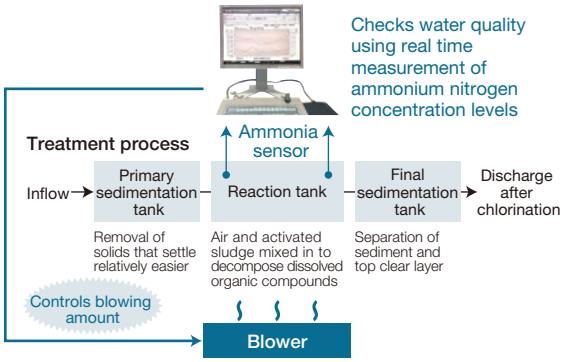
Engaging in activities from the perspective of the customer to make sure that Nissin Electric is always helpful to and trusted by customers

Operation management using the ammonium nitrogen continuous monitoring system

Highlight 2016 Supplying Products and Services that Resolve Customer Issues

Helping sewage treatment facilities save energy

Ammonium nitrogen continuous monitoring system



Sewage treatment facilities represent a piece of social infrastructure that is critical to our everyday lives. However, these facilities consume large quantities of electricity during the treatment process. As a result, Nissin Electric proposes a number of energy solutions in an effort to achieve a recycling-oriented society, including using new sewage treatment control technologies to reduce energy usage, creating energy by reusing water treatment resources, and mitigating risks posed by disasters and other events through the use of multiple power sources.

As part of these efforts, in fiscal 2016 we delivered an ammonium nitrogen continuous monitoring system to the Hokubu Wastewater Treatment Center in Yamato City, Kanagawa Prefecture. This particular facility was the first to introduce this system among the municipalities in Kanagawa Prefecture. This system measures and monitors ammonium nitrogen concentration in sewage treatment processes in real time using ammonia sensors, making it easier to manage operations. The data obtained from this system will continue to be shared with Yamato City to help stabilize the quality of discharge water and save energy.

Nissin Electric will continue to earn the trust of customers by proposing, designing, fabricating and installing systems and equipment that can fulfill the broad needs of customers, including reducing energy usage and other environmental conservation needs.

voice Our detailed simulations before introducing the system are highly evaluated

We found that visualizing water quality using ammonia sensors was an effective solution after sharing and reviewing issues with the customer based on water quality measurements and its analysis data. We were able to win the order for this system by sharing with the customer the analysis results using real time data in which simulations showed that the amount of electricity required for the blowers during sewage treatment could be reduced. The customer was extremely satisfied with the solution we provided.

Terumi Takehara
Senior Staff
Environment Business Unit

Customer training held on substation equipment

In 2006, we began providing training to customers to assist with the development of electrical engineers related to the maintenance of substation equipment at our training facility opened under the theme of "learning with the five senses." In fiscal 2016, we held training on five occasions, with a total of 31 people attending.

Training is led by Nissin Electric engineers with in-depth practical experience in the field. The curriculum focuses on practical hands-on learning rarely possible on the job as well as interactive sessions with participants.

Customers learning how to shut down and restore substation equipment using an actual machine

Details of customer training (sample itinerary)

Substation equipment maintenance course (2.5 days)	
Day 1	Basic theory on substation equipment (classroom)
Day 2	Structure of main equipment and directions on use (classroom and onsite) Safety work (classroom and onsite) Practical learning focusing on the basics and things to be careful of, on how to shut down and restore power using an actual cubicle substation with 6,600V applied. Case studies in electrical equipment accidents and proper maintenance practices (classroom and onsite) Practical learning using electrical equipment with signs of insulation degradation focused on conducting an investigation using a degradation assessment system, experiencing abnormal heat caused by improper tightening of the wiring terminal, and experiencing discolored thermo-label.
Day 3	Visit to equipment manufacturing process Key points of electrical equipment maintenance work (onsite) Practical learning on the use of relays, experience with unnecessary operations, and inspection methods for the ground fault of the control power supply after a high voltage ground fault. Case studies in electrical equipment accidents and explanation of ways to investigate troubles (classroom and onsite) Technology sharing session

Promotion of Life Cycle Engineering

Facility assessments during equipment operation utilizing sensor technologies

The life cycle engineering business involves providing finely-tuned support throughout the life cycle of Nissin Electric Group products, from coordinated installation work onsite to maintenance and facility assessments. In particular, in recent years, customers have shown strong interest in facility assessments for preventing product accidents before they occur. Greater focus is also being placed on line inspection where signs of abnormalities can be detected quicker without power interruption, compared to the conventional method of conducting assessments with the power shutoff.

To address such customer needs, Nissin Electric is expanding its equipment diagnosis items using the latest sensor technologies and assessment systems. The ability to see the subtle change, including partial discharge from the insulation degradation of equipment, overheating caused by contact failures and environment causing degradation all when the power is still on helps with early detection and remediation of risks associated with accidents and breakdowns.

Going forward, we will develop a new type of sensors and leverage advanced condition monitoring and diagnosis utilizing ICT / IoT* to contribute further to the trust and peace of mind of customers.

* ICT / IoT: Information Communication Technology and Internet of Things. An approach used to establish networks between equipment and utilize information obtained at any time in various applications.

On line inspection using a partial discharge detector

Customer Trust

Quality Improvement Activities

Initiatives for Quality Improvement in Japan and Overseas

Quality Policy

Understanding the importance of satisfying legal and regulatory requirements as well as customer requirements, we work to provide customers and other closely related stakeholders with products, installation work and ancillary services they can trust in a highly technical and honest manner. At the same time, we strive to make continual improvements to our quality management system and ensure it functions effectively in an effort to further enhance customer satisfaction.

Japan

The CS Center is established to serve as the Nissin Electric Group's* contact point for customers wishing to submit a trouble report or make an inquiry. All customer contact received by the CS Center and obtained from surveys conducted during pre-shipment onsite inspections of our products by our customers is centrally channeled and provided to each department in the form of feedback. By working to enhance communication with customers and engaging in quality improvement activities based on this feedback, we make an effort to further increase customer satisfaction.

* Nissin Electric Group: Nissin Electric Co., Ltd. business units, NHV Corporation, Nissin Ion Equipment Co., Ltd., and Nippon ITF Inc.

Company-wide Quality Presentation

The Company-wide Quality Presentation was started at the Nissin Electric Group in fiscal 2012 as a platform to learn from the quality improvement initiatives of each department and work toward raising awareness about quality and improving it. The presentations are held on four occasions every year. Each time, more than 200 people attend, including management, thanks to the use of teleconferencing to connect each business site. The presentations include not only highlights of initiatives, but also a very active question and answer session. A networking session is held after the presentation to promote interaction between departments that normally do not work with one another on a daily business.

