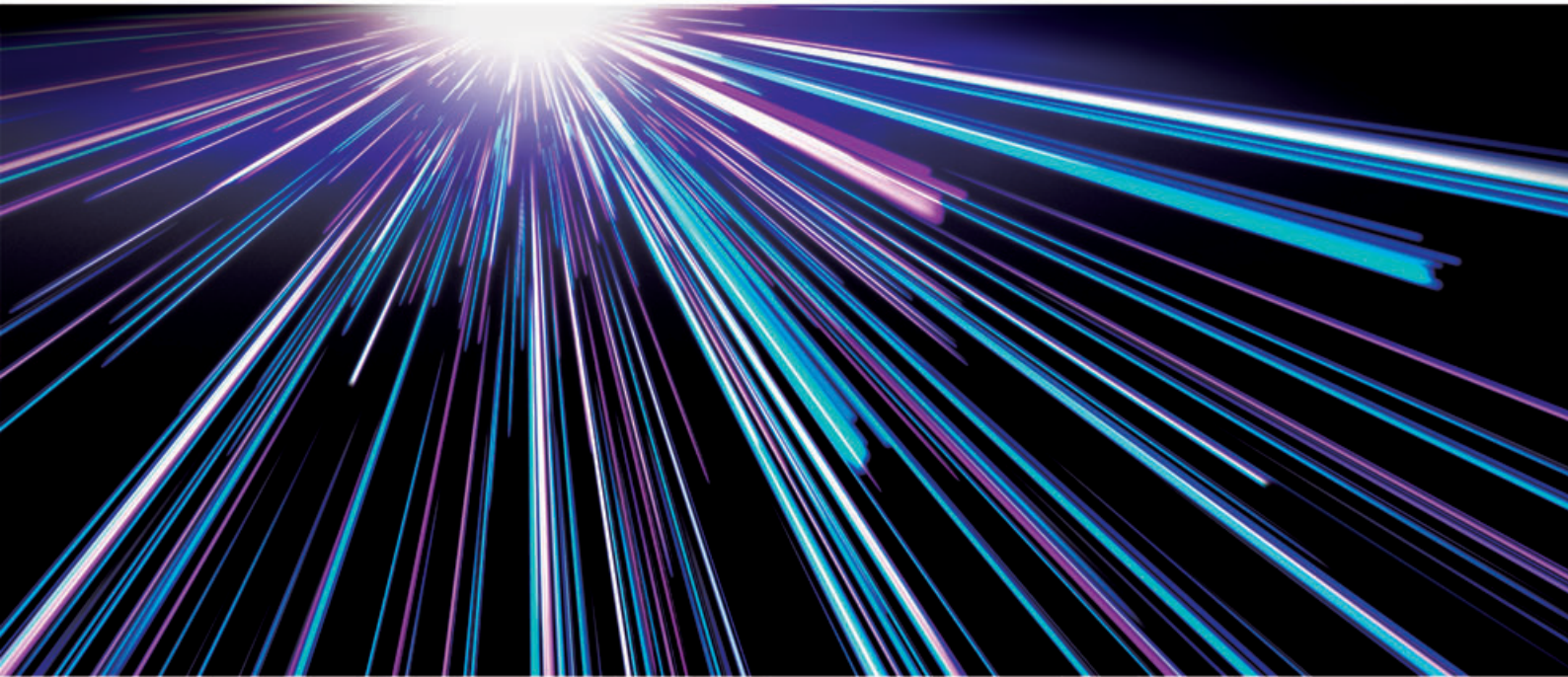


NISSIN REPORT 2019

Company Profile / Sustainability Report



Forge a Bright Future for Both People and Technology

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



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 Activities **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 goals

“Open-mindedness and the ability to digest different cultures and technologies”
The spirit to accept different things and eventually internalize them



Key Nissin Electric
SDGs Initiatives

Through business



Note: For more on the Nissin Electric Group's SDGs initiatives through our CSR activities, see Our Commitment to CSR on p. 23-24.

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The Opening of the Nissin Academy Training Center: A Center for Developing the Next Generation of Human Resources			



Aiming for Sound
Business Growth and
Valuable Contributions
to Society

Shigeo Saito
President

Toward the Next 100 Years

The Nissin Electric Group started as Nissin Kogyosha when the company was founded in 1910 by Nobu Tomizawa who was researching electricity at Kyoto Imperial University (now Kyoto University), and became Nissin Electric Co., Ltd. when it was incorporated in 1917. Through research and development based on our own high-voltage technology and by partnering with domestic and overseas companies and research institutes, we have grown our business centered on our Power System Equipment Business, Renewable Energy and Environment Business, Charged Beam Equipment and Processing Business, and Life Cycle Engineering Business.

There have been many events in the past that have had a significant impact on our business, such as the Great Depression (1929), World War II (1939–45), the sharp appreciation of the yen due to the Plaza Accord (1985), the collapse of the bubble economy (1991), the downturn in the heavy electric machinery industries business (2000), and the collapse of Lehman Brothers (2008). However, we were able to overcome these thanks to the support of our stakeholders, and reached our 100th anniversary in 2017, taking the first steps toward the next 100 years. That is in no small part thanks to everyone's support.

Building a Strong Foundation to Achieve VISION2020

We will enter the final two years from FY2019 of the five-year medium- to long-term business plan "VISION2020," which the Group is currently working to achieve.

In the domestic power market, the business environment the Group finds itself in is one in which business in the aging power system equipment renewal, infrastructure development and urban development in anticipation of the Tokyo 2020 Olympic and Paralympic Games, a paradigm shift brought about by the liberalization of power generation, and a robust renewable energy sector to reduce CO₂ is firm. In the overseas market, from the second half of FY2018, the impact of putting the national interest first and U.S.-China trade friction is becoming more apparent in markets related to flat panel displays, semiconductors, and automobiles.

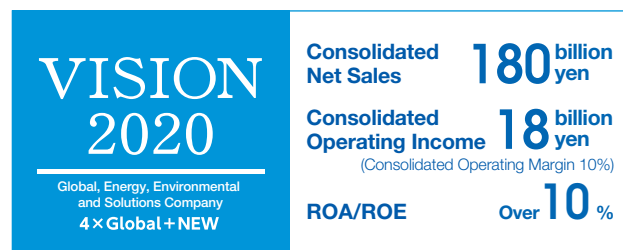
In addition, there are growing social demands that emphasize social relations such as ESG (environmental, social and governance) and SDGs (global sustainable development goals set by the United Nations) and the governance capabilities of companies, so the Group revised the Nissin Electric Group Corporate Behavior Charter in April 2019 in response to these changes in social needs.

We are promoting corporate management while being receptive to information about these changes in the business environment and the demands of society through:

- Sound growth of business by constructing a strong foundation that can flexibly respond to any changes in the environment
- Appropriate returns on corporate activities to stakeholders (deepening the Five Trusts)

In FY2018, we actively engaged in investing in research and development, capital expenditure, and investing in human resources that serve to build a strong foundation.

We established the Department of Designing and Developing New Business under direct control of the president and Technology Development Promotion Center in April 2018 to accelerate the development of new products and new markets. In our capital expenditures, we invested in land, factories, offices, and training centers in Japan and Thailand, as well as large-scale equipment upgrades at the Maebashi Works. In April at the Nissin Academy Training Center, which opened in March 2019, we launched an advanced technician training college to acquire advanced skills, such as in the maintenance and inspection of the Group's products and on-site upgrading and assembly, and an advanced engineer training college, responsible for core technologies, such as AI and IoT, necessary for corporate growth development.



Creating a Better Society

We are working to deepen the Five Trusts that is the basis of the actions of the Group with respect to appropriate returns to our stakeholders from corporate activities. As an example, in July 2018, we participated in the Kyoto Model Forest Movement, and started forest preservation activities in which people in the community and our employees work together. Also, we have continued efforts such as the maintenance and preservation of Junichiro Tanizaki's Sekison-tei heritage residence, and a full grant-based scholarship program for technical graduate students through the Nissin Electric Group Foundation for Social Contribution.

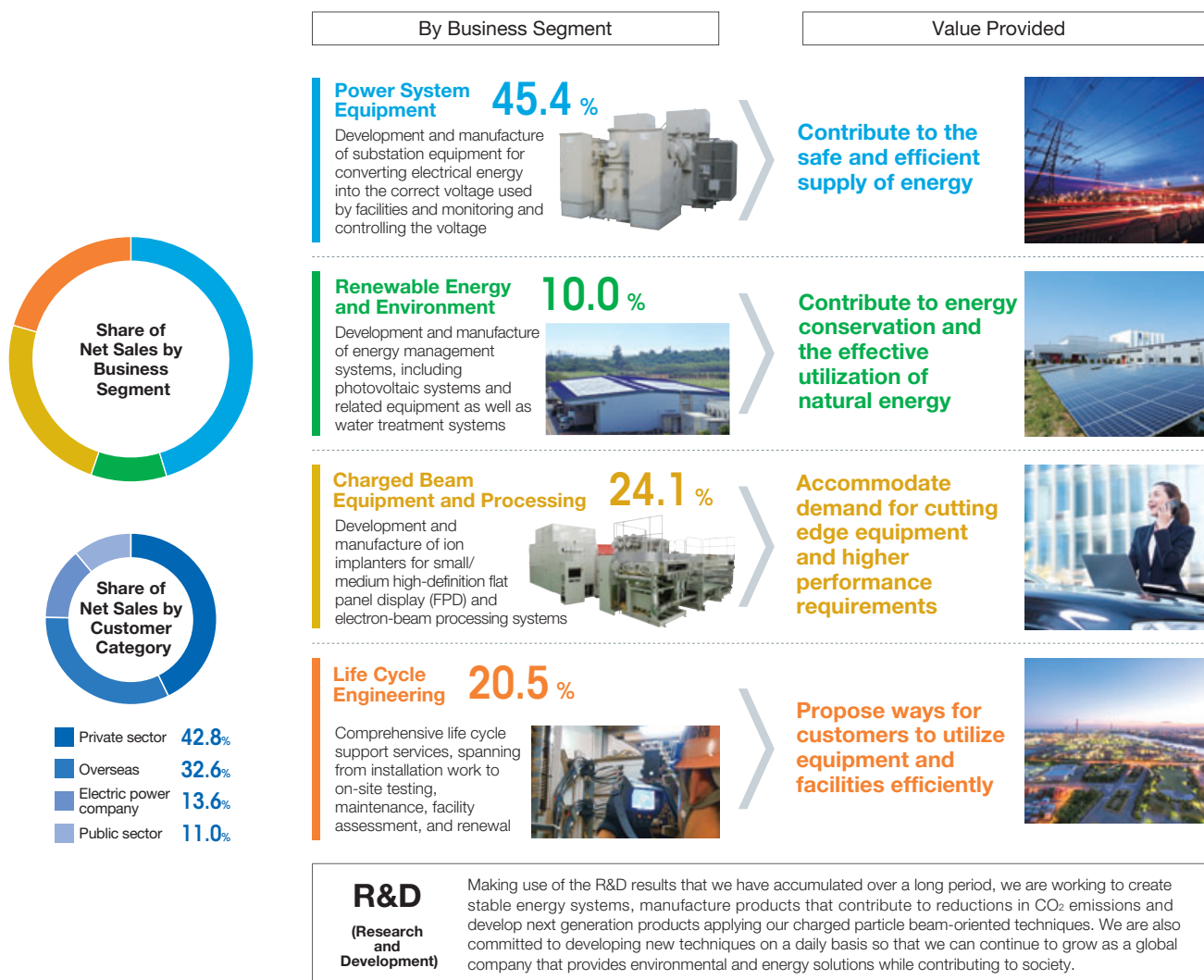
I ask our stakeholders for their continued support and encouragement as we work toward achieving sound business growth and making appropriate returns to our stakeholders and continue our efforts to enhance our corporate value in society.

June 2019

Shigeo Saito
President

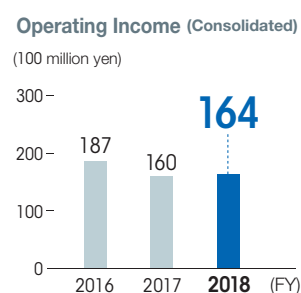
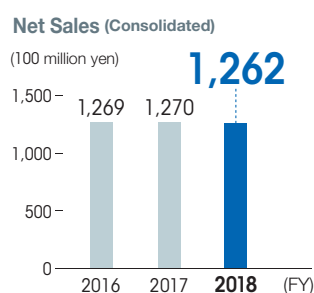
We Engage in Four Business Segments Underpinning with a Focus on Power System Equipment

Business Description (as of March 31, 2019)



Company Outline (as of March 31, 2019)

Company Name	Nissin Electric Co., Ltd.
Incorporated	April 11, 1917
Stated Capital	10,252,840,000 yen
Employees	5,078 (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



the Foundations of Society and Industry,

History

Nissin Electric Group

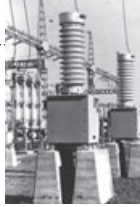
Power System Equipment

Renewable Energy and Environment

Charged Beam Equipment and Processing

Life Cycle Engineering

- 1910: ■ Founded as Nissin Kogyosha
- 1912: ■ Started manufacturing switchgears
- 1917: ■ Incorporated as Nissin Electric Co., Ltd.
- 1937: ■ Constructed head office and works in Ukyo-ku, Kyoto (current location)
- 1945: ■ Took over the capacitor production business of Sumitomo Electric Industries, Ltd.
- 1950: ■ Developed capacitor voltage transformers (PD) (current CVTs)
- 1963: ■ Built the Maebashi Works in Maebashi City, Gunma Prefecture
- 1968: ■ Built new works at Kuze and Kujo
- 1968: ■ Developed gas insulated switchgears (GISs)
- 1970: ■ Established Nissin High Voltage and started business of charged particle accelerators (NHV Corporation, took over the business of Nissin High Voltage in 2003)
- 1978: ■ Developed ion implanters
- 1984: ■ Established Nissin Systems Co., Ltd. for software development and systems design
- 1987: ■ Established Nissin Electric (Thailand) Co., Ltd. to manufacture and sell medium-voltage capacitors and electronic components
- 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
- 1999: ■ Established Nissin Ion Equipment Co., Ltd. for the manufacture, installation, and adjustment of ion implanters or semiconductors and FPD
- 2001: ■ Established Nissin Electric Wuxi Power Capacitor Co., Ltd. in China to manufacture and sell power capacitors (changed company name to Nissin Electric (Wuxi) Co., Ltd. following merger with Wuxi Nissin Electric Co., Ltd. in 2004)
- 2001: ■ Beijing Beikai Nissin Electric HV Switchgear Equipment Co., Ltd. in China to manufacture and sell gas insulated switchgears (changed company name to Beijing Hongda Nissin Electric Co., Ltd. in 2006)
- 2002: ■ Established Nissin Electric Wuxi Co., Ltd. in China to manufacture and sell voltage transformers for gas insulated switchgears
- 2003: ■ Developed ultra-compact gas insulated switchgears
- 2005: ■ Made Nippon ITF Inc., a provider of thin-film coating services, a consolidated subsidiary
- 2005: ■ Established Nissin Ion Equipment Co., Ltd. Shiga Works / Plasma Technology R&D Center in Shiga Prefecture
- 2005: ■ Established Nissin Electric Vietnam Co., Ltd. as a subsidiary for subcontracting the manufacturing and processing of industrial components
- 2007: ■ Became a consolidated subsidiary of Sumitomo Electric Industries, Ltd.
- 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
- 2011: ■ Established NHV Accelerator Technologies Shanghai in China to manufacture and sell electron-beam processing systems
- 2013: ■ Developed Smart Power Supply Systems (SPSS)
- 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)
- 2017: ■ Established the Nissin Electric Group Foundation for Social Contribution for giving back to society (became a public interest incorporated foundation in March 2018 upon approval of the Cabinet Office of the Government of Japan)
- 2017: ■ 100th anniversary of Nissin Electric Co., Ltd.
- 2019: ■ Opened the Nissin Academy Training Center