Nissin Electric Group QA Conference

The Nissin Electric Group QA Conference was launched in fiscal 2015 to provide an opportunity for the entire Nissin Electric Group to discuss ways to prevent past problems from occurring again and conduct measures needed to prevent problems from happening. The QA Conference implements the activities to continually improve quality.

Overseas GLOBAL

Our five group companies with operations in China hold quality workshops with the purpose of promoting the 3H Activities* and sharing initiatives to learn from one another and to make further improvements.

Utilizing this experience of supporting quality control practices at our business sites in China, we launched activities aimed at quality improvement at Nissin Electric Vietnam Co., Ltd. in fiscal 2016. We instruct local employees on understanding of basic approaches, the continuous implementation of quality improvements, and data analysis and management methods, while giving careful consideration to the local cultural background and situation. The average age of employees at Nissin Electric Vietnam Co., Ltd. is 27, making the workforce quite youthful. They are also very serious about learning and impressionable, and work hard toward daily quality improvement alongside each other as a team.

* 3H Activities: The acronym 3H stands for Hajimete [first time], Henkou [change], and Hisashiburi [long interval]. These activities involve identifying issues from the perspective of the 3H when mistakes are more prone to occur, and then carrying out work while checking to make sure problems will not arise in an effort to prevent accidents and troubles from ever happening.

Providing instructions on quality control at Nissin Electric Vietnam Co., Ltd.

voice — Working with the head office to improve quality step by step

Established in 2005, Nissin Electric Vietnam Co., Ltd. is one of the newest companies within the Nissin Electric Group. We offer an integrated production line from metal plate processing to assembly, and we deliver products to customers not only in Vietnam, but around the world, too,. Each and every employee focuses on quality improvement as they seek to carry out manufacturing that truly impresses customers.

Nguyen Van Bien
Factory General Manager
Nissin Electric Vietnam Co., Ltd.

Shareholder Trust

Enhancing information disclosures to shareholders, engaging in constructive communication, striving to return appropriate levels of profits, and enhancing sustained growth and corporate value over the mid to long term

Company presentation for individual investors

Highlight 2016 **Enhancing Information Disclosures**

Timely, appropriate and transparent information disclosures

In accordance with the stipulations from the basic principle of "Ensuring Appropriate Information Disclosure and Transparency" from Japan's Corporate Governance Code, we disseminate information that is useful for fostering understanding about Nissin Electric as well as information prescribed by laws and regulations, based on timely and appropriate information disclosure.

To expand opportunities for dialogue with shareholders, in fiscal 2016 we held company presentations for individual investors on two occasions, in addition to an earnings presentation for institutional investors. Under the leadership of the director in charge of investor relations, the Corporate Planning Department, Financial & Accounting Department and Legal Department and other investor relations related departments work together to address various inquiries from shareholders in a timely and easy to understand manner.

Enhancing opportunities for dialogue at the shareholders' meeting

Based on its Corporate Governance Guidelines established in May 2016, Nissin Electric began using an electronic voting rights platform with the annual meeting of shareholders that took place in June 2016 so that shareholders are able to more properly exercise their voting rights at shareholders' meetings. Also, we disclosed our convocation notice for the annual meeting of shareholders online before sending out a hard copy and also had part of it translated into English. Furthermore, we set up an opportunity for questions and opinions to be heard from shareholders after the end of the annual meeting of shareholders and we organized a factory tour for shareholders who so desired, in an effort to enhance dialogue with our shareholders.

In June 2016, the tour visited the winding element of our capacitor factory and the showroom.

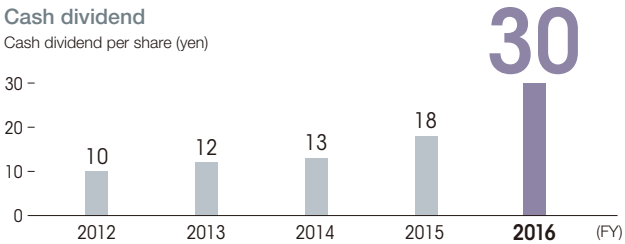

Factory tour for shareholders held in 2016 (capacitor factory)

Returning profits to shareholders using a stable cash dividend

The dividend is determined based on a comprehensive examination of the future management environment, business results and forecasts, dividend payout ratio, and levels of retained earnings, following our basic policy to maintain a stable dividend and return appropriate levels of profit to shareholders.

Cash dividend

Cash dividend per share (yen)



Note) Fiscal 2016 includes a cash dividend of 8 yen per share to commemorate the company's 100th anniversary

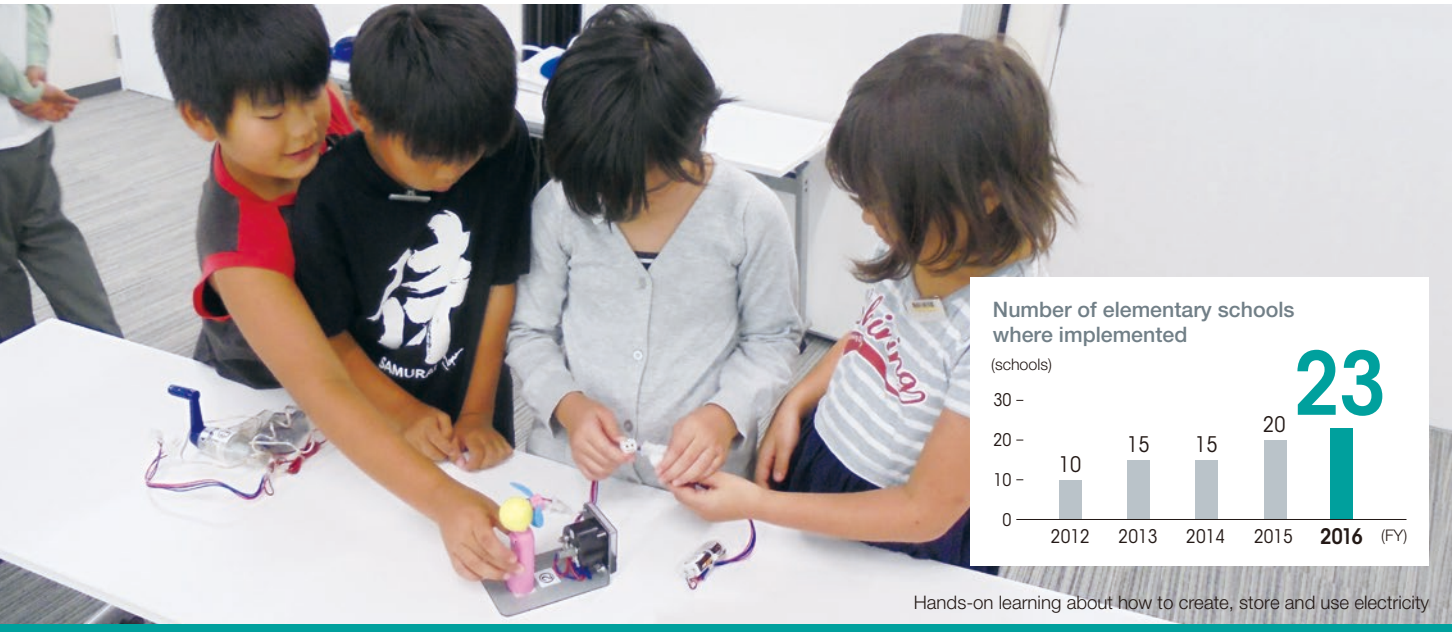
voice Using feedback for the future growth of the company

The Nissin Electric Group has continually worked to become a company that is trusted by all shareholders as "Shareholder Trust" is one of the Principles of Activities. As the director in charge of investor relations, I work with related departments to ensure transparency through timely and appropriate information disclosures, to provide enhanced opportunities for constructive dialogue aimed at enhancing corporate value, and to improve the environment in which shareholders are able to exercise their rights properly. In turn, I share the important views and feedback received from our shareholders and investors with the Board of Directors and others for the future growth of the company.

Tadashi Ueno
Managing Director

Societal Trust

Taking part in a host of social contribution activities inside and outside of Japan to co-exist with local communities and help develop the next generation of engineers



Hands-on learning about how to create, store and use electricity

Highlight 2016 Support the Development of Engineers

Science classes for elementary school students that create, store and use electricity

Explaining the mechanism behind a solar car during a science class for elementary school students in Kyoto Prefecture

Nissin Electric has organized science classes at elementary schools in the communities where the head office, workplaces, and group companies are located since fiscal 2010 with the goal of increasing the number of elementary school students who enjoy science by utilizing Nissin Electric's technologies. In fiscal 2016, we held these science classes at a total of 23 elementary schools: 16 in Kyoto Prefecture, five in Gunma Prefecture, and two in Chiba Prefecture.

Science classes are offered to fourth graders who are learning about photovoltaic power generation. The curriculum includes outdoor experiences riding in a solar car as well as indoor classes where students conducted experiments using a hand generator and also took part in a quiz on electricity. During the hands-on part of the classes, students get to experience how to create electricity using a hand generator, how to store this electricity in a storage battery, and then how to use it by feeding the stored electricity to a small fan. Every year participant feedback often includes remarks such as "I learned to like science," "I want to make a solar car in the future" and "I'm now interested in electricity."

Looking forward, we will strive to improve the curriculum so that students can learn about science in a fun environment, which in turn will contribute to expanding the horizons of engineers.

voice A great learning opportunity with hands-on experiences we normally don't get a chance to try

During the hands-on learning part of the class, students competed against one another to see how long they could run their fan with the electricity they created. This was not only an exciting exercise, but also taught the students about the difficulty of creating electricity. Later, students had the chance to drive a solar car outside, which many were looking forward. Then, an explanation was given about the mechanism of the solar car and I believe the driving part taught the students firsthand about the power of photovoltaic energy. The class was a great learning opportunity with hands-on experiences we normally don't get a chance to try with the school's small solar batteries.

Toshio Kutsuma
Fourth Grade Teacher
Kyoto Municipal Fukunishi Elementary School

Social Contribution Activities

Promoting activities in three focus areas

The Nissin Electric Group conducts activities in three focus areas under its Basic Policy on Social Contribution Activities.

In March 2017, we established the Nissin Electric Group Foundation for Social Contribution in commemoration of our 100th anniversary. Through this foundation, we hope to carry out business operations that are more closely in tune with the needs of society.

In addition to the three focus areas, we also provide educational assistance to the people of the area affected by the Great East Japan Earthquake (Fukushima Prefecture) and hold kendo classes for children in the community.

Support the Development of Engineers

In addition to science classes for elementary school students, we also engage in the following activities in an effort to expand the horizons of engineers.

- Support graduate students at engineering universities through the grant-based Nissin Electric Group Scholarship program
- Dispatch speakers to the Future Forum for Female High School Students (sponsored by Kyoto Prefectural Government and Kyoto Employers' Association)
- Host factory tours for schools in the community
- Host internships for junior high school students (Nippon ITF Inc.)
- Host internships for high school students (Nippon ITF Inc., etc.)
- Support overseas students with scholarships (Hue Industrial College in Vietnam, etc.) GLOBAL

Future Forum for Female High School Students

Basic Policy on Social Contribution Activities

As a member of society,
the Nissin Electric Group is actively involved
in social contribution activities
with the aim of creating a better society.

Focus Areas of Initiatives

1) Support the development of engineers
2) Preserve historical and cultural assets mainly in Kyoto
3) Cooperate with local environmental conservation activities

Preservation of Historical and Cultural Assets mainly in Kyoto

As a company based in Kyoto, Nissin Electric has continually supported groups and projects that preserve local cultural assets. In fiscal 2016, we provided donations to five funds and projects, including the Kyoto Prefectural Foundation: Preserving and Conveying Cultural Heritage, with the goal of preserving Kyoto's historical and cultural assets and townscape for future generations to enjoy.

The Kyoto Prefectural Foundation: Preserving and Conveying Cultural Heritage

Cooperation with Local Environmental Conservation Activities

Recognizing that conservation of the natural environment is the most pressing issue facing humankind, the Nissin Electric Group actively encourages its employees to take part in community clean-up activities and other events for the environment. In fiscal 2016, we cooperated with community clean-up activities in Nagoya, Takamatsu, Fukuoka and Tosu, in addition to the Katsura River clean-up campaign in Kyoto.

Katsura River clean-up campaign

Partner Trust

Striving to accommodate our business partners in a fair and honest manner, and recognizing that growing together with our business partners will help enhance customer value and our competitiveness.

Partner meeting at the head office

Highlight 2016 Promotion of CSR Procurement

Initiated feedback for the survey on CSR initiatives

We have been working to notify all partners about the Nissin Electric Group CSR Procurement Guidelines established in 2013, and to monitor awareness of these guidelines, in fiscal 2015 we began conducting a survey on the CSR initiatives of main partner companies in the Kyoto area.

In fiscal 2016, we expanded the scope of this survey to include the Maebashi area and 30partners, while further reinforcing the initiative by providing the results to partners in the form of written feedback. Going forward, we will utilize this survey to help build stronger relationships with partners , including asking for their cooperation with CSR procurement through daily business dealings and other means.

Basic Principles of Our Procurement Policy

Nissin Electric stands on the principles of fairness and equal opportunity, and we are always open to quality business transactions without making judgments based on nationality, business size, or the existence or lack of past dealings.