Expanding Globally by Establishing Manufacturing Sites Can Contribute to the Development of the Local Economy

List of Group Companies



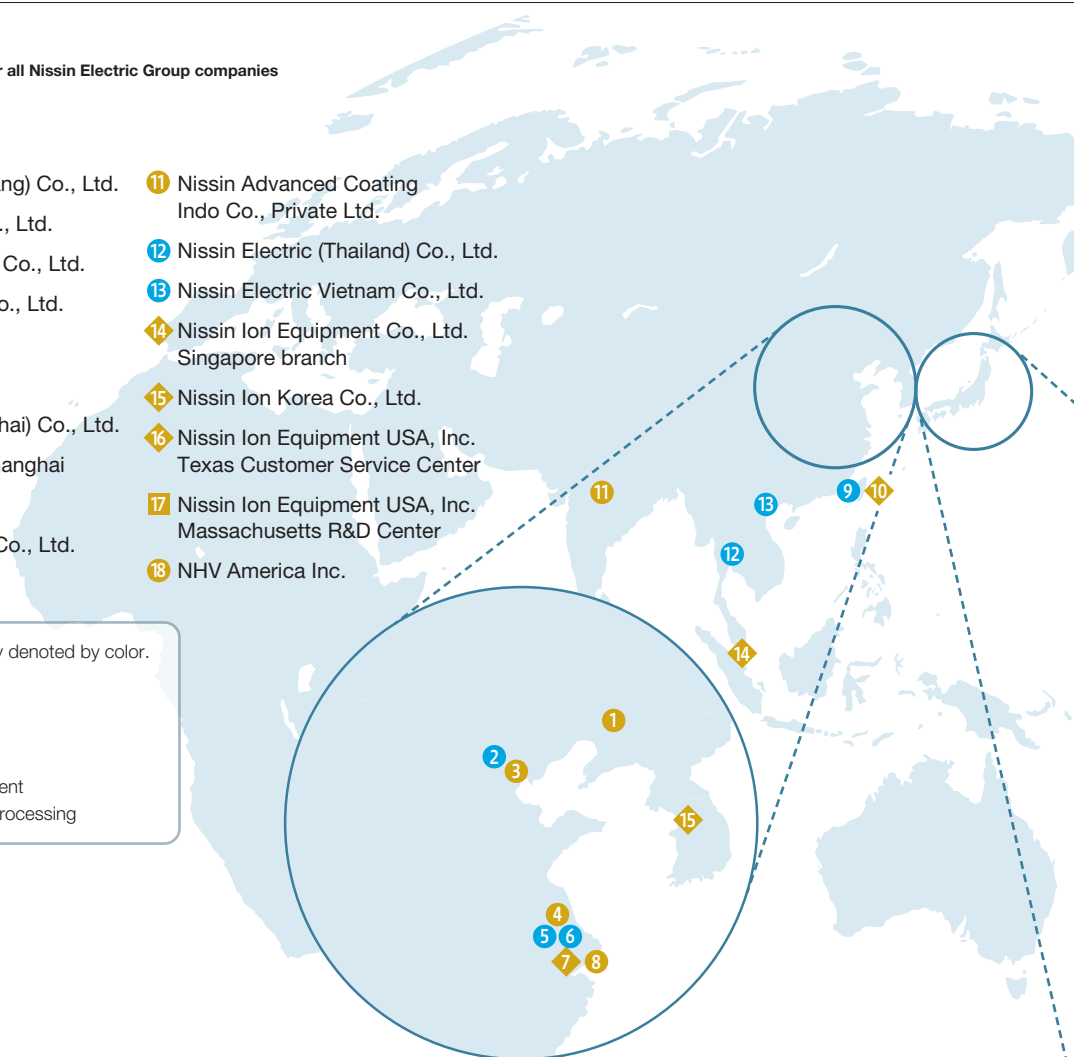
A unified corporate logo for all Nissin Electric Group companies

Overseas

- | | |
|---|--|
| ① Nissin Advanced Coating (Shenyang) Co., Ltd. | ⑪ Nissin Advanced Coating Indo Co., Private Ltd. |
| ② Beijing Hongda Nissin Electric Co., Ltd. | ⑫ Nissin Electric (Thailand) Co., Ltd. |
| ③ Nissin Advanced Coating (Tianjin) Co., Ltd. | ⑬ Nissin Electric Vietnam Co., Ltd. |
| ④ Nissin Ion Hightech (Yangzhou) Co., Ltd. | ⑭ Nissin Ion Equipment Co., Ltd. Singapore branch |
| ⑤ Nissin Electric (Wuxi) Co., Ltd. | ⑮ Nissin Ion Korea Co., Ltd. |
| ⑥ Nissin Electric Wuxi Co., Ltd. | ⑯ Nissin Ion Equipment USA, Inc. Texas Customer Service Center |
| ⑦ Nissin Allis Ion Equipment (Shanghai) Co., Ltd. | ⑰ Nissin Ion Equipment USA, Inc. Massachusetts R&D Center |
| ⑧ NHV Accelerator Technologies Shanghai | ⑱ NHV America Inc. |
| ⑨ Nissin Allis Electric Co., Ltd. | |
| ⑩ Nissin Allis Union Ion Equipment Co., Ltd. | |

Note: 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

- | | | |
|--|---|--|
| <p>① Head Office & Works (Ukyo-ku, Kyoto)
Nissin Electric Co., Ltd.
NHV Corporation
Nippon ITF, Inc.
Major Products:
Switchgear, Transformer, Capacitor, Power conditioner for photovoltaic system, Power conditioner for storage battery, Reactor, Voltage dip/blackout compensator, Supervisory control system, Vehicle recognition system, Electron-beam processing system, Electron-beam processing service, Thin-film coating system, and Thin-film coating service</p> | <p>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</p> | <p>③ Kuze works (Minami-ku, Kyoto)
Nissin Ion Equipment Co., Ltd.
Nippon ITF Inc.
Major Products:
Ion implanter for semiconductor, Ion implanter for flat panel display (FPD), and Thin-film Coating Service</p> |
| | | <p>④ Kujo works (Minami-ku, Kyoto)
Major Products:
Switchgear</p> |
| | | <p>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)</p> |

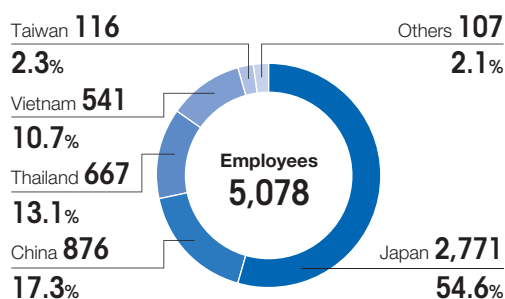
in Areas Where Our Core Technologies

Japan

- 19 NHV Corporation
- 20 Nissin Ion Equipment Co., Ltd.
- 21 Nissin Systems Co., Ltd.
- 22 Nissin Business Promote Co., Ltd.
- 23 Nippon ITF Inc.
- 24 Nissin Denki Shouji Co., Ltd.
- 25 Nissin Pulse Electronics Co., Ltd.
- 26 Nissin Heartful Friend Co., Ltd.
- 27 Auland Co., Ltd.

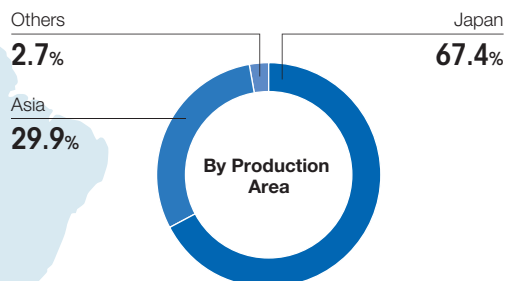
Employees by Location

(Consolidated; as of March 31, 2019)



Share of Sales by Production Area

(Fiscal 2018)

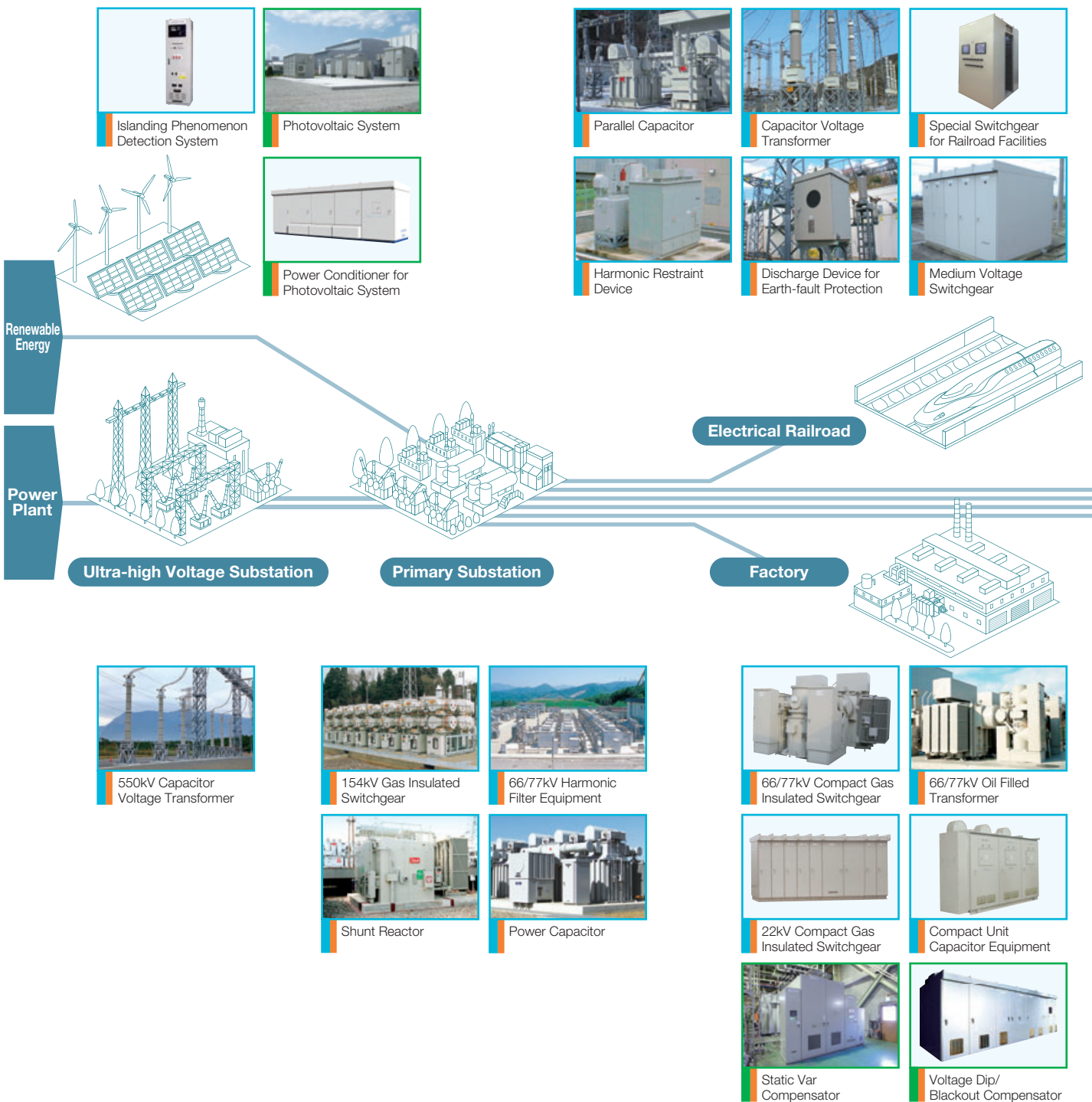


Major Sales Sites in Japan

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



Electrical Infrastructure Supporting Industry and Society

Power System Equipment P.11

Charged Beam Equipment and Processing P.15

Renewable Energy and Environment P.13

Life Cycle Engineering P.17



Supervisory Control System for Waterworks



Ion Implanter for FPD



Ion Implanter for Semiconductor



Electron-beam Processing System



Thin-film Coating Equipment



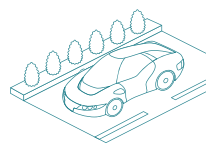
Control Center



Smartphone



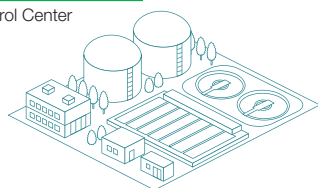
Tablet PC



Automobile



Thin-film Coating Service



Water and Sewerage

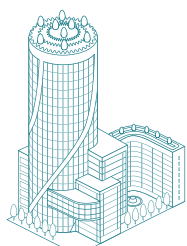


Home



Home Energy Management System

Office Building



66/77kV Gas Insulated Switchgear (Indoor Type)

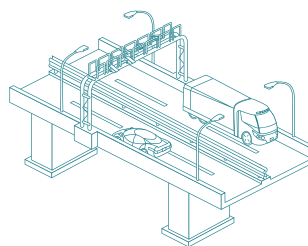


6.6kV Switchgear



22/33kV Spot Network Substation Equipment

Expressways



Supervisory Control System for Expressways



Vehicle Recognition System

Power System Equipment

Related SDGs



This business segment focuses mainly on the development and manufacturing of substation equipment, which converts power voltage to a level suitable for the equipment. This substation equipment monitors and controls the voltage level to ensure a safe and efficient energy supply from a power station. Our 66/77kV ultra-compact gas insulated switchgear demonstrates unparalleled compactness thanks to Nissin Electric's unique high-voltage technology, which accounts for a high market share. Power capacitors designed for use by electric power companies have in recent years accounted for close to a 100% share of the domestic market, accordingly the company is called "Nissin for Power Capacitors."

Main Products



Gas Insulated Switchgear (GIS)

GISs receive incoming electricity from electric power companies and protect electrical equipment inside substations.



Power Capacitor

Power capacitors are connected to power grids for power factor corrections or voltage regulations.



Capacitor Voltage Transformer (CVT)

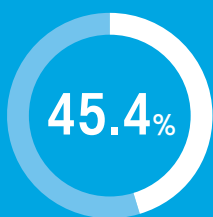
CVTs convert high voltages and large currents into the applicable voltages and currents for electric instruments or relays.



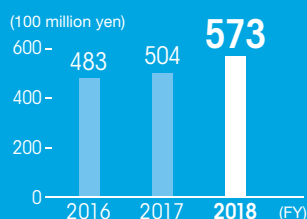
Switchgear (SWG)

Switchgears deliver electricity throughout a substation by switching power sources and protecting equipment.

Share of Total Sales



Net Sales



VISION 2020 Growth Scenario

Anticipating Investment in Reactive Power Compensation Equipment by Promoting Cross-regional Operation of Electric Power Business



Along with promoting a nationwide supply-demand adjustment function and ensuring a stable power supply through the Organization for Cross-regional Coordination of Transmission Operators, we also anticipate a restructuring of reactive power compensation equipment (power capacitors, harmonic filters, and shunt reactors). Nissin Electric will proceed with a proposal for reactive power compensation equipment by leveraging our specialization in power system analysis technology for the plan to update and enhance power system equipment.