Criteria for Determination Prior to Initiating Business Dealings

1. The stability of management
2. The ability to deliver the required specifications, quality, and performance
3. Price competitiveness
4. Delivery and other response capabilities
5. Maintenance and service organization
6. Green procurement capabilities (e.g. Acquisition of EMS, Environmental Management System)
7. Corporate Social Responsibility initiatives

Nissin Electric Group CSR Procurement Guidelines (excerpt)

1. Provision of Useful and Safe Products and Services
2. Enhancement of Technological Capabilities
3. Promotion of Sound Business Management
4. Contribution to Presentation of the Global Environment
5. Compliance with Laws and Social Norms and Far and Proper Business Activities
6. Social Contribution and Elimination of Antisocial Forces
7. Respect for Human Rights and Considerations of Occupational Health and Safety
8. Disclosure of Relevant Information and Promotion of Communication with Society
9. Maintenance of Confidentiality and Information Security
10. Prohibition of the Use of Conflict Minerals

Reinforcing information security in the supply chain

In fiscal 2016, we commenced activities together with partners to establish the environment ensuring information security as part of our supply chain management measures.

This included setting up a dedicated help line within Nissin Electric's Information Systems Department to receive consultations about information security. Also, we regularly hold training sessions on the themes of ICT utilization and information security for main partners in the Kyoto and Maebashi areas. These efforts enable us to share information with persons in charge of information security in our supply chain.

Information security training session for partners

voice

After participating in training, we will steadily carry out information security management

It is important to raise the level of information security awareness among employees given the modern times we live in with advanced information communication technologies. Through the information security training session held by Nissin Electric, I learned about virus and information leakage prevention measures as well as the importance of having clear rules in place and training employees repeatedly.

Hiroshi Nomoto
President
Motohisa Co., Ltd.

Partner meetings held by each business division for the purpose of relationship building

In addition to conventional partner meetings, Nissin Electric began holding partner meetings at the division level in fiscal 2016. The purpose of these meetings is to hold discussions to mutually share specific ideas and opinions. This includes listening to partners' requests for improvements identified through their day-to-day work and holding in-depth discussions on how to make products even better, which results in a stronger win-win relationship with partners.

Two divisions have already held these specialized partner meetings and going forward we plan to roll out this initiative at other divisions as well.

Partner meeting held by the Transformer Division

Communicating with distributors

We aim to build strong relationships with distributors who sell our products across every region of Japan through detailed information exchanges.

In fiscal 2016, we held the nationwide meeting of our distributors in which we briefed the 60 representatives of 20 companies in attendance on the Nissin Electric Group's new technologies and product strategy. Additionally, we held a seminar on basic substation equipment technologies in order to help build technical knowledge needed for sales and marketing activities. This seminar was attended by 57 representatives from 19 companies.

Many participants noted they have few opportunities to explore the fine details of Nissin Electric's products, so they requested this seminar continue to be held in the future.

Employee Mutual Trust

Using a cooperative framework with the group's strength to ensure that employees, who support our growth and have direct contact with society, can live a stable life and find their purpose through work

Hands-on training using actual equipment

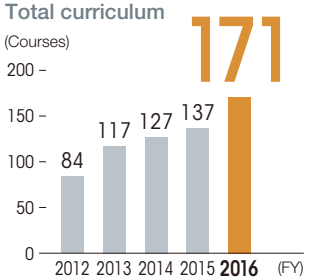
Highlight 2016 Promote Educational and Training Opportunities that Support Personal and Professional Growth

Rolled out our original training program called Nissin Academy to all group companies

The Nissin Electric Group has its own original training program called Nissin Academy that is based on the four categories of General Training, Business Skills Course, Technology and Skills Course, and Departmental and Group Company Internal Training. Starting in fiscal 2016, we newly added CS College (a specialized course for customer service) to this lineup.

In the near future, we plan to construct another training center at our head office in Kyoto to reinforce the succession and development of technologies and skills, and further enhance CS College by utilizing the new facility as a place for hands-on learning about the operation and maintenance of substation equipment and other products using the five senses.

Total curriculum



Total training time received per employee annually

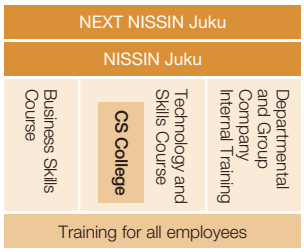
(for fiscal 2016, non-consolidated)

35 hours

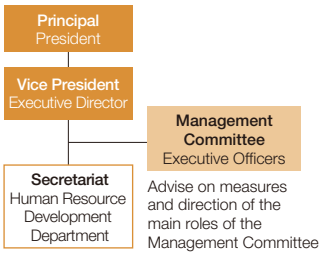
- Company-wide training: 14 hours
- Departmental training*: 21 hours

*Departmental training: seminars, training sessions and study sessions held within the departments

Training System



Management Structure



voice Making a big difference on the job

The Construction Division supervises customer's work sites to install our systems as the representative for the contractor. I felt a bit uneasy about my job prior to taking the CS College course, but after learning about all aspects of the job, from receipt of the order to completion of the work, I am now able to give closer scrutiny to the key elements of management required of a site foreman. This has helped to facilitate my work as well. Receiving many compliments on my work, has boosted my confidence level.

Tatsuya Nagai
Construction Division

Overseas Short-term Trainees System developing personnel inside and outside Japan GLOBAL

We launched the Overseas Short-term Trainees System in 2013 with the goal of developing global leaders by giving junior and mid-career employees more chances to experience working overseas. Up to 2016, a total of 20 employees have been dispatched to overseas group companies using this system. After undergoing practical work experience overseas, employees are willing to share their valuable experience and important points they noticed to many other employees.

Trainees have also included a female employee. She has helped to launch a production line for gas insulated switchgear components and implemented cost reduction methods at Nissin Electric Vietnam Co., Ltd., helping to strengthen collaboration within the Nissin Group.

Trainees being given instruction in Vietnam

Utilize a Diverse Workforce

Creating workplaces empowering women to step forward to play a more active role

In November 2016, Nissin Electric received two-star (level II) "Eruboshi" certification under the Act on Promotion of Women's Participation and Advancement in the Workplace. We are the third company to receive this certification and the first manufacturer in Kyoto Prefecture.

Excellent companies, in terms of their actions under the Act on Promotion of Women's Participation and Advancement in the Workplace, are eligible for "Eruboshi" certification by the Minister of Health, Labour and Welfare. The certification is divided into three levels and awarded based on the number of evaluation criteria a company fulfills.

The five evaluation criteria are hiring, continued employment, work-styles including work hours, percentage of female managers, and diversity of career options. Nissin Electric fulfilled four out of the five evaluation criteria with the exception of percentage of female managers, earning it a two-star certification, the second highest possible.

We will now work to increase the percentage of female managers and employees in our workforce, foster a workplace culture where both men and women can actively contribute, and enhance seminar and training offerings, with the ultimate goal of obtaining three-star certification.