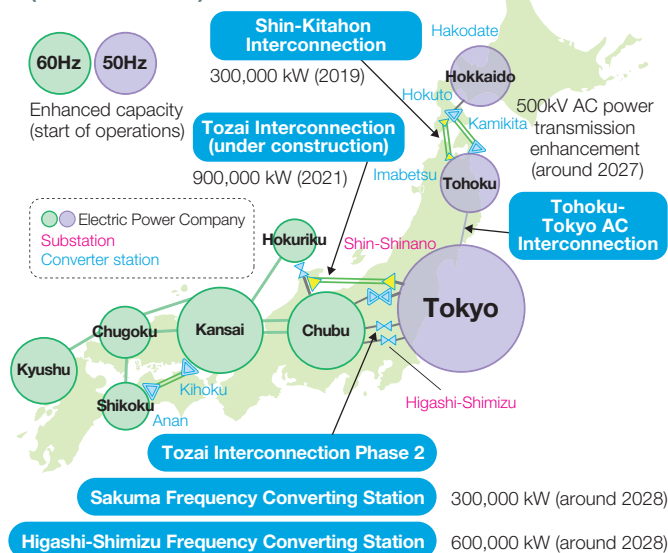
66/77kV Harmonic Filter Equipment



Power Capacitor

Shunt Reactor

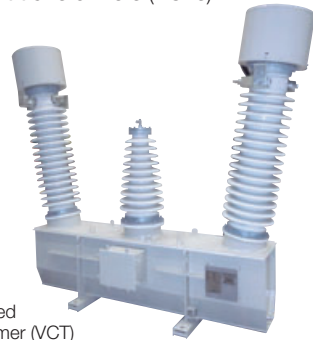
Cross-regional Interconnection Lines Enhancement Plan (main trunk lines)



Growing Demand for Power Meters with the Separation of Power Production from Distribution and Transmission in Japan

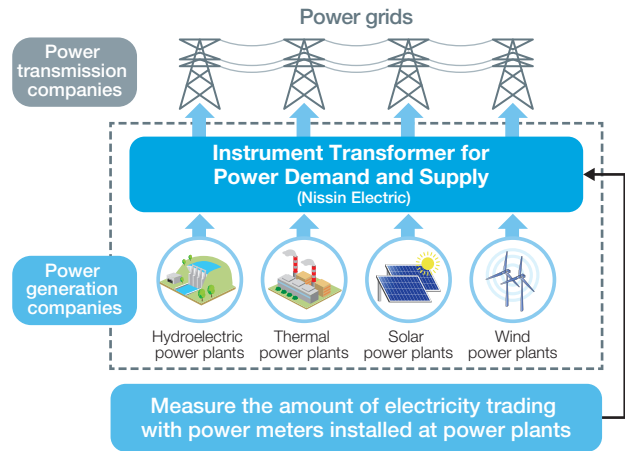
S Social Stable electricity supply

Nissin Electric expects greater demand for power meters that must be installed to trade electricity with the separation of electric power generation and transmission in Japan slated to start in April 2020. We have taken the lead in developing space-saving, low-profile combined instrument transformers (VCTs) to provide a wide range of products to meet the needs of our customers.



Space-saving, Low-profile Combined Instrument Transformer (VCT)

Where our products fit in



Anticipating Investment in Construction of AC/DC Power Transmission Network in China

S Social Stable electricity supply

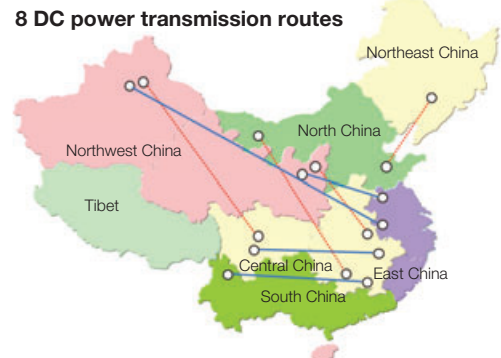
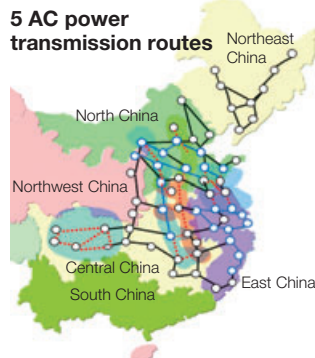
The development of ultrahigh voltage (UHV) infrastructure for electricity transmission networks is proceeding with economic growth in China. In an initiative to install five 1,000 kV AC power transmission and eight DC power transmission routes under the West-East Electricity Transfer Project to generate electricity

inland in the west and send it to coastal areas in the east, the Chinese government is projected to invest 700 billion yuan (about 11 trillion yen) by 2020. We also expect to receive orders for our power system equipment designed for UHV power transmission due to continuing investment based on the Belt and Road Initiative.



1,000kV Gas Insulated Voltage Transformer (UHV VT)

5 AC and 8 DC power transmission routes under China's West-East Electricity Transfer Project



Strengthening Our Industrial Equipment and Parts Contract Manufacturing Business in ASEAN Countries

S Social Capital expenditures and improving work environment

We are making the necessary investments to enhance our Industrial Equipment and Parts Contract Manufacturing Business in Thailand and Vietnam. Nissin Electric (Thailand) acquired an adjacent factory and began operations in June 2018. We have also moved forward with the installation of the latest processing equipment in Nissin Electric (Vietnam). Our aim going forward is to continue to further expand our business in response to the ever-growing needs of our customers.



Exterior of the new factory at Nissin Electric (Thailand)



Inside the new factory at Nissin Electric (Thailand)

Renewable Energy and Environment

Related SDGs



This business segment addresses social needs which are increasing on a global scale, such as the use of renewable energy sources, the subsequent need for more stable electric power systems, electricity infrastructure improvement and the prevention of environmental pollution. In the renewable energy business, we provide power conditioners (PCS) and photovoltaic systems with them as the core, as well as products used for the 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.

Main Products



Power Conditioner for Photovoltaic System

A power conditioner transforms direct current electricity generated in the photovoltaic module into alternating current electricity.



Supervisory Control System for Waterworks

A system that supports the management and operation of facilities by monitoring and controlling the operation of waterworks facilities, improving water quality, and contributing to reducing energy consumption.



Photovoltaic System with Storage Battery

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



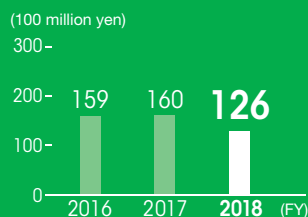
HEMS (Home Energy Management System)

A home energy management system that displays total power usage that can also control electric appliances such as air conditioners.

Share of Total Sales



Net Sales



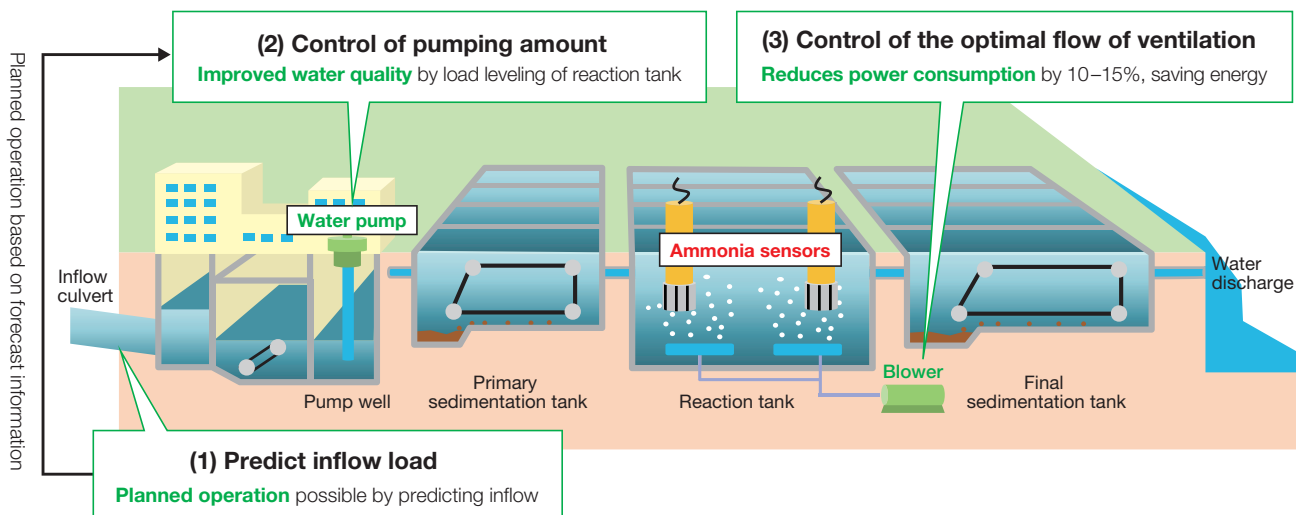
VISION 2020 Growth Scenario

Developing New Functions to Expand Our Water Treatment Facility Solution Business

E Saving energy and improving water quality
Environmental

In addition to using artificial intelligence (AI) and the IoT to predict inflow loads and optimizing the control of pumped water amounts, ammonia sensors can measure the quality of wastewater, and

the control of the amount of air can be optimized. These new functions save energy, improve water quality, and make operation stable.



Using Power System Analysis in the Growing Wind Power Generation Market

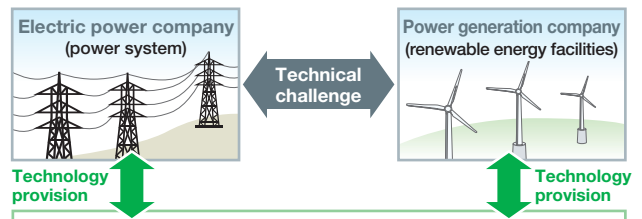
With the increasing use of renewable energy, it has become necessary in recent years to tackle the challenge of grid connection associated with large scale projects, large capacities, and long distance power transmission. We leverage our power system analysis based on substation equipment technology and power quality management technology that we have cultivated over the years in our Power System Equipment Business in large-scale wind power generation, which is expected to grow in the future.

Our strengths

<p>The ability to make system proposals</p> <p>The ability to design and propose optimal systems for grid connection equipment</p>	<p>A wealth of experience</p> <p>A proven record of installing grid connection equipment for wind and solar power generation</p>
<p>Power quality management equipment</p> <p>A full lineup of power quality management equipment for wind power generation</p>	<p>Power system analysis</p> <p>A wealth of knowledge and power system analysis technology on power quality management</p>

Responding to the challenge of power quality in Long-distance cable power transmission

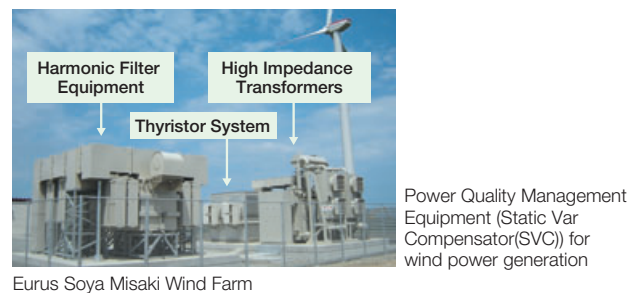
- Voltage fluctuation when a cable is charged/stopped
- Heating of equipment due to harmonic resonance
- Malfunction of circuit breakers when a cable fails



Nissin Electric

Solves challenges with substation system technology and power quality management technology

Substation Equipment **Power Quality Management Equipment**



Expanding the Photovoltaic Systems Market for Self-consumption

The market for renewable energy from the photovoltaic power generation market is shifting to a photovoltaic power self-consumption model where electricity is consumed by the Storage Batteries for Local Production and Local Consumption of

Renewable Energy installations that produce it. The self-consumption model requires measures to counteract reverse load flows due to grid capacity, but we propose a more optimal system based on our record of more than 30 years of achievements.

Model case: 500 kW Photovoltaic System

- Monitoring terminal, sensors (equipment consideration, not including construction)
- Not including upgrade of existing facilities

DC cable constructed on the roof

Installation of brackets only

Less than 20 m tall

Cable construction up to PCS

Folded-plate metal roof

Model case image

Initial cost: Approximately 100 million yen
Expected power generation capacity: Approximately 547.5 MWh/year

Economic effect
 Electricity rate: **16 yen/kWh + 2.90 yen/kWh**
 Simple payback period: **Approximately 10 years**
(not including operating costs)

Environmental effect
 Crude oil equivalent: **124 kL/year** (0.227kL/MWh × 547.5MWh/year)
 CO₂ emission equivalent: **296 t-CO₂/year**
(541.5kg/MWh × 547.5MWh/year)

(Calculations assume system unit cost is 200,000 yen/kW, equipment usage rate is 12.5 %, and renewable energy charge is 2.90 yen)

Storage Batteries for Local Production and Local Consumption of Renewable Energy

Demand in the storage battery market is anticipated to grow due to the expansion of renewable energy and the supply adjustment needs of electric power due to the separation of electric power generation and transmission scheduled for 2020. Nissin Electric meets those diversifying needs by developing equipment such as a new PCS for storage batteries in virtual power plants (VPP).



Power Conditioner for Storage Battery

Storage battery to solve a variety of challenges

<p>Effective use of renewable energy</p> <p>For customers concerned about output control and stabilization of power system</p>	<p>Reduction in the cost of electricity</p> <p>For customers thinking about peak suppression and use of distributed energy resource</p>
<p>Regulation of power demand and supply</p> <p>For customers concerned about imbalances in rates</p>	<p>Measures for blackout</p> <p>For customers concerned about voltage dips and blackout</p>

Charged Beam Equipment and Processing

Related SDGs



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 (EPSs) 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.

Main Products



Ion Implanter for FPD

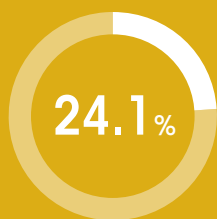
Ion implanters are essential for manufacturing high-definition displays used in mobile digital terminals and other devices.



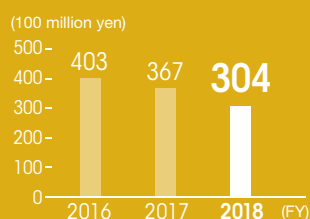
Electron-beam Processing System (EPS)

An electron-beam processing system is used to manufacture heat-resistant coated electric wires, heat-shrinkable tubing, polyethylene foam, and automobile tires.

Share of Total Sales



Net Sales



Ion Implanter for Semiconductor

Ion implanters are essential for manufacturing the semiconductor devices found in a host of digital products.



Thin-film Coating Service

Thin-film coating services to achieve prolonged life and save energy in automotive parts, tools and molds, among others.

VISION 2020 Growth Scenario

Growing Sales of Ion Implanters for Semiconductors

1 Entrance into the Large Current Equipment Market

The application of semiconductors has expanded dramatically with the spread of not only smartphones and PCs but also of the IoT, and the demand for manufacturing equipment is increasing. In addition to the medium current equipment market, we have developed and begun marketing a new large current ion implanter based on our wide area ion beam technology, which cultivated in the ion implanter for FPD as a new product for the large current equipment market where there is greater demand.

Large Current Ion Implanter LUXION



2 Ion Implanter for SiC Power Devices

We expect to see the full-scale mass production of SiC power devices for the next-generation in markets such as automobiles, electric power, and home appliances. The Nissin Electric Group develops and sells the industry's only high-temperature ion implanter that can mass produce SiC devices.

Ion Implanter for SiC Power Devices IMPHEAT



Continued Demand for Ion Implanter for Flat Panel Display (FPD)

Despite sluggishness and weak growth in production investment in South Korea and China, which were booming due to the adoption of organic EL panels for smartphones and other devices, the market still maintains high levels.

We expect to see continued demand in the future, even for ion implanter for FPD in which we own a 100% market share worldwide.



Ion Implanter for FPD

Growth in Electron-Beam Processing Systems from Expanding Applications

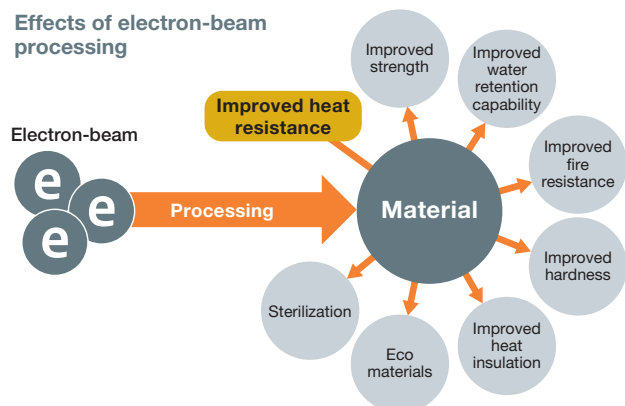
In addition to growing use in automotive fields, the use of electron-beam processing systems in medicine is increasing due to the increase in the use of medical devices as a result of aging populations and improving medical environments in emerging countries. These systems are also being used for materials for aircraft and other applications, in addition to the sterilization of medical devices.



Use in sterilizing and disinfecting medical devices

Use in aircraft materials

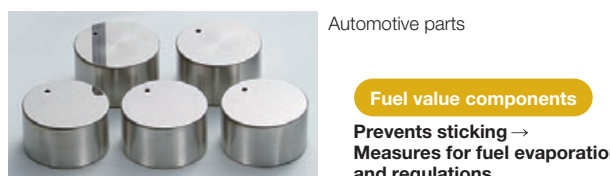
Effects of electron-beam processing



Electron-beam Processing System (EPS)

Meeting Different Needs in the Automotive Parts Field

Nissin Electric developed and launched iDS-mini, a high-performance coating system that enables superior quality hard films to be applied in a short time. We will also introduce existing membranes to the market, with an emphasis on diamond-like carbon (DLC) membranes, and expand orders, developing competitive DLC film quality and introducing it to the automotive parts field.



Automotive parts

Fuel value components

Prevents sticking → Measures for fuel evaporation and regulations

Engine components

Sliding → Improved fuel consumption



High-Performance Coating System iDS-mini

Clutch components

Wear resistance → Improved durability

Drive train components

Wear resistance → Improved durability, noise-proofing

Life Cycle Engineering

Life Cycle Map



Related SDGs



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” 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.

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.



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.



3 Maintenance

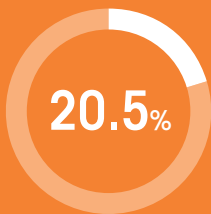
We carry out regular maintenance inspections and replace or repair parts with a limited lifetime to prevent damage or accidents before they happen and to extend service life. Our commitment to the customer covers the entire life cycle of their equipment.



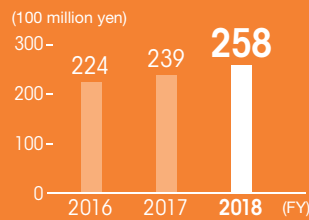
4 Facility assessment

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.

Share of Total Sales



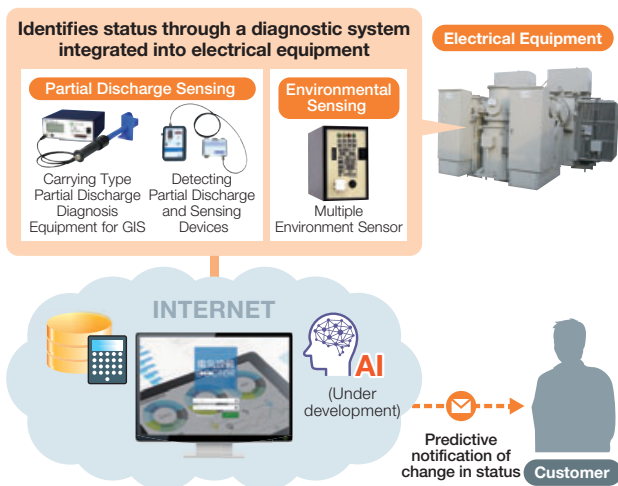
Net Sales



VISION 2020 Growth Scenario

Developing a Facility Assessment System Combining IoT

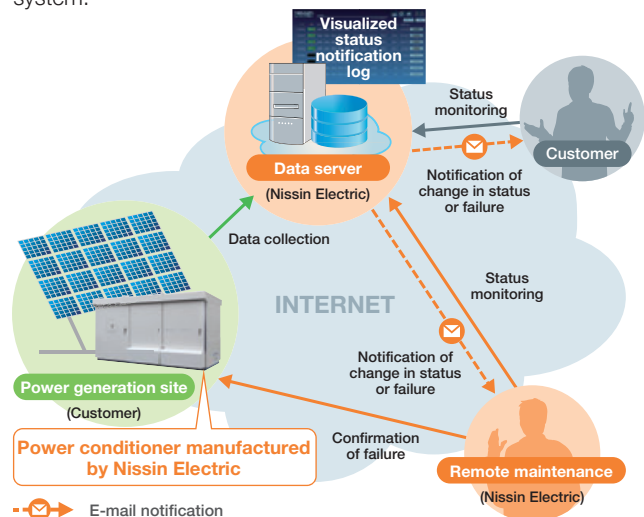
We are working on the development of the “Electrical Equipment DOCTOR” a facility assessment system that combines our proprietary facility assessment equipment with IoT.



Support Via Remote Maintenance

E Diffusion and expansion of renewable energy
Environmental

We provide remote support to the solar power plants with a remote visualization and observation service by a remote monitoring system.



The Opening of the “Nissin Academy Training Center”: A Center for Developing the Next Generation of Human Resources

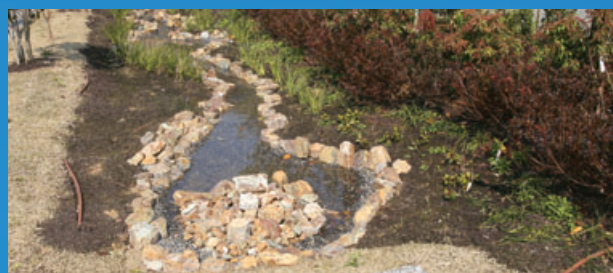
A training center with environmentally-friendly facilities

To mark the 100th anniversary of Nissin Electric, the company opened the Nissin Academy Training Center in April 2019 to develop the next generation of human

resources. The training center offers practical education and training in order to transfer and cultivate technology and skills through practical training.

Main Features


- Outside appearance design fusing the tradition of Kyoto and innovative functions with the surrounding landscape taken into consideration.
- Following the “The Basic Plan for Green of Kyoto City,” many exterior spaces and green areas have been installed, under the concept of biodiversity and rain garden, paying consideration to the environment.
- Air conditioning loads are reduced through the adoption of high insulation performance roofs and double glazed windows to shut out sun rays and cold air along with the use of high efficiency air conditioners. Natural air circulation is realized by measures such as courtyards, which provide paths for air.



Rain garden



Courtyard as seen from the entrance

 日新電機株式会社
日新アカデミー研修センター

Feature

The Practical Training Building is equipped with a wide range of machines to train on.

The practical training building has 14 large and small practical training rooms equipped with the actual products and machinery used by businesses such as the Power System Equipment, Renewable Energy and Environment Business, and Charged Beam Equipment and Processing Business. Interacting with the actual machines allows one to understand and learn operation, maintenance, inspection, modification, assembly, etc., with the five senses, which contributes to acquiring more practical skills.

Advanced engineers are trained in maintenance and repairs through utilizing forecasting, optimal operation planning, control technology, IoT, and AI technology, which are at the core of smart power supply systems, in addition to passing on technology and skills relating to substation equipment and other facilities.



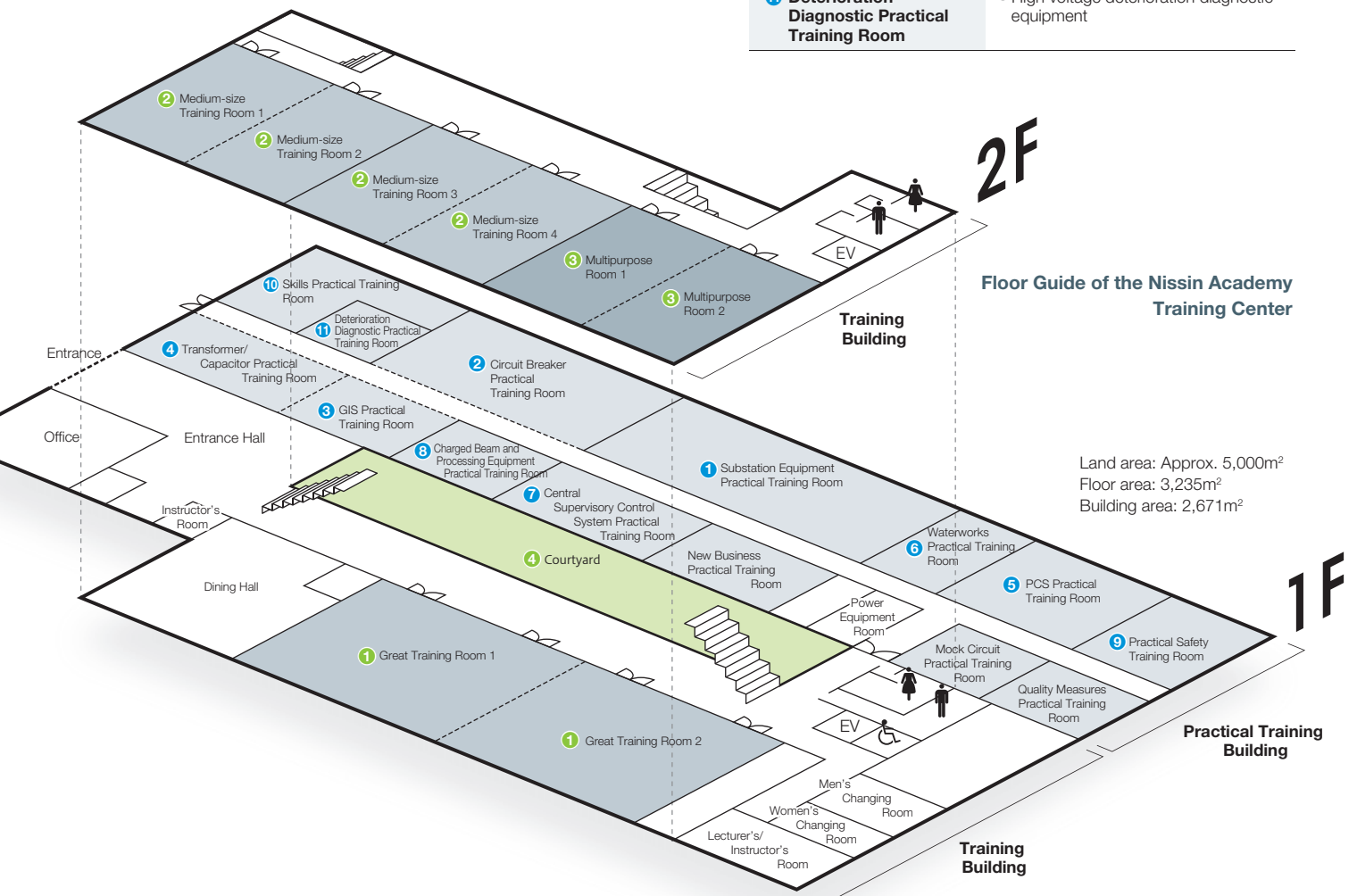
3 GIS Practical Training Room



4 Transformer/Capacitor Practical Training Room

Overview of practical training rooms and equipment

Facility	Equipment
1 Substation Equipment Practical Training Room	<ul style="list-style-type: none"> 77kV mock substation equipment 22kV substation 6kV substation
2 Circuit Breaker Practical Training Room	<ul style="list-style-type: none"> Circuit breakers and switchgear
3 GIS Practical Training Room	<ul style="list-style-type: none"> Compact type gas insulated switchgear (GIS)
4 Transformer/Capacitor Practical Training Room	<ul style="list-style-type: none"> Oil filled transformer Tank-type capacitor
5 PCS Practical Training Room	<ul style="list-style-type: none"> Power conditioner (PCS)
6 Waterworks Practical Training Room	<ul style="list-style-type: none"> Supervisory control system for waterworks Power electrical system
7 Central Supervisory Control System Practical Training Room	<ul style="list-style-type: none"> Central supervisory control system
8 Charged Beam Equipment and Processing Practical Training Room	<ul style="list-style-type: none"> Vacuum evacuation unit
9 Practical Safety Training Room	<ul style="list-style-type: none"> Practical safety equipment VR training equipment
10 Skills Practical Training Room	<ul style="list-style-type: none"> Screw tightening, clamping connection, electric wiring Board processing practical training equipment
11 Deterioration Diagnostic Practical Training Room	<ul style="list-style-type: none"> High voltage deterioration diagnostic equipment





1 Substation Equipment Practical Training Room



2 Circuit Breaker Practical Training Room



5 PCS Practical Training Room

Training Building: Equipped with Facilities for All Types of Training

The two-storey training building is equipped with spaces that include practical training rooms, a break area, and a cafeteria, and is expected to be used as a hub for human resources development and exchanges.

The center can handle a wide range of training styles. The great training rooms can accommodate up to 300 people and are scheduled to be the venue for various training sessions and seminars inside and outside the company. There is also a total of six medium-size training rooms/multipurpose rooms that can be used by small groups and groups up to 80 people. We plan to further enhance global education courses for those on overseas business trips and transferees by leveraging our advanced video conferencing system and ICT equipment, and accelerate the development of global human resources.



1 Great Training Room



2 Medium-size Training Room



3 Multipurpose Room



4 Courtyard

Nissin Club Saganoso was Added to the Training Center as a Place to Facilitate Communication with Stakeholders

Nissin Club Saganoso, part of the Nissin Academy Training Center, is a facility with spaces for facilitating communication between employees and with the company's stakeholders, as well as spaces for enriching communication between peers, between superiors and subordinates, and with outside people.

Saganoso consists of 5 rooms, including a grand hall with a capacity of 48 people and small rooms that can hold up to 8 people. Guests of the facility can enjoy engaging conversation over diner.



Entrance of Nissin Club Saganoso



Grand Hall



Small Room

Fulfilling Our Responsibilities to Stakeholders Based on

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

Through Corporate Activities That Support the Foundations of Society and Industry, the Nissin Electric Group Will Continue to Contribute to Creating a Vibrant Society in Harmony with the Environment.

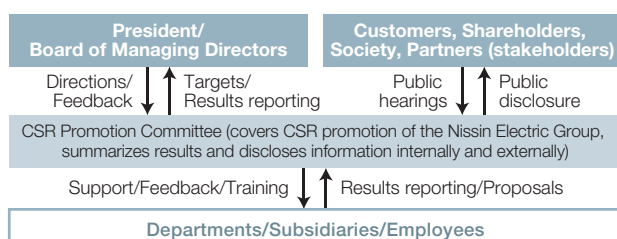


Promoting Activities through the CSR Promotion Committee

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 their local circumstances.

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








SDGs Initiatives

Through our business activities, the Nissin Electric Group is striving to contribute to the 17 Sustainable Development Goals (SDGs) adopted at the UN Sustainable Development Summit in 2015.