The two-star Eruboshi certificate

Promoting the employment of people with disabilities across the group

In December 2016, Nissin Ion Equipment Co., Ltd., Nissin Systems Co., Ltd., and Nippon ITF Inc. received special subsidiary certification for Nissin Heartful Friend Co., Ltd. (NHF; a group company that employs persons with disabilities), which received certification as a special subsidiary of Nissin Electric Co., Ltd. in March 2016. These three companies maintain close relations in terms of personnel and management with Nissin Electric Co., Ltd. and fulfilled conditions for this certification, including being expected to place a certain amount of orders with NHF. This certification will help to further stabilize and develop NHF's management foundation.

NHF is expanding its scope of operations including the digitization of in-house documents and design drawings, specification documents, the disposal of confidential information (sorting and shredding), and the packing of envelopes and other mailings.

Employees working at NHF

Employee Mutual Trust

Encourage Diverse Work Styles and Work-Life Balance

Introduced a planned holidays system for improving Work-Life Balance

The Government of Japan has established guidelines for creating a society where all people, regardless of gender, nationality, and age, can contribute their skills and feel a sense of motivation not only at work, but also at home and in their community. Toward this goal, Nissin Electric encourages employees to take paid leave and also reduce working hours by carrying out duties using a systematic approach. As part of this, in fiscal 2016, we introduced the planned holidays system, where employees can take three consecutive days of paid leave, and the memorial holiday system under which paid leave can be taken on a commemorative day for the employee or his or her family members. At the beginning of the year, each workplace is encouraged to plan when employees will take these leave periods so that this time off can be taken easily for various life events and stages in life.

These initiatives will promote better communication in the workplace, foster a more open workplace environment, improve work-life balance and lead to more productive, well-focused work.

An employee who took the planned holidays leave to be with his wife for childbirth

voice

I was able to be at the birth of our first child, much to the joy of my wife

I took three days of paid leave using the planned holidays system starting with the day my wife gave birth to our first child. I was not only able to be there when she gave birth, but also be with my wife after the birth, too, which made her very happy. I hope to use the planned holidays system again after our child gets a little older so that we can go on a family trip.

Yutaka Sunagawa
CB & GIS Division

Supporting a balance between work and elderly care through seminars and consultation

The seminar on work and elderly care balance, held for the first time at our head office in fiscal 2015, was also held at our branches in Maebashi, Tokyo, Chubu and Kansai in order to foster greater balance between work and elderly care. This seminar was about various work-life balance programs and provided actual examples. Participants said “I reaffirmed the fact that elderly care is often required suddenly, so I need to be prepared” and “Elderly care affects us all, so I hope that employees will be unafraid to talk about it in their workplace.”

In December 2016, we set up the Elderly Care Support Consultation Office at the head office as part of our work-life balance measures. Any employee working for the Nissin Electric Group can now contact this office by email, telephone or in person to receive a wide range of support, from easing any concerns to providing information on programs.

These initiatives will help to provide an environment where employees can continue working with peace of mind and prevent turnover due to elderly care obligations.

The Elderly Care Support Consultation Office

Promote Safety and Health Awareness

Practical safety training for raising awareness toward safety

Nissin Electric considers electric shock, falls, and transport related injuries to be the three serious occupational accidents, and as such we focus on safety training to completely eliminate all the three from our workplaces. In addition to classroom learning, we initiated practical safety training in fiscal 2012 as a way to appeal directly to the senses of participants. Practical safety training was provided to around 1,100 employees over the five-year period ending in fiscal 2016, with a focus on workers with little experience working full-time in the field. Others receiving this training included all employees at risk for the three serious

occupational accidents.

Continuing with these initiatives reduces the number of accidents caused by employees with less than five years of experience, who in the past were prone to causing accidents.

Experiencing work in a high place during practical safety training

Improving workplace environments to eliminate accidents

To eliminate the three serious occupational accidents, in fiscal 2016 we focused on not only safety training and improvements to equipment and facilities, but also improving the workplace environment as a whole.

Specifically, we installed handrails on both sides of stairways at our buildings and factories, including group companies, in order to prevent injuries from falls. To prevent transport related injuries, we introduced a number of pedestrian-friendly measures, including painting pedestrian walkways green to clearly separate pedestrian and vehicle traffic and avoid slipping as well as making improvements to walkways and adding pedestrian crossings. We will continue to make efforts to our workplace environment in the future so as to provide additional comfort and safety.

Pedestrian-friendly walkway at our head office

Strengthen Communication

Reinforcing connections that cross department and position lines

We have held meetings regularly since fiscal 2013 with up-and-coming new managers and chiefs who will lead the next generation to discuss the future of the Nissin Group together with the president and other executive officers. In fiscal 2016, the themes of these discussions included challenges that divisions and the whole company must face and how to work with other divisions in order to realize the objectives of the new Medium- to Long-Term Business Plan “VISION2020” that started in April.

Also, starting in fiscal 2016, we began holding networking sessions for the Maebashi and Kyoto area manufacturing units. These sessions mainly involved junior employees from manufacturing units in Maebashi and Kyoto touring one another’s factory to learn about safety measures and improvements. The end goal was for these examples to be shared and developed at participants’ workplaces.

We will continue to hold networking and dialogue sessions to help build vertical and horizontal connections within the company.

Meeting with newly appointed chiefs

voice

Provided hints on self-improvement and changing my mindset

I felt the meeting involving the president and newly appointed chiefs was a great opportunity for dialogue to share our frank views with senior management and make sure we are on the same page when it comes to reaching company objectives. Whenever I connect with people from other divisions, I am always keenly aware of the meaning of cross-functional collaboration and the large synergistic effects from such collaboration.

Toru Hino
Chief
CB & GIS Division

Initiatives for Global Environmental

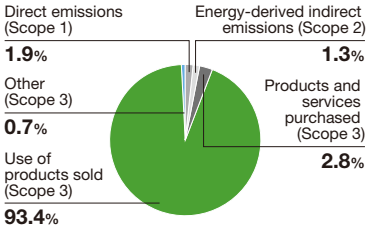
We are committed to reducing the environmental impacts of the entire Nissin Electric Group by developing environmentally friendly products and services and environmental management system utilization.

Smart Power Conditioner for photovoltaic systems

Highlight 2016 Development of Environmentally Friendly Products

Smart Power Conditioner® realizing even greater energy savings and higher efficiency performance

CO_2 emission results for the entire supply chain
Total: 876,771 t-CO_2
(Fiscal 2016; Nissin Electric Group in Japan)



Environmental label

Nissin Electric has calculated the indirect greenhouse gas emissions of the group in Japan using the Basic Guidelines on Calculating Greenhouse Gas Emissions in the Supply Chain Ver. 2.1 by METI and the Ministry of the Environment since 2013. These calculations show that our products produce the most greenhouse gases during the usage phase of the life cycle.