Our 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, Renewable Energy and the Environment, Charged Beam Equipment and Processing, 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 6,857 shareholders and the total number of shares outstanding is around 100 million. The breakdown of shareholders includes 18% financial institutions, 58% domestic corporations, 14% foreign corporations, 8% individuals, and 2% other (as of March 31, 2019).	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, 2019).	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 69 partners participated in partner meetings held for suppliers (results for the second half of fiscal 2018; Nissin Electric Co., Ltd.). Additionally, 21 distributors participated in the nationwide meeting of distributors (results for fiscal 2018; 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 5,078. This workforce is broken down into 55% in Japan and 45% overseas (as of March 31, 2019).	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

Our Commitment to CSR

CSR Activities – Plan/Results for Fiscal 2018 and Policy for Fiscal 2019

Domain	Initiative Theme	PLAN	DO (Fiscal 2018 Results)
Environment	 Initiatives for Global Environmental Conservation P.25-28	<ul style="list-style-type: none"> ● Submit commitment letter to SBT initiative 	<ul style="list-style-type: none"> ● Calculated greenhouse gas (GHG) emissions
		<ul style="list-style-type: none"> ● Achieve CO₂ emission reduction target through environmentally friendly products and services ● Achieve reduction target for CO₂ emissions associated with energy usage cutbacks ● Achieve target for SF₆ gas emission rate into the atmosphere 	<ul style="list-style-type: none"> ● Achieved CO₂ emission reduction target ● Achieved target for SF₆ gas emission rate into the atmosphere
Trust	 Customers P.29-31	<ul style="list-style-type: none"> ● 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 	<ul style="list-style-type: none"> ● Thoroughly reviewed and reinforced the implementation of measures using the QC method for the group ● Held the Nissin Electric Group QA Conference monthly ● Built and began testing IT-based design review mechanism
		<ul style="list-style-type: none"> ● Make improvements by collecting and analyzing customer feedback 	<ul style="list-style-type: none"> ● Conducted a customer survey to collect customer opinions, and provided feedback and improvement proposals to divisions
	<ul style="list-style-type: none"> ● Conduct LCE activities to prevent product accidents due to aging degradation and improve the reliability of maintenance work by introducing new technologies 	<ul style="list-style-type: none"> ● Implemented line inspections without interrupting power to assess the soundness of equipment ● Proposed maintenance and upgrading plans based on facility assessments ● Improved efficiency of inspections and reliability by automating protection relay tests during inspections 	
	<ul style="list-style-type: none"> ● Expand business to resolve customers' energy issues, build and expand win-win relationships with customers ● Identify issues in public water treatment and propose solutions 	<ul style="list-style-type: none"> ● Identified customer needs and rolled out ENERGMATE solutions that made effective use of distributed power generation ● Developed a simple proposal tool that is easy for customers to understand ● Proposed new energy-saving control using ammonia sensors to customers, and conducted evaluation tests ● Received order (1 system) for sensors and visualization system ● Improved the accuracy of detecting rainwater inflow with imaging technology and implemented horizontal deployment proposal 	
	 Shareholders P.32,41	<ul style="list-style-type: none"> ● Respond to the partial revision to the Corporate Governance Code 	<ul style="list-style-type: none"> ● Incorporated Corporate Governance Guidelines ● Disclosed in Corporate Governance Report
		<ul style="list-style-type: none"> ● Carried out face-to-face investor relations activities ● Carried out investor relations using publications 	<ul style="list-style-type: none"> ● Conducted earnings presentations for institutional investors, individual meetings and conference calls, and company presentations for individual investors ● Published earnings reports, annual report, fact book, etc.
	 Society P.33-34	<ul style="list-style-type: none"> ● Carry out initiatives for expanding the horizons of engineers and assist them with finding schooling in Japan and overseas 	<ul style="list-style-type: none"> ● Continued to operate full grant-based scholarship program ● Used new teaching materials for on-site science classes for elementary school students ● Provided assistance to expanding the base of science and technology human resources
		<ul style="list-style-type: none"> ● Expand monetary donations to businesses and organizations who agree with our mission ● Maintain, preserve, and use Sekison-tei 	<ul style="list-style-type: none"> ● Provided assistance to initiatives of Kyoto Prefecture and the City of Kyoto ● Partially repaired Sekison-tei building and the garden, and added measures to protect against storms
	 Partners P.35-36	<ul style="list-style-type: none"> ● Participate in waste reduction activities ● Cooperate with forest conservation 	<ul style="list-style-type: none"> ● Cooperated with Gion Festival Zero-Waste Project ● Conducted forest preservation activities in the Kyoto area and expanded activities to the Maebashi area
		<ul style="list-style-type: none"> ● Enhance CSR procurement activities throughout the supply chain by conducting CSR surveys and other efforts 	<ul style="list-style-type: none"> ● Began second survey on CSR procurement initiatives
	 Employees P.37-40	<ul style="list-style-type: none"> ● Strengthen cooperation with partners and build win-win relationships 	<ul style="list-style-type: none"> ● Held partner meetings and meetings at the division level to further strengthen cooperation with business partners ● Held regular meetings with transportation business partners
		<ul style="list-style-type: none"> ● Take measures to eliminate the three serious occupational accidents (electric shocks, falls, and transport-related injuries) ● Make safety transparent ● Perform stress checks 	<ul style="list-style-type: none"> ● Conducted monthly safety work comprehension tests for target workers via e-learning ● Implemented basic requirements for working in high place and introduced speed limiters in transport vehicles ● Posted signboards of standardized protective equipment company-wide ● Conducted stress checks, including at group companies
<ul style="list-style-type: none"> ● Increased human resource development opportunities (target for annual number of participants: 5,300 or greater) 		<ul style="list-style-type: none"> ● Systematically held education and training for the eligible employees at the necessary time (increased the training curriculum, introduced trainer/mentor system and career design training) 	
<ul style="list-style-type: none"> ● Expanding the employment of people with disabilities and achieve the statutory employment rate revised in 2018 (Target: 2.2% employment rate of people with disabilities in the group) ● Improve percentage of female regular employees (to over 16%) ● Improve percentage of women in managerial roles (section manager and above) to over 2.5% 		<ul style="list-style-type: none"> ● Prepared for the opening of the Nissin Heartful Friend Co., Ltd. Maebashi office ● Expanded areas of outsourced work (data entry, etc.) and increased order volume (digitization, etc.) ● Actively promoted female regular employees ● Exceeded the plan for the ratio of female managers 	
<ul style="list-style-type: none"> ● Encourage employees to take paid leave ● Support the balancing of work and elderly care 		<ul style="list-style-type: none"> ● Promoted the use of the planned paid leave system and the memorial paid leave system ● Held the seminar on balancing work and elderly care ● Started supporters for elderly care that included branches 	
<ul style="list-style-type: none"> ● Continue to hold meetings between employees (managers and chiefs) and the President ● Strengthen cross-divisional connections of the quadrilateral subsection chiefs networking session ● Conduct an employee satisfaction survey and analyze the results 		<ul style="list-style-type: none"> ● Held 5 meetings between employees (managers and chiefs) and the President ● Held joint training sessions in September ● Provided analysis results to division general managers 	
Corporate Management	 Fair and Transparent Corporate Management P.41-42	<ul style="list-style-type: none"> ● Continue to maintain the compliance system ● Provide guidance to establish the Company Rules of Anti-Bribery for overseas and Japanese group companies 	<ul style="list-style-type: none"> ● Formulated and implemented compliance measures for priority compliance laws ● Conducted guidance and follow-up on establishing the Company Rule of Anti-Bribery at all group companies
		<ul style="list-style-type: none"> ● 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 	<ul style="list-style-type: none"> ● Held a Risk Management Committee meeting once a year ● Held a Risk Management Working-Level Committee meeting 4 times a year ● Conducted training drills on disaster prevention and to check the safety of employees, and prepared emergency supplies and food at production bases in Japan
	<ul style="list-style-type: none"> ● Revise the Company Information Management Rule and establish the Company Information Management Guidelines 	<ul style="list-style-type: none"> ● Established the Company Information Management Rule and enacted the Company Information Management Guidelines ● Established the Information Management Ledgers in each division and enforced management of top-secret information 	
	<ul style="list-style-type: none"> ● Utilizing ICT and thorough information security 	<ul style="list-style-type: none"> ● Implement various measures at Nissin Electric and domestic group companies ● Implement various measures aimed at overseas group companies 	<ul style="list-style-type: none"> ● Continued measures to prevent viruses (removal of executable file attachments, e-learning, email training, etc.) ● Enhanced measures against infections and intrusions (attack detection and containment) ● Strengthened terminal management for overseas group companies (introduction or deployment of tools)

○:Results, *:Issues

	CHECK	ACTION (Fiscal 2019 Policies)	ESG	SDGs
	<ul style="list-style-type: none"> ○ Established a system for calculating GHG emissions * Delayed submission of commitment letter to SBT initiative 	<ul style="list-style-type: none"> ● Submit commitment letter to SBT initiative ● Calculate GHG emissions and improve accuracy of calculating GHG emissions ● Formulate GHG emission reduction targets and reduction measures 	<p style="text-align: center;">E Environmental</p>	
	<ul style="list-style-type: none"> * Promoted sales of high-efficiency products * Established energy conservation activities (major company-wide contribution) * Established emission reduction activities 	<ul style="list-style-type: none"> ● Strengthen efforts to promote the creation of environmentally friendly products ● Promote and strengthen energy conservation activities ● Strengthen management and use of SF₆ gas 		
	<ul style="list-style-type: none"> ○ Good prospect for improving recycling rate by recycling incineration ash ○ Established waste separation activities (major company-wide contribution) * Measures to counter increased VOC emissions due to increased paint consumption in some departments 	<ul style="list-style-type: none"> ● Application of incineration ash recycling throughout the year ● Continue to maintain landfill waste ratio and further reduce waste ● Monitor and support activities to reduce VOC emissions in departments that emit them 		
	<ul style="list-style-type: none"> ○ Rolled out the QC method for the group ○ Made the Nissin Electric Group QA Conference a regular event ○ Tested IT-based design review 	<ul style="list-style-type: none"> ● Expand quality improvements in Safety and Quality Enhancement Project activities through factory and design inspections ● Improve effectiveness of the Nissin Electric Group QA Conference 	<p style="text-align: center;">S Social</p>	
	<ul style="list-style-type: none"> ○ Changed survey format description and rolled out improvements from concrete opinions : 767 surveys collected and posted on internal company website 	<ul style="list-style-type: none"> ● Continue to make further improvements using customer feedback 		
	<ul style="list-style-type: none"> ○ Nearly all line inspections and facility assessments completed * Further enhanced automatic protection relay test 	<ul style="list-style-type: none"> ● Enhance functions to automate protection relay tests ● Improve work efficiency by promoting IT in the workplace 		
	<ul style="list-style-type: none"> ○ Implemented multiple solution proposals incorporating distributed power generation, focusing on ENERGMATE * Further expanded solution proposals by building upon results of efforts 	<ul style="list-style-type: none"> ● Actively propose household consumption systems based on customer issues ● Promote solutions for customer needs, such as CO₂ reduction and BCP measures 	<p style="text-align: center;">S G Social Governance</p>	
	<ul style="list-style-type: none"> ○ Expansion of customer awareness to new solution proposals : Completed demonstrations of ammonia sensor at 7 locations * Need to expand proposal activities aimed at implementation 	<ul style="list-style-type: none"> ● Deepen customer trust through expansion of solution proposals for implementation ● Expand proposals, such as for application of membrane processing technology and BCP measures for securing power in a disaster 		
	<ul style="list-style-type: none"> ○ Incorporated into Corporate Governance Guidelines (November) ○ Disclosed in Corporate Governance Report (November) 	<ul style="list-style-type: none"> ● Implement work necessary to continue compliance (implemented) and hold Nomination and Compensation Committee, analysis and evaluation of the Board of Directors, etc. ● Trend survey and response to revised content of relevant laws and regulations and guidelines 		
	<ul style="list-style-type: none"> ○ Conducted 1 earnings presentation for institutional investors, 101 individual meetings and conference calls, and 2 company presentations for individual investors * Conducted explanations that enable investors to deepen their understanding 	<ul style="list-style-type: none"> ● Expand engagement with investors so that they can deepen their understanding 	<p style="text-align: center;">S Social</p>	
	<ul style="list-style-type: none"> ○ Providing scholarships for technical graduate students ○ Held on-site science classes for elementary school students at 25 schools ○ Started support workshop of robot 	<ul style="list-style-type: none"> ● Continue to operate full grant-based scholarship program ● Improve on-site science classes for elementary school students in accordance with revisions to the school curriculum guideline 		
	<ul style="list-style-type: none"> ○ Built relationship to continue cooperation with the Kyoto Prefecture ○ Implemented measures for the maintenance and preservation of Sekison-tei * Enhance search for new grant recipients 	<ul style="list-style-type: none"> ● Carry on and expand grant programs through tie-ups with governments, and consider new grant recipients ● Continue to preserve Sekison-tei building and garden 		
	<ul style="list-style-type: none"> ○ Coordinated with governments for cooperation with forest preservation activities in the Maebashi area 	<ul style="list-style-type: none"> ● Continue and expand forest preservation activities with employee volunteers 	<p style="text-align: center;">S Social</p>	
	<ul style="list-style-type: none"> ○ Expanded target of CSR procurement survey to all business partners with 90% of total transaction amount * Spread CSR procurement to business partners 	<ul style="list-style-type: none"> ● Advance educational activities through daily business dealings and training sessions ● Expand the targets of the CSR procurement survey ● Facilitate thorough understanding of CSR procurement guidelines for individual business partners 		
	<ul style="list-style-type: none"> ○ Held partner meetings on 2 occasions, held individual meetings with Nippon ITF Inc., conduct visits to business partners by young employees ○ Held regular meetings with transportation business partners on 2 occasions * Further strengthened relations with business partners 	<ul style="list-style-type: none"> ● Reinforce partnerships by continuing and expanding partner meetings 		
	<ul style="list-style-type: none"> * Although there were no electric shocks, eliminating accidents from falls and transport-related injuries is a challenge ○ Achieved stress check implementation rate of 95%, conducted interviews with employees with elevated stress levels, and performed group analysis 	<ul style="list-style-type: none"> ● Reinforce initiatives aimed at eliminating the three serious occupational accidents ● Strengthen safety and health management system and enhance safety and health training ● Conduct fourth year of stress checks and verify improvement results 	<p style="text-align: center;">S Social</p>	
	<ul style="list-style-type: none"> ○ Did not achieve the target for the annual number of participants: 4,507 ○ Annual curriculum: increased to 190 courses * Increased the number of participants 	<ul style="list-style-type: none"> ● Increase of human resource development opportunities (target: more than 5,500 participants per year) ● Promote career development for young employees and enhance global education ● Enhance training of each technology and skill to develop the necessary personnel for business at an early stage and enhance the necessary education for work 		
	<ul style="list-style-type: none"> ○ Achieved the target: employment rate of 2.49% for the group (as of the end of March 2019) * Prepared a stable office operation environment and organization 	<ul style="list-style-type: none"> ● Promote increased hiring and expansion of scope of business with a view to increasing the 2020 statutory employment rate ● Stabilize operation and expand business at the Maebashi office established in April 2019 ● Move the Kyoto office and prepare a safer and more stable working environment 		
	<ul style="list-style-type: none"> ○ Percentage of women employees: 15.2%, Percentage of women in managerial roles: 2.5% (as of April 1, 2019) 	<ul style="list-style-type: none"> ● Improve percentage of female regular employees (to above 16%) ● Improve percentage of women in managerial roles (section manager and above) (to above 2.5%) 	<p style="text-align: center;">G Governance</p>	
	<ul style="list-style-type: none"> ○ Improvement in percentage taking annual paid leave: Fiscal 2017: 67.7% (15.2 days) Fiscal 2018: 66.6% (14.2 days) 	<ul style="list-style-type: none"> ● Achieve 100% and promote use of planned paid leave system and memorial paid leave system ● Have no employees taking less than 5 days of annual paid leave ● Accelerate study measures to reform through labor and management in the Labor-Management Committee on Smart Work 		
	<ul style="list-style-type: none"> ○ Promoted the sharing of goals the company aims for through lively discussions: total 50 participants ○ Contributed to many exchanges and cross-divisional connections: 89 participants ○ Conducted interviews by rank and developed more specific measures 	<ul style="list-style-type: none"> ● Continue to hold discussions with newly appointed managers and chiefs in fiscal 2019 ● Continue to hold the quadrilateral subsection chiefs networking session ● Conduct the fiscal 2019 employee satisfaction survey and verify the results of improvements 		
	<ul style="list-style-type: none"> ○ Confirmed the status of compliance with priority compliance laws in the Compliance Committee (4 times a year) ○ Finished establishing the Company Rule of Anti-Bribery at all group companies ○ Shared risk cases and solved problems for 16 themes ○ Conducted training drills on disaster prevention in 16 divisions, and held drills to check the safety of employees 4 times throughout the company, and completed installation of earthquake early warning systems at 2 divisions * Identified potential risks and changing risks 	<ul style="list-style-type: none"> ● Formulated and implemented compliance measures for priority compliance laws ● Instruct overseas and Japanese group companies on the Company Rules of Anti-Bribery based on the laws and ordinances of the country ● Identify business risk, and further study and implement measures ● Continue and expand implementation items from fiscal 2018 ● Develop various measures in the event of a large-scale disaster 	<p style="text-align: center;">G Governance</p>	
	<ul style="list-style-type: none"> ○ Established the Company Information Management Rule (April) and enacted the Company Information Management Guidelines after its training (October) ○ Established the Information Management Ledgers in each division and enforced management of top-secret information (as of the end of March) 	<ul style="list-style-type: none"> ● Scrutinize and match levels of the Information Management Ledgers of each department, and offer guidance ● Follow up on management implementation status of top-secret information in each department, and enforce and follow up on the management of information other than top-secret information ● Roll out group companies in Japan based on response within Nissin Electric 		
	<ul style="list-style-type: none"> ○ Measures for Nissin Electric and domestic group companies were effective to some extent and are ongoing ○ deployment of the software asset management system to overseas group companies, and currently preparing for operation monitoring * Raise the management level at overseas group companies to the same level of domestic group companies 	<ul style="list-style-type: none"> ● Continue and expand current measures in Japan ● Raise the management level overseas by deploying the software asset management system and operation monitoring 		



Initiatives for Global Environmental Conservation

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.



Waterscape of a natural river environment that recirculates rainwater



Rain garden that slowly lets rain water soak into the ground

Highlight 2018 Conservation of Biodiversity

A Rain Garden and a Waterscape That Show the Importance of Biodiversity

Leveraging its experience in maintaining the green space at its Head Office & Works that has been a part of its biodiversity conservation activities, Nissin Electric has developed the grounds around the “Nissin Academy Training Center” and “Nissin Club Saganoso,” opened in March 2019, on the concept of “biodiversity + rain garden” in accordance with The Basic Plan for Green of Kyoto City.

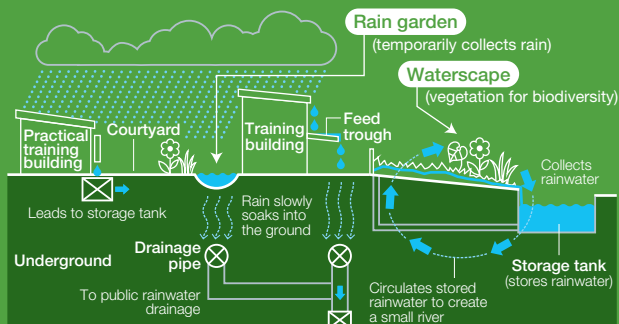
The rain garden works to prevent rapid runoff to public drains by temporarily storing rainwater on the surface and then slowly allowing it to soak into the ground. This helps to control drainage overflow during short, intense periods of rainfall, which have been increasing in recent years.

Additionally, in the waterscape, which circulates stored rainwater, we planted trees and shrubs to create a natural

river-like ecosystem. Going forward, we plan to expand the biodiversity network by transplanting some of the rare plants that are growing well at our Head Office & Works.

From this space, we hope to provide opportunities not only for employees but also for people in the community to understand the importance of biodiversity.

Overview of Rain Garden and Waterscape

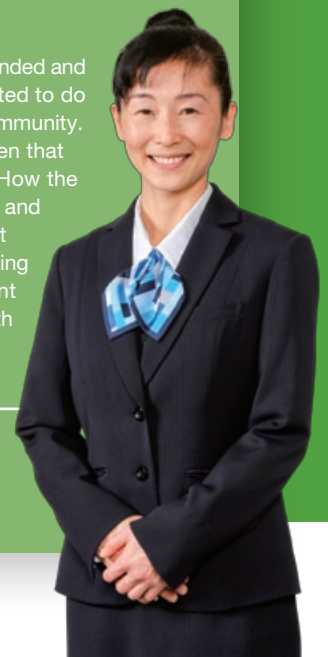


As a Member of the Community, Creating an Activity That Anyone Can Participate in

Working for a company that was founded and is operating in Kyoto, I knew I wanted to do something that mattered for my community. So, I decided to set up a rain garden that functions as green infrastructure. How the plants will take root is up to nature, and it will take several years to see what happens. First, I want to start by letting employees know just how important this project is. I want to come up with ideas that become actions that the company can be proud of.

Youko Hattori

Production Engineering Department



Reduction of Greenhouse Gas Emissions

Setting Reduction Targets for SBT Certification

The Nissin Electric Group is working on initiatives to solve global environmental issues based on the Sustainable Development Goals (SDGs) adopted at the UN Sustainable Development Summit in 2015. The group aims to obtain SBT* certification as an initiative toward “SDG 13: Take urgent action to combat climate change and its impacts.” SBT certification is an international initiative and useful tool that is easily demonstrated to stakeholders.

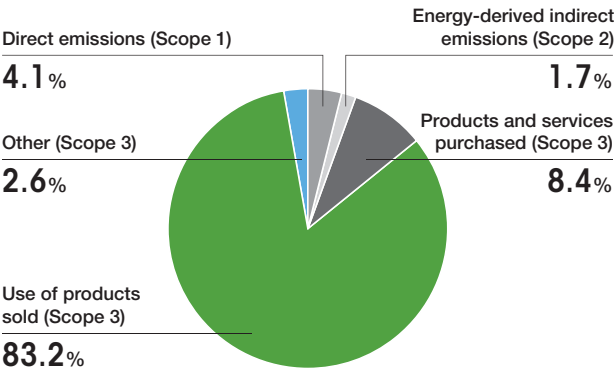
From fiscal 2018, the Nissin Electric Group also began calculating its greenhouse gas emissions in the group’s supply chain in Japan and abroad using the Basic Guidelines on Calculating Greenhouse Gas Emissions in the Supply Chain Ver. 2.3 issued by METI and the Ministry of the Environment. Going forward, we will evaluate and analyze the calculated greenhouse gas emissions and set reduction targets required for SBT certification.

* SBT: Science Based Targets. An initiative to set medium- to long-term scientifically-based greenhouse gas reduction targets for companies in order to achieve the Paris Agreement goal of preventing a 2°C rise in global average temperatures.

CO₂ Emission Results for the Entire Supply Chain

Total: 1,604,000 t-CO₂

(Fiscal 2018; Nissin Electric Group in Japan + Overseas Group Companies)



t-CO₂: Tons of carbon dioxide. Unit indicating the amount of greenhouse gas emissions.

Scope of data:

Nissin Electric Co., Ltd. and the seven Japanese group companies of NHV Corporation, Nissin Business Promote Co., Ltd., Nissin Systems Co., Ltd., Nissin Ion Equipment Co., Ltd., Nippon ITF Inc., Nissin Pulse Electronics Co., Ltd., Auland Co., Ltd., and the 12 overseas group companies of Nissin Electric (Thailand) Co., Ltd., NHV America Inc., Nissin Allis Electric Co., Ltd., Nissin Electric (Wuxi) Co., Ltd., Beijing Hongda Nissin Electric Co., Ltd., Nissin Electric Wuxi Co., Ltd., Nissin Electric Vietnam Co., Ltd., Nissin Advanced Coating (Shenyang) Co., Ltd., Nissin Advanced Coating (Tianjin) Co., Ltd., Nissin Advanced Coating Indo Co., Private Ltd., Nissin Ion Hightech (Yangzhou) Co., Ltd., NHV Accelerator Technologies Shanghai.

Spreading Environmentally Friendly Products

Reviewing Eco-Certification Evaluation Criteria

Since the “Use of products sold (Scope 3)” exceeds 80% in the calculation ratio of greenhouse gas emissions in the supply chain, the Nissin Electric Group aims to reduce emissions when using products, and has not only developed environmentally friendly products, but also promoted initiatives to encourage their use.

Currently, we have our own “eco-product” certification for products that conform to one or more items as environmentally friendly products, such as being compact or not containing harmful substances, and whose supply chain greenhouse gas has been reduced by 20% or more from fiscal 2000 levels. Additionally, there is also “super eco-product” certification for products that reduce emissions by 50% or more, in which both certifications are identified by a label (Type II environmental label).

At the moment, we are actively working toward the reduction target when using products. Going forward, in anticipation of SBT certification, we will review environmentally friendly products based on the new evaluation criteria of the annual SBT standards comparison.



Environmentally Friendly Products label

Resource Conservation and Recycling Activities

Certified FY2018 Business Recognized for Excellence in Industrial Waste Disposal & 3Rs by Kyoto City

Businesses who discharge industrial waste have a responsibility to do so lawfully, including when outsourcing its transportation and processing to a contractor. Under the Kyoto City Recognition system of Business Recognized for Excellence in Industrial Waste Disposal & 3Rs, businesses are screened after having filled out a self-check application for items to be observed, and are certified as recognized excellent workplaces.

Our Head Office & Works was certified at a ceremony in March 2019 as a business that promoted self-checks and improvements (industrial waste check system) for the 3Rs of industrial waste and their proper disposal.



Certification ceremony by Kyoto City



Initiatives for Global Environmental Conservation

The Nissin Electric Group Environmental Policy

Environmental Policy

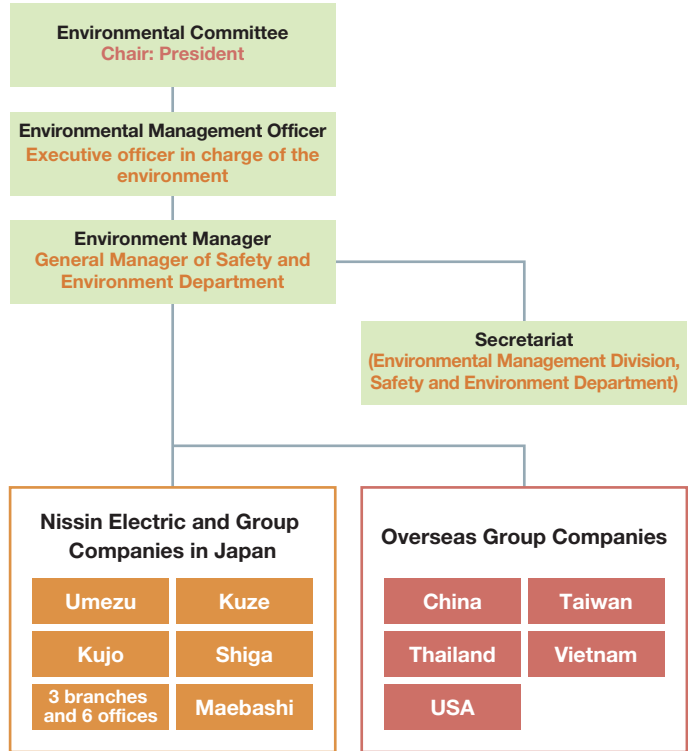
We strive to prevent environmental pollution, use resources sustainably and respond to climate change. We comply with environmental laws and regulations and strive to continually improve our environmental activities.

We are committed to the following activities with the aim of reducing these effects on the environment.

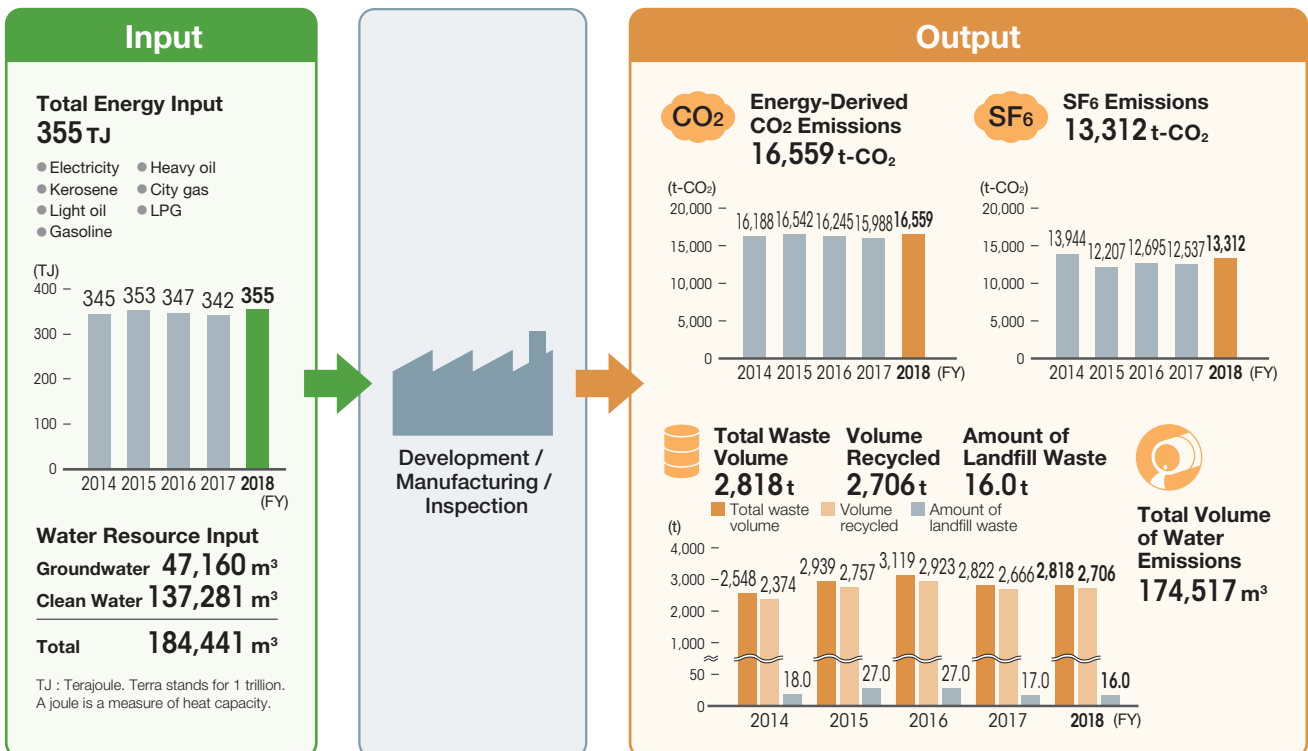
Focus Environmental Activities

- (1) Develop and supply environmentally friendly products and services
- (2) Reduce energy usage
- (3) Reduce SF₆ emissions into the atmosphere
- (4) Promote less usage of resources as well as the reduction and recycling of waste
- (5) Prevent environmental pollution due to emission and leakage of chemical substances into the environment

Environmental Management Structure



Input-Output (FY2018)



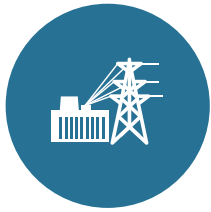
Targets and Results

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.