As a result, in fiscal 2016, we developed the Smart Power Conditioner for reducing power usage especially during usage. This product features a power conditioner for converting direct current electricity generated by photovoltaic cells into alternating current electricity, which is combined with various new technologies and systems, including an all new high efficiency inverter, to realize even greater energy savings and higher efficiency performance.

Products that produce more than 20% less greenhouse gas emissions in the life cycle compared to fiscal 2000 thanks to these innovations receive our own original environmental label. We are now working to expand the use of this original environmental label to products that satisfy certain environmental criteria such as downsizing or elimination of hazardous substances in order to market the environmentally friendly nature of our products further.

voice Considering the environment even during shipment inspections

One of the unique features of our energy saving Smart Power Conditioner is its hybrid structure combining a heat exchanger and forced air cooling, which differs from the conventional air conditioner type. From the standpoint of the product's entire life cycle, including not only usage but also manufacturing and shipment testing, we use a testing power supply that can recover used electricity emitted as heat energy at the time of shipment inspections as part of our efforts to conserve energy.

Katsunori Takahashi
System Equipment Division

Conservation

Resource Conservation and Recycling Activities

Certified as a Business Recognized for Excellence in Waste Reduction & 3Rs for three consecutive years

Our Head Office and Works was certified by Kyoto City as a Business Recognized for Excellence in Waste Reduction & 3Rs, based on its efforts to manage data of the volume of waste using bar code labels and to create learning materials for educating employees about waste categorization and separation methods.

This year marks the third consecutive year we received this certification, and as a result, we are now considered a long-standing excellent enterprise. This certification program was established in 2012 to recognize enterprises working proactively to reduce and recycle business waste.

Certificate presentation ceremony organized by Kyoto City

Certified as a Business Recognized for Excellence in Industrial Waste Disposal & 3Rs

Companies that produce industrial waste are required by law to dispose of this waste using appropriate means, including instances where a contractor is used for transport or disposal. Kyoto City Recognition system of Business Recognized for Excellence in Industrial Waste Disposal & 3Rs allows companies to perform a self-check using a comprehensive check sheet of compliance items.

As a result of this self-check, our Head Office & Works received certification as a Business Recognized for Excellence in Industrial Waste Disposal & 3Rs for fiscal 2016.

Certification mark

Energy Saving Initiatives

Switching over to LED lighting

We are switching over lighting at our business sites from fluorescent to energy saving and high efficiency LED lighting. Maebashi Works switched over 3,400 lights in fiscal 2016, reducing its CO_2 emissions by 147 tons per year.

LED lighting at Maebashi Works

Conservation of Biodiversity

Dedicated futabaaoi used for the Aoi Festival, one of Kyoto's three largest annual festivals

Nissin Electric participated in the dedication ceremony for futabaaoi* held at Kamo wake-ikazuchi Shrine (Kamigamo Shrine) in May 2016. This ceremony involves companies certified by Kyoto City's Kyoto Biodiversity and Culture Joint Restoration Project growing futabaaoi from roots provided by Kamigamo Shrine and then dedicating the grown plants back to the shrine.

Nissin Electric received certification for this project in fiscal 2014. Since then, we have worked on increasing greening in consideration of biodiversity and steadily increased the number of futabaaoi plants we were growing, with this year culminating in a dedication of the grown plants. We plan to continue to maintain and manage our futabaaoi so that they can be dedicated once again next year with the hope the plants grown at Nissin Electric will help to enliven the Aoi Festival.

* Futabaaoi: Japanese wild ginger. A native flower that is becoming rarer to see. It is used as part of the Aoi Festival held at Kamigamo Shrine and Kamo Mioya Shrine (Shimogamo Shrine).

Futabaaoi grown at the Head Office & Works

Dedication ceremony at Kamigamo Shrine

Initiatives for Global Environmental Conservation

Environmental Policy

In accordance with our ISO14001-compliant environmental management system, we will strive to continually reduce our environmental impacts and improve our systems as well as prevent environmental pollution. We will assess the impact that all of our business activities have on the environment, stipulate environmental objectives and targets, and regularly revise these objectives and targets. We will comply with all environmental laws, regulations, agreements and other accepted requirements, as well as manage our compliance with each using a voluntary set of standards. We will prioritize the next activities that aim to reduce environmental impacts.

1. Create Environmentally Conscious Products

Develop products that are considerate of the environment throughout their entire life cycle, from product design to usage and disposal.

2. Mitigation of Climate Change

(1) Energy Conservation
Reduce energy usage and CO_2 emissions through energy conservation activities.

(2) Control SF_6 Emissions into the Atmosphere
Control the emission of electrical insulating gas (SF_6) into the atmosphere. (Recovering a majority of SF_6 will have a greater effect on CO_2 reduction owing to equipment downsizing.)

3. Discharge Limitation

(1) Resource Conservation and Recycling
Promote conservation of resources as well as the reduction and recycling of waste for effective use of resources.

(2) Prevent Environmental Pollution
Prevent environmental pollution due to emission and leakage of volatile organic compounds (VOCs), and effluent, oil, and chemical substances.