Targets of Activities	Fiscal 2020	Fiscal 2018			
	Mid- to Long-Term Environmental Target	Annual Environmental Targets	Results	Evaluation	Example of Activities
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: Reduced by 4.2% from fiscal 2015	3.1% reduction	▲	<ul style="list-style-type: none"> Began sales of the booster pump unit for SF₆ gas handling Promoted sales of high-efficiency products (transformers, power conditioners, etc.) Promoted development and sales of environmentally friendly products Carried out external environmental engagement activities linked to the sale of environmentally friendly products
	Energy Conservation (Reduction of direct emissions) Reduction of CO ₂ emissions associated with energy usage cutbacks in business activities CO ₂ emissions per unit (t-CO ₂ /million yen): 5% reduction compared to fiscal 2015	CO ₂ emissions per unit: 3% reduction compared to fiscal 2015 (0.213t-CO ₂ /million yen)	4.1% reduction (0.211t-CO ₂ /million yen)	○	<ul style="list-style-type: none"> Implemented Eco Work day Changed over to LED lighting Installed high-efficiency equipment Made efforts to ensure that vehicles did not idle unnecessarily
	Sulfur Hexafluoride (SF₆) Emission Reduction into the Atmosphere (Reduction of direct emissions) SF ₆ gas emission rate: 1.0% or less	SF ₆ gas emission rate: 1.4% or less	1.1%	○	<ul style="list-style-type: none"> Increased SF₆ recovery by attaching a booster pump Provided training to handlers
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: 3% reduction compared to fiscal 2015 (0.0378t/million yen)	8.6% reduction (0.0359t/million yen)	○	<ul style="list-style-type: none"> Waste material reduction by product design change or jig installation Reduced amount of wood packing materials Paper usage reduction through digitization
	Waste recycling ratio: 98.0% or higher	Waste recycling ratio: 98.0% or higher	96.0%	△	<ul style="list-style-type: none"> Reused wood packing materials Promoted returning wood pallets to vendors Thoroughly separated waste through workplace patrols Recycling of incineration ash
	Landfill waste ratio: Less than 1.0% every year	Landfill waste ratio: Less than 1.0%	0.56%	○	<ul style="list-style-type: none"> Encouraged recycling at waste disposers
	Prevent Environmental Pollution Reduce volatile organic compounds (VOC) emissions into the atmosphere Maintain the fiscal 2015 level	Maintain the fiscal 2015 level	4.6% increase compared to fiscal 2015	△	<ul style="list-style-type: none"> Improved efficiency of the paint coating process Provided training to painters
	Water usage: 5% reduction compared to fiscal 2015	Water usage: 3% reduction compared to fiscal 2015	16.4% reduction compared to fiscal 2015	○	<ul style="list-style-type: none"> Regularly upgrade toilets (installed low-flow toilets)
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	Conduct training on biodiversity for new hires Raising trees and plants to conserve biodiversity Use FSC-certified paper for printed material	○	<ul style="list-style-type: none"> Conducted training on biodiversity Used FSC-certified paper for the Nissin Report, etc. FSC-certified paper: Paper products from forests certified by the Forest Stewardship Council to be managed and harvested in ways that take into consideration the environment and local communities.

* 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.

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



Customer Trust

Engaging in activities from the perspective of the customer to make sure that we are always helpful to and trusted by customers.



We support Daikin Industries, Ltd. to conserve energy by making it possible to see the energy intensity at their Shiga Plant (Left: Akari Kakuta, System Engineering Division, Nissin Electric Co., Ltd.)

Highlight 2018

Supplying Products and Services That Resolve Customer Issues

Supporting the Optimal Operation of Energy Across the Entire Plant

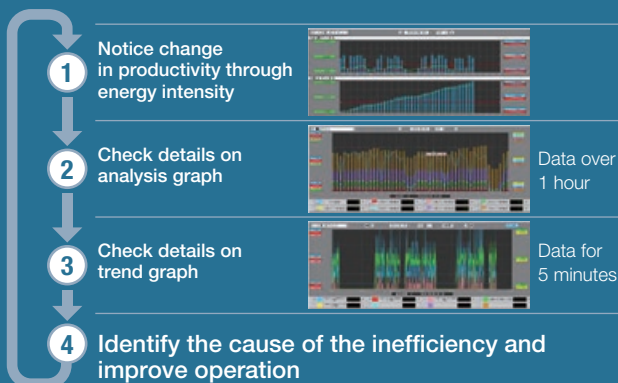
Nissin Electric promotes its “SPSS (Smart Power Supply Systems)” as a solution to achieve a stable supply of electricity, conserve energy, and reduce CO₂ emissions. We proposed to Daikin Industries, Ltd. that it elevates its optimal operation of energy across the entire factory at its Shiga Plant. Because they want to accelerate their energy conservation activities by further leveraging the systems that we have supported, we focused on Daikin’s production line and worked to make it possible to see their energy intensity*.

This made it possible to notice real-time changes in productivity that were previously almost impossible to manage. When the per unit rate shows signs that it is deteriorating, you can check the power consumption details in the analysis graph

to understand where there are hidden inefficiencies, which contributes to PDCA efforts to conserve energy. Furthermore, in response to demands to have an environment where employees can always be aware of energy conservation improvements, we have made it possible to see the energy intensity in the office as well. Going forward, we hope to continue to support further efforts to conserve energy.

* Energy intensity: A unit that represents the amount of energy required to produce a certain amount of product.

Improving Inefficiencies with PDCA Efforts to Conserve Energy



Accelerating Efforts to Conserve Energy Together with Nissin Electric

I talked to Nissin Electric about operational issues in terms of functions, including screen colors and operability, and we can make improvements together while discussing the matter with each other. Going forward, I want to accelerate our efforts to conserve energy with Nissin Electric by taking advantage of various opportunities, such as expanding the target lines and expanding our efforts to power equipment.

Ryou Kawagoe

Group Leader, Air Conditioning Manufacturing Division Shiga Plant, Daikin Industries, Ltd.



Sharing Technology

Customer Training Held on Substation Equipment

The Technology and Skills Development Center was established in 2006 under the concept of “learning with the five senses,” and conducts training for customers to support the development of electrical engineers involved in maintaining substation equipment. Training was conducted four times in fiscal 2018, with a total of 39 participants.

The training uses our veteran engineers with a wealth of experience as instructors and focuses on practical aspects that cannot be experienced in day-to-day work. It also emphasizes communication between the instructor and trainees.

By holding training at the newly opened “Nissin Academy Training Center” from fiscal 2019, we hope that it makes for more substantial training and that it contributes to boosting operations at our customers’ plants.

Details of Customer Training (Sample Itinerary)

Substation Equipment Maintenance Course (2.5 Days)

Day 1	<ul style="list-style-type: none"> ● Basic theory on substation equipment (classroom)
Day 2	<ul style="list-style-type: none"> ● Structure of main equipment and directions on use (classroom and on-site) ● Safety work (classroom and on-site) ● Case studies in electrical equipment accidents and proper maintenance practices (classroom and on-site)
Day 3	<ul style="list-style-type: none"> ● See equipment manufacturing process ● Key points of electrical equipment maintenance work (on-site) ● Case studies in electrical equipment accidents and explanation of ways to investigate troubles (classroom and on-site) ● Technology sharing session

Promotion of Life Cycle Engineering

Providing Facility Assessment System Leveraging Our Advanced Technology and IoT

The Nissin Electric Group provides meticulous full life cycle support from coordinated installation work on-site to maintenance and facility assessments.

Nissin Electric launched the “Diagnostic System Promotion Division” as a new initiative in October 2018. It is engaged in developing facility assessment service systems that leverage IoT* and other technologies with different sensors mounted on our customers’ equipment to constantly monitor their equipment and streamline maintenance instead of line inspecting equipment.

This system provides trend management of the data obtained and the results of device diagnosis and analysis based

on our own algorithm, which contributes to the stable operation of electrical equipment, such as its efficient maintenance and repair.

Moving forward, we intend to enhance our Life Cycle Engineering Business that speaks to the trust and peace of mind among our customers.

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

Inspecting Electron-Beam Processing Systems

NHV Corporation continues to contribute to customers’ production and research activities with over 400 electron-beam processing systems that it manufactures delivered to 31 countries around the world. The majority of these systems operate around the clock, which means that regular inspections are vital. NHV Corporation cooperates with its subsidiaries in the United States and China in conjunction with customers’ production and research activities to send employees to 31 countries around the world to conduct inspections. They also supply information and offer proposals on spare parts for aging critical components in equipment and the early recovery of equipment in the event trouble occurs.

Together with customers, NHV Corporation is also considering actions such as remote maintenance that collects operation records and uses communication tools.

We will continue to support the stable and sustained production and research activities of our customers through regular inspections.



Inspection using automatic test equipment



Customer Trust

Quality Improvement Activities

Quality Improvement Initiatives

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.

Project to Improve Safety and Quality Begins

Nissin Electric launched the “Safety and Quality Enhancement Project” in June 2018 under the concept of “establishing and spreading a culture and style that puts safety and quality first,” so that each and every employee fully understands the importance of safety and quality and acts in accordance with it. The project has two functions, an audit function and an improvement function, that are used to accelerate PDCA and improve the level of work. The quality improvement at each workplace (sales, design, manufacturing and inspection, transportation, installation and adjustment) is inspected. Furthermore, their level of compliance with ISO 9001 and quality standards, and status of implementation of trouble reports and corrective action for failures, etc., are confirmed in order to identify and propose improvements, such as a fundamental review of work flows.

In addition, from fiscal 2018, the “Company-Wide Safety and Quality Competition,” which was previously separate from safety and quality, was held together on the same day. When this event was held at the head office and the Maebashi Works, each branch and office connected via a video conference system to showcase examples of quality improvement initiatives and engage in a lively exchange of opinions.



Unifying quality awareness with a QC chant

Promoting Japanese Quality Overseas

GLOBAL

Overseas group companies based in China are also promoting quality improvement activities and holding the Safety and Quality Competition to share efforts and learn from each other for further improvement.



The Safety and Quality Competition at Nissin Electric (Wuxi) Co., Ltd.

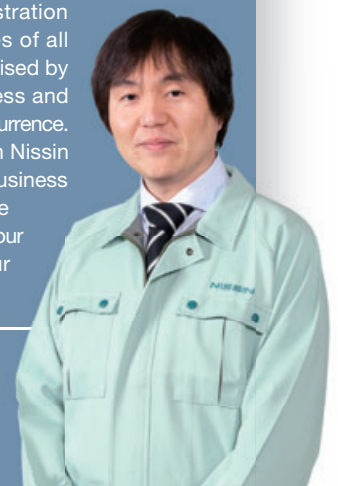
Collecting and Analyzing Customer Feedback for Greater Improvements

The Nissin Electric Group has established the CS Center* to listen to customer feedback and also conducts surveys during operation checks witnessed by customers prior to the delivery of products. In order for the group to reorganize itself to respond swiftly, the content of questions and requests written on surveys are entered on a special form, along with their response time limits, to centrally collect and analyze what customers are saying. This information is then fed back to departments to improve our products and services, and further increase customer satisfaction.

* CS Center: The department responsible for initial response after receiving trouble reports or inquiries from customers.

Connecting Trust with Appropriate Response from the Customer’s Perspective

The Quality Assurance Administration Department analyzes the causes of all trouble reports and complaints raised by customers relating to our business and verifies measures to prevent any recurrence. We are working to restore trust in Nissin Electric by reflecting this in our business processes by taking appropriate responses from the perspective of our customers, and strengthening our organization and competitiveness.



Katsuya Tanaka

Chief
Quality Assurance
Administration Department



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.



Highlight 2018
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, including ESG (environmental, social and corporate governance) 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 2018 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, the Financial & Accounting Department, the Legal Department and other investor relations related departments all work together to address various inquiries from shareholders in a timely and easy-to-understand manner.

Annual General Shareholders’ Meeting: A Forum for Constructive Dialogue

Based on our Corporate Governance Guidelines, Nissin Electric recognizes the annual shareholders’ meeting as a forum for constructive dialogue with shareholders. To ensure that shareholders are able to properly exercise their voting rights at shareholders’ meeting, Nissin Electric uses an electronic voting rights platform and discloses our notice of the annual meeting of shareholders online before sending out a hard copy, and also translates part of it into English.

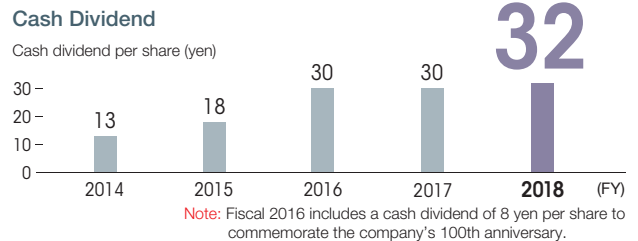
We also set up a forum to hear shareholder opinions after the end of the annual shareholders’ meeting and organize a factory tour for interested shareholders. In June 2018, the tour visited the Technology and Skills Development Center of the Nissin Academy.



Tour at the Technology and Skills Development Center

Returning Appropriate 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.



Enhancing Sustainable Growth and Corporate Value over the Mid to Long Term

The Nissin Electric Group has continually worked to become a company that is trusted by all shareholders as one of our Principles of Activities. As the director in charge of investor relations, I work with related departments to ensure transparency through the timely and appropriate disclosure of information, provide enhanced opportunities for constructive dialogue aimed at boosting our corporate value, and improve the environment in which shareholders are able to exercise their rights more appropriately. 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 sustainable growth of the company.

Yukifumi Teramoto
 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.



Preservation activities at the Nissin Electric Forest

Highlight 2018

Cooperating with Local Environmental Conservation Activities

Contributing to Forest Preservation Activities at the “Nissin Electric Forest”

The Nissin Electric Group and the Nissin Electric Group Foundation for Social Contribution (the Foundation) conduct forest preservation activities in the Nissin Electric Forest identified in the Chii district of Miyama, Nantan City, in Kyoto Prefecture as a part of efforts to preserve the environment in the community.

This activity is based on the Agreement to Preserve the Use of Forests to support the Kyoto Model Forest Movement, in which the Foundation protects and nurtures Kyoto forests concluded between Kyoto Prefecture, Nantan City, Chii development association of Miyamacho, and the Kyoto Model Forest Association. In fiscal 2018, in addition to funding provided by the Foundation, employees from the Nissin Electric Group and their

families participated as volunteers to cut grass and maintain pathways, which help deepened interactions with local residents.

In the future, we plan to roll out this kind of forest preservation activity in Maebashi City, Gunma Prefecture, where our production base is located.



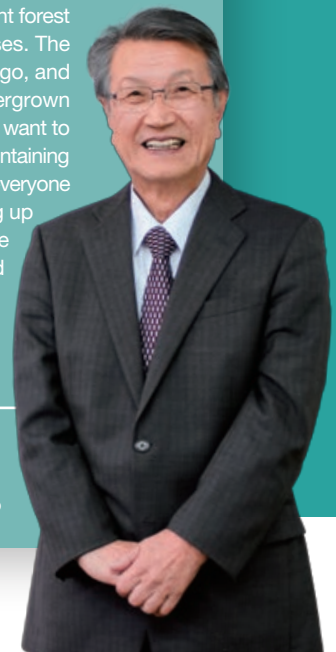
Forest signboard (written by Chief Priest Magami of Shoden Eigen-in temple)

Enjoying Fellowship after Working Up a Good Sweat in the Forest

The Chii district of Miyama is a rural highland where clear streams flow from its ancient forest and is dotted with thatched roof houses. The elementary school closed two years ago, and the back of the school became an overgrown mountain home to deer and wild boar. I want to thank everyone at Nissin Electric for maintaining and clearing the pathway. It has made everyone in the community happy. After working up a sweat in the forest, it is time for some fellowship with local residents over cold beer and wild game dishes. We are grateful for the work being done to grow more trees. Your families and children are always welcome to join us.

Mitsutaka Nagano

Former Chairman
Chii development association of Miyamacho



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.

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

Social Contribution Activities of the Group

These are some of the social contribution activities that the group engages in based on the Basic Policy on Social Contribution Activities.

- Support KakeRobo monozukuri classes, the workshop of robot (sponsor: Kakehashi mirai, a non-profit organization)
- Dispatch speakers to the Future Forum for High School Students (sponsored by Kyoto Prefecture and the Kyoto Employers' Association)
- Host factory tours for schools in the community
- Host internships for junior and senior high school students
- Maintenance and preservation of Junichiro Tanizaki's Sekison-tei heritage residence
- Support the Gion Festival Zero-Waste Project by volunteering
- Support community clean-up activities by volunteering
- Host children's kendo classes with members of the Nissin Electric Group's kendo club
- Support practical renewable energy classes in Minamisoma City, Fukushima Prefecture

Support the Development of Engineers

Hold On-site Science Classes for Elementary School Students

The Nissin Electric Group organizes science classes at elementary schools with the goal of increasing the number of elementary school students who enjoy science by using our technologies.