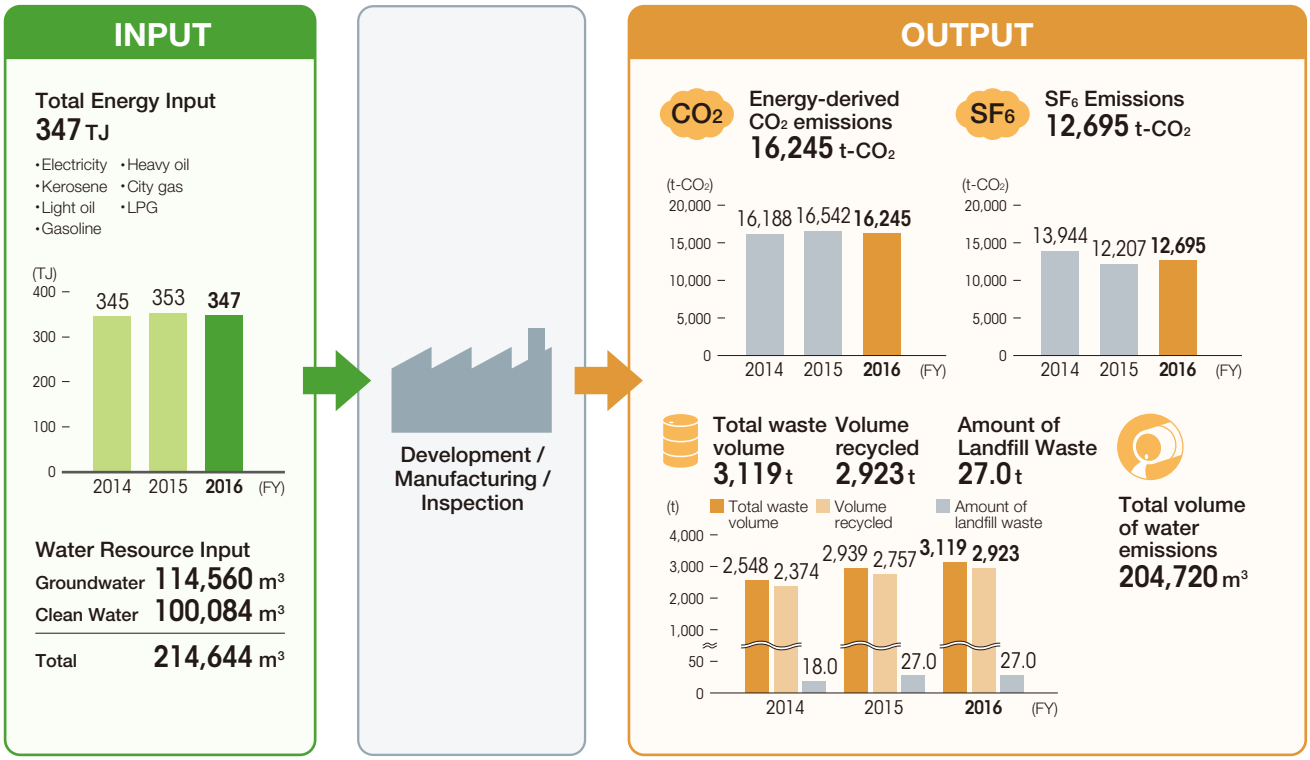
Targets and Results

Targets of Activities		Fiscal 2020 Mid- to Long-Term Environmental Target	Annual Environmental Targets
Prevention of Global Warming	**Popularize environmentally friendly products**	(Reduction of indirect emissions) Reduction of CO_2 emissions resulting from products and services CO_2 emissions: 7% reduction compared to fiscal 2015	CO_2 emissions: Reduce by 1.4% from fiscal 2015
	Energy conservation	(Reduction of direct emissions) Reduction of CO_2 emissions associated with energy usage cutbacks of business activities CO_2 emissions per unit (t-CO_2/million yen): 5% reduction compared to fiscal 2015	CO_2 emissions per unit: 1% reduction compared to fiscal 2015 (0.218t-CO_2/million yen)
	Sulfur hexafluoride (SF_6) Emission Reduction into the atmosphere	(Reduction of direct emissions) SF_6 gas emission rate: 1.0% or less	SF_6 gas emission rate: 1.8% or less
Emission Reduction	**Resource conservation and Recycling**	Total waste volume per unit (t/million yen): 5% reduction compared to fiscal 2015	Total waste volume per unit: 1% reduction compared to fiscal 2015 (0.0386t/million yen)
		Waste recycling ratio: 98.0% or higher	Waste recycling ratio: 93.5% or higher
		Landfill waste ratio: Less than 1.0% every year	Landfill waste ratio: Less than 1.0%
	Prevent environmental pollution	Reduce volatile organic compounds (VOC) emissions into the atmosphere Maintain the fiscal 2015 level	Maintain results for fiscal 2015
		Water usage: 5% reduction compared to fiscal 2015	Water usage: 1% reduction compared to fiscal 2015
Environmental management		Environmental education based on national targets Expand use of Forest Stewardship Council (FSC®) certified printed material	Planting vegetation for biodiversity conservation Use FSC®-certified paper for printed material

* In addition, reducing the energy and water emissions per unit of overseas group companies by 2.5% compared to fiscal 2015 has been set as a medium- to long-term target for fiscal 2020.

INPUT-OUTPUT (FY2016)

Scope of data: Nissin Electric Co., Ltd., NHV Corporation, Nissin Business Promote Co., Ltd., Nissin Ion Equipment Co., Ltd., Nippon ITF Inc., Nissin Pulse Electronics Co., Ltd., and AuLand Co., Ltd.



Scope of data: Nissin Electric Co., Ltd., NHV Corporation, Nissin Business Promote Co., Ltd., Nissin Ion Equipment Co., Ltd., Nippon ITF Inc., Nissin Pulse Electronics Co., Ltd., and AuLand Co., Ltd.

Fiscal 2016			
	Results	Evaluation	Example of Activities
	1.7% reduction	○	●Promoted sales of high efficiency products (transformers, power conditioners, etc.) ●Promoted sales of environmentally friendly products ●Carried out environmental engagement activities
	4.1% reduction (0.211t-CO_2/million yen)	○	●Implemented Eco Work day ●Changed over to LED lighting ●Introduced ecologically friendly vehicles ●Carried out eco-driving practices (turn off engine when stopped and prevented sudden starts and acceleration) ●Renewed aging facilities
	1.2%	○	●Reduced leaks by inspecting and developing SF_6 recovery equipment ●Provided training to handlers
	4.9% increase (0.0405t/million yen)	▲	●Reduced use of wood for packaging materials ●Carried out activities to increase yield of steel plating ●Returned wood pallets to vendors
	93.7%	○	●Thoroughly separated waste through workplace patrols ●Reused waste plastics as fuel ●Reduced waste from imported packaging
	0.87%	○	●Recycled molded materials with metal ●Encouraged recycling at waste disposers
	2.7% reduction compared to fiscal 2015	○	●Reduced and reused solvents ●Promoted reuse of solvents using collection equipment ●Reduced thickness of coating film
	2.7% reduction compared to fiscal 2015		●Systematically updated buried piping
	Conduct training on biodiversity for new hires Raising trees and plants to conserve biodiversity Use FSC®-certified paper for printed material	○	●Conducted training on biodiversity ●Used FSC®-certified paper for the Nissin Report, etc.

○…Target achieved △…Target not achieved (improved since previous year) ▲…Target not achieved (declined since previous year)

External Main Awards and Certifications

2016

Apr.

Nissin Electric Co., Ltd.
The 65th Electric Industry Technology Achievement Awards
Encouragement Award for "Development of temperature and humidity (adhesion of salt, etc.) detection switch and practical application"
Japan Electrical Manufacturers' Association (JEMA)

May

Nissin Electric Co., Ltd.
Fiscal 2016 Crane Operator's Award of Excellence
Japan Crane Association Kyoto Branch

Nissin Electric Co., Ltd.
JECA FAIR 2016 - 64th Electrical Construction Equipment and Materials Fair
55th Product Contest Osaka City Mayor's Award
Multiple Environmental Sensor MES-01

Jun.

Nissin Electric Co., Ltd.
Fiscal 2016 Kyoto City Association for Safety of Hazardous Materials Convention
Kyoto City Fire Chief's Award / Kyoto City Association for Safety of Hazardous Materials Award
Kyoto City Association for Safety of Hazardous Materials

Nissin Electric Co., Ltd.
Letter of Appreciation for Recovery Support following the Kumamoto Earthquake
KYUSHU ELECTRIC POWER CO., INC.