We jointly developed and built the "hands-on eco-power generation system" together with Nissin Systems Co., Ltd. and the youth group of the Nissin Electric Cooperative Association. We use it to show children how to generate electricity by pedaling or with solar panels to illustrate how difficult it is to create electricity by yourself, how the amount of electricity produced with a solar panel changes by altering its angle to the sun, and the importance of storing electricity. The students are divided into teams and compete to see who can generate the most electricity, experience riding in a solar-powered car outdoors, and have fun learning about how to create, store, and use electricity.



Generating electricity by pedaling (left) and with solar panels (right)

Activities of the Nissin Electric Group Foundation for Social Contribution

Providing Scholarships for Technical Graduate Students

The Foundation provides scholarships that do not have to be repaid for technical graduate students across Japan. In fiscal 2018, we provided scholarships to 23 students conducting research in the fields of electricity, plasma processing, information, and materials & mechanical systems. Every year, we hold a scholarship students gathering to greet and report on their research activities.

Preservation of Historical and Cultural Assets Mainly in Kyoto

In fiscal 2018, the Foundation concluded a collaborative agreement with Kyoto Prefecture on the preservation and maintenance of Kyoto's cultural properties. In the collaborative agreement with Kyoto City and the Kyoto Center for Community Collaboration concluded in fiscal 2017, we continued donating under the agreement, and helped to repair and preserve cultural properties designated and registered by Kyoto City and *kyomachiya* houses.



Ceremony concluding the collaborative agreement with Kyoto Prefecture



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 2018
Promotion of CSR Procurement

Start of the Second CSR Procurement Survey with a Broader Scope

We have been working to notify all partners about the “Nissin Electric Group CSR Procurement Guidelines” established in 2013. To monitor awareness of these guidelines, we conduct a survey on the CSR initiatives of main partner companies. The survey began in the head office area in fiscal 2015 and was expanded to the Maebashi area and group companies in fiscal 2016.

Fiscal 2018 marked the start of the second CSR

procurement survey in the head office area in order to confirm the status of our business partners’ CSR procurement efforts. From this survey, we are expanding the scope to all business partners with 90% of the total transaction amount.

Going forward, we will continue to use this survey to help build stronger relationships of trust with business partners, including group companies, asking for their greater cooperation with CSR procurement.

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

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 Fair 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

Partnerships

Reinforcing Information Security in the Supply Chain

In fiscal 2016, the Nissin Electric Group began activities together with partners to establish an environment to ensure information security, such as by setting up a dedicated help line within our Information Systems Department to receive consultations about information security, and are continuing these activities as part of our supply chain management measures.

At the information security training session for main partner companies held in fiscal 2018, in light of the revised Cyber Security Management Guidelines released by the Ministry of Economy, Trade and Industry, we shared information with the persons in charge of information security from each company about responding to risks, including detecting attacks (containing attacks from an intrusion).



Information security training session for partners

Young Engineers Visit Business Partners to Strengthen Relations

Nissin Electric has been holding division-level partner meetings since fiscal 2016, and in addition to these meetings, our young engineers have started visiting business partners from fiscal 2018.

We will further enhance the win-win relationship with our partners through activities such as taking advantage of tours of their manufacturing to create easy-to-manufacture drawings.



Visit a business partner

Communicating with Distributors

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

In fiscal 2018, we held a nationwide meeting with our distributors in which we briefed 57 representatives of 21 companies in attendance on Nissin Electric's priority strategy and initiatives for expanding our new business for the private sector. Additionally, we held a seminar for representatives to guide the basics about our substation equipment, which was attended by 51 representatives from 15 companies.

Going forward, we will implement various measures to strengthen collaboration in order to further deepen communication with our sales divisions.

Increasing Awareness of Information Security Management in Training Sessions

Through the training session, I felt I needed to review how information security management is assessed in the company. I will work to share a high awareness of information security throughout the company in order to prevent personal information and customer information from leaking.

Takayoshi Segawa

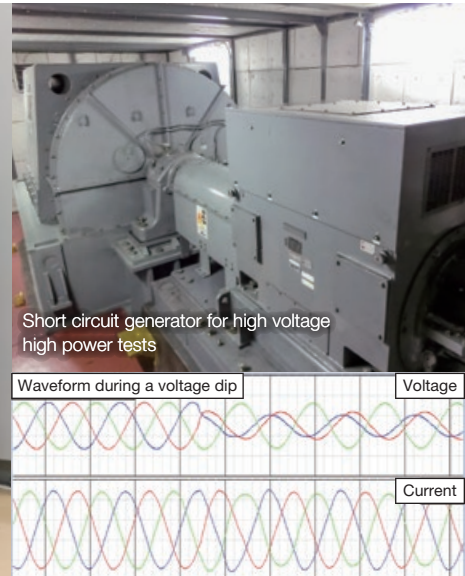
President
Segawa Metal Industry
Co., Ltd.





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.



Highlight 2018

Promote Educational and Training Opportunities That Support Personal and Professional Growth

Power system engineering and power electronics course

Implementation of a New Education Curriculum to Develop Advanced Engineers

The Nissin Electric Group has consolidated its educational programs into the "Nissin Academy" and is focused on employee education. The curriculum consists of "General Training," "Business Skills Course," "Technology and Skills Course," and "Departmental and Group Company Internal Training." All employees can receive the necessary education based on rank so that employees can acquire the knowledge and the way of thinking required for their position and job level.

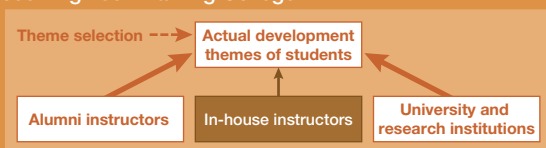
From fiscal 2019, we have been working on enhancing the educational program that can be learned through direct hands-on training with various products directly at the "Nissin Academy Training Center," which opened in March, and will introduce a new education curriculum aimed at developing advanced engineers and technicians. The "Advanced Engineer Training College" provides a practical curriculum that selects themes on important core technologies, and in-house instructors, alumni, universities

and research institutes cooperate while the students work on actual development themes. The "Advanced Technician Training College" is expanding its practical training by building new facilities and expanding equipment so students can acquire advanced maintenance and inspection skills.

We will continue to promote education and training to strengthen the development of human resources that will support the next generation.

Advanced Engineer Training College

Outline



By theme

Power system equipment and environment systems	Power system engineering Insulation technology Transformers and reactors Power electronics
Charged beam equipment and processing	Electron-beam processing system Coating film process

Working Together so Students Can Acquire Advanced Technology

Since the start of our capacitor production business, we have developed power electronics devices and expanded into the power distribution equipment business. Furthermore, the maintenance and expansion of power system engineering are essential for promoting our solution business. Looking back on the history of the past 100 years, I want to develop human resources to support power system engineering and create the knowhow to quickly develop human resources together with the students, while looking forward and predicting the technology trends in the next 100 years.

Yoshiya Ogihara

General Manager
Power Technology Laboratories



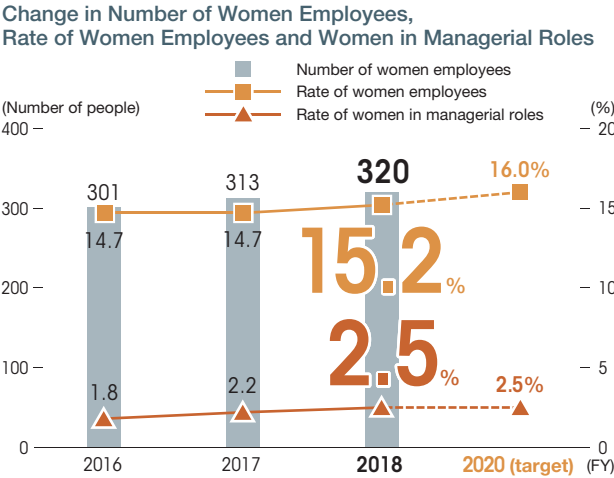
Utilize a Diverse Workforce

Creating a Workplace for Greater Gender Equality and Women’s Empowerment

Nissin Electric is working to create an employment environment where women employees can be active in a wide range of fields.

In the action plan based on the Act on Promotion of Women’s Participation and Advancement in the Workplace, the target calls for women to account for more than 16% of employees, and we are actively promoting the hiring of new graduates, mid-career hires, and recruiting employees from fixed-term contracts.

In addition, we are focusing on fostering women leaders (chiefs and above) as future management candidates with the goal of achieving a ratio of women in managerial positions (section managers and above) of at least 2.5%.



Note: Numbers and rates are for the following fiscal year on April 1. Scope of data: Nissin Electric Co., Ltd. including seconded employees (non-consolidated)

Nissin Electric has been recognized for its active efforts to promote gender equality and women’s empowerment, and in 2012, we acquired Kurumin certification (Ministry of Health, Labor and Welfare), followed by Eruboshi (two-star) certification (Ministry of Health, Labor and Welfare) in 2016.

In addition, Nissin Systems Co., Ltd., a group company, became a certified “Kyoto model” work-life balance company (Kyoto Prefecture) in 2008, and later received Tomonin certification (Ministry of Health, Labour and Welfare) in 2016 for its support of balancing work and elderly care. It also received Eruboshi (three-star) certification (Ministry of Health, Labour and Welfare) in 2017.

In addition to creating a workplace and corporate culture in which human resources with diverse values can play an active role in the group, we will continue to expand human resource development and internal training in order to further empower women employees.

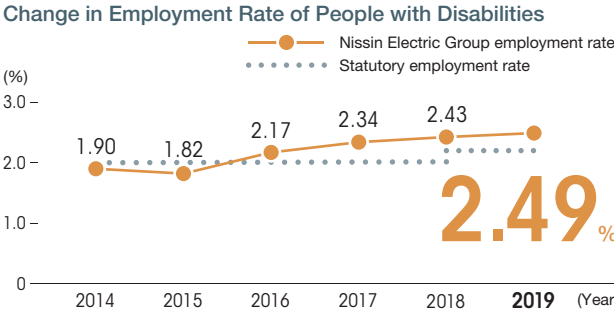
Further Expanding Our Special Subsidiary and Promoting the Employment of People with Disabilities

Nissin Heartful Friend Co., Ltd. (NHF) was established in September 2015, and received certification as a special subsidiary of Nissin Electric Co., Ltd. in March 2016, receiving special subsidiary certification with other related companies in the group in December. NHF’s Kyoto office was certified by Kyoto Prefecture as Kyoto Company Promoting the Employment of People with Disabilities in September 2018. As of April 2019, it hired four new employees, and now operates with 21 employees (17 of whom are people with disabilities). That same month, it also established its Maebashi office, which started operations with six employees (four of whom are people with disabilities).

NHF undertakes a wide range of work, such as managing the green space at the new training center and data entry (for business cards and forms), in addition to the digitization of documents and drawings that it has done since its inception. Moving forward, we will continue to grow as a company where people with disabilities can play a leading role.



Symbol of Kyoto Company Promoting the Employment of People with Disabilities



Note: Figures up to 2018 are as of June 1 for each year, and figures for 2019 are to the end of March. Scope of data: Up to 2016: Nissin Electric Co., Ltd., non-consolidated. From 2017: Nissin Electric Co., Ltd., Nissin Ion Equipment Co., Ltd., Nissin Systems Co., Ltd., Nippon ITF Inc., and Nissin Heartful Friend Co., Ltd.



NHF’s Maebashi office



Employee Mutual Trust

Encourage Diverse Work Styles and Work-Life Balance

Smart Activities That Recognize Diverse Values and Ways of Working

The smart activity that began in January 2014 is an effort to create a way of working necessary for the Nissin Electric Group to grow and develop a work style given environmental changes such as the decline of the labor population due to the declining birthrate and aging population in Japan, and intensifying global competition. We believe that employees with diverse values and lifestyles can demonstrate their full potential if they are able to work efficiently and meaningfully within a limited time, and can lead to individual and corporate growth.

Aimed at making corporate culture accept diverse views and workstyles, the activity is reviewing various systems to improve productivity and create a meaningful style of work.

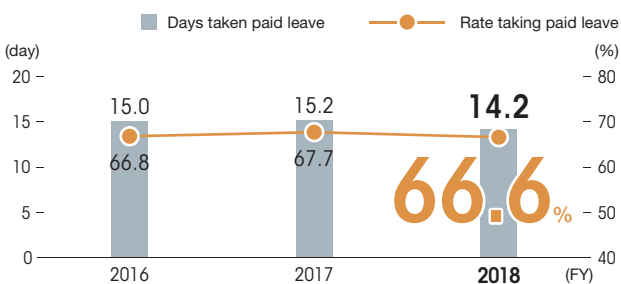
We want to create a style in which the company can grow and attract new talent to do business in the 100 years where employees can be enthusiastic in both their work and private lives.

Encouraging the Use of the Paid Leave System

Nissin Electric is striving to reduce working hours and encourage employees to take paid leave in order to realize a meaningful style of work. Part of those efforts include the planned paid leave system to plan three consecutive holidays from fiscal 2016 and the paid leave by the hour system introduced in fiscal 2018 that allows for time off in one-hour increments. These revised systems allow employees to plan paid leave at their workplaces at the beginning of the fiscal year and easily take time off according to their individual needs so they can refresh their mind and body. Through these efforts, Nissin Electric hopes to create a culture where everyone works hard and also takes a well-deserved rest.

In 2017, Nissin Electric distributed a booklet informing employees how to apply for maternity and elderly care leave and a health white paper from the Nissin Electric Health Insurance Association dealing mainly with preventing lifestyle-related

Days of Annual Paid Leave and Rate Taking Paid Leave



Scope of data: Nissin Electric Co., Ltd. including seconded employees (non-consolidated)

diseases. We issued a booklet on safety and health in 2018 to foster awareness and a culture of a fulfilling work-life balance.

Strengthen Communication

Activating Communication Between Employees and the Company

The Nissin Electric Group conducts an employee satisfaction survey every year as one of its communication tools.

In fiscal 2018, Nissin Electric significantly overhauled the question categories and content of its survey in order to capture the opinions and feelings of employees in more detail and from various viewpoints, which resulted in a 92.4% response rate from the 3,000 employees targeted for the survey. In analyzing the results, we were able to gain a greater multifaceted understanding, such as the relationship between subordinates and superiors, work-style issues, etc., in addition to communication between employees, which has helped us to implement measures to improve the work environment for employees.

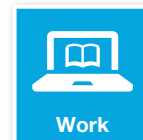
Going forward, we will continue to focus on dialogue with our employees in order to continue to be a dynamic organization with highly-motivated employees who can work enthusiastically.

Question Categories in the New Survey

To continue to be an organization with a pleasant work environment where one can work enthusiastically



- State of compliance with laws/regulations and rules
- Enhancing compliance, etc.



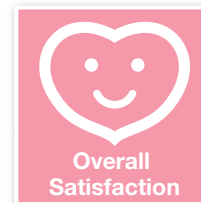
- Satisfaction with personal goals
- Achievement of growth and career outlook etc.



- Control over work
- Work stress, etc.



- Workplace awareness and practices
- Individual awareness and practices etc.



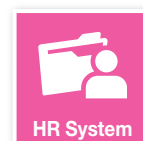
- Level of company satisfaction, etc.



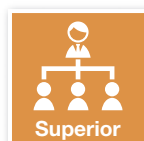
- Sharing of workplace goals
- Cooperation with other organizations, etc.



- Spread of management philosophy
- Future prospects of the company, etc.



- Development training
- Evaluations and treatment, etc.



- Policy presentation and decision-making
- Instruction and education of subordinates, etc.

Promote Safety and Health Awareness

Toward a Further Enhanced Safety Management System

In June 2018, Nissin Electric launched