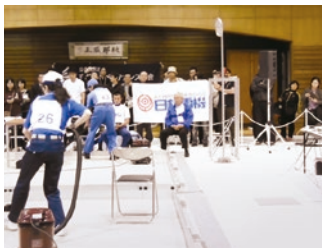
Sep.

Nissin Electric Co., Ltd.
26th Hoist Crane Safe Operation Competition
First Place and Third Place
Japan Crane Association Kyoto Branch

Nissin Systems Co., Ltd.
Best Partner Award
SCREEN Semiconductor Solutions Co., Ltd.

Oct.

Nissin Heartful Friend Co., Ltd.
36th Abilympics Silver Medal
Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers



Nov.

Nissin Electric Co., Ltd.
Fiscal 2016 Kobe City Mayor's Excellent Construction Award
Nakatottei Pump Station Electrical Construction Work
Kobe City

Nippon ITF Inc., Nissin Electric Co., Ltd. and others
The Encouragement Prize for Invention Fiscal 2016 Local Commendation for Invention of Kinki
"Amorphous Carbon Coated Tool and Fabrication Method Thereof"
Japan Institute of Invention and Innovation

2017

Jan.

Nissin Electric Co., Ltd.
Fiscal 2016 Maebashi City Mayor's Award for Excellence in Industrial Promotion and Social Contributions
Maebashi City

Feb.

Nissin Pulse Electronics Co., Ltd.
2017 Excellence in Health Management
SME Category Certification
Ministry of Economy, Trade and Industry

Mar.

Nissin Electric Co., Ltd
Civic Fire Prevention on Fire Prevention Day
Fire Chief's Award as an Enterprise with an Independent Fire Fighting Team
Ukyo Fire Department

External Evaluations

Nissin Electric responds to various surveys used as one indicator for evaluating a corporation. We consider questions appearing in these surveys to cover themes of great interest to society, and thus, we reference them in developing our CSR activity plan. Also, survey results enable us to check our position among peers and are utilized to invigorate initiatives in an effort to become a company that can earn even greater trust from stakeholders.

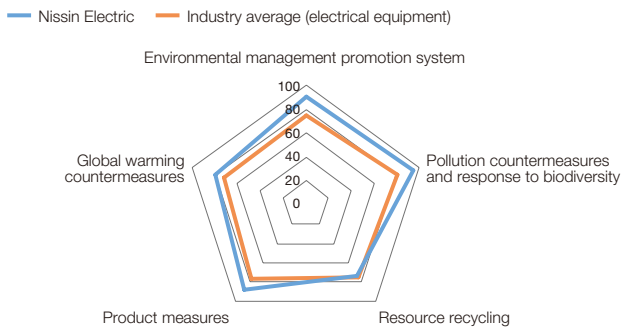
20th Environmental Management Survey

(Nikkei Business Daily, January 23, 2017)

The Environmental Management Survey represents a ranking of company initiatives for balancing environmental measures, such as greenhouse gas or waste reduction, with improved management efficiency based on indicators covering the five categories of environmental management promotion systems, pollution countermeasures and response to biodiversity, resource recycling, product measures, and global warming countermeasures.

In 2016, Nissin Electric ranked 77th out of the 396 manufacturing companies that responded to the survey, marking our highest ranking ever. Last year we ranked 112th.

Score radar chart for 2016



2016 Survey of Companies that Leverage their People

(Nikkei Business Daily, October 3, 2016)

The Survey of Companies that Leverage their People is a ranking of companies' initiatives for utilizing their human resources, such as diversity and providing workplaces to draw out people's skill sets, covering the four categories of employment / career, diversity management, childcare/elderly care, and workplace / communication.

In 2016, Nissin Electric ranked 115th out of the 462 companies that responded to the survey, marking our highest ranking ever. Last year we ranked 165th. Our many measures for creating an open culture earned us a high score in the workplace/communication area.

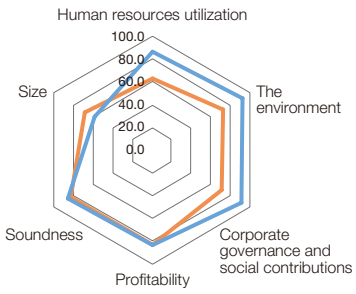
11th CSR Rankings

(Weekly Toyo Keizai, March 4, 2017 edition)

CSR Rankings is a survey that evaluates companies' CSR initiatives from the four perspectives of human resources utilization, the environment, corporate governance, and social contributions, with the purpose of identifying companies that are trusted by a broad range of stakeholders. Toyo Keizai Inc. also uses its listed companies financial database to quantify financial rankings (profitability, soundness, and size), which in turn is also reflected in the rankings.

In 2016, Nissin Electric ranked 176th (106th the last year) in the 11th CSR rankings that targeted 1408 companies (1136 valid responses). Despite its relative ranking falling, scores in CSR categories are increasing and Nissin Electric received an AAA score for all four categories.

Score radar chart for 2016



Editorial Policy

This report presents both an overview of the Nissin Electric Group and its business activities, as well as a sustainability report on its approach to corporate social responsibility (CSR). The sustainability report is presented using a published report and website. The published report contains an introduction to results from fiscal 2016, following the plan and results indicated on pages 23 and 24. The website includes information and data that could not be introduced in the published report due to space limitations.

Reporting Areas and Scope

Page 21 and beyond of the sustainability report focuses mainly on Nissin Electric Co., Ltd. and its affiliates in Japan. The initiatives of certain overseas affiliates are also highlighted, which are denoted by the GLOBAL mark. The term affiliate may refer to a different entity or contain quantitative data for which the scope will be specified separately.

Reporting period

April 1, 2016, to March 31, 2017
Published: June 2017
Previous edition: June 2016
Next edition: June 2018

Reference Guidelines

Environmental Reporting Guidelines 2012 by the Ministry of the Environment, Japan
Sustainability Reporting Guidelines G4 by the Global Reporting Initiative (GRI)

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Sekison-tei

Sekison-tei was the beloved residence of noted author Junichiro Tanizaki. It was named Senkan-tei by Tanizaki. The almost century old compound faces the Tadasu no Mori Forest of the Shimogamo Shrine World Heritage Site, and its Sukiya-style building and pond with surrounding path made it a favorite of Tanizaki's.

When the Nissin Electric Group, bound by fate, took over the residence in 1956, Tanizaki renamed it "Sekison-tei." For over a half century until now, Nissin has kept its promise with Tanizaki to maintain the residence in the same condition as he left it, as he desired to see it on his visits to Kyoto.

Sekison-tei is an invaluable asset, and proof that Nissin Electric Group puts its Principles of Activities of "Integrity, Trust and Long-term Relationships" into practice.

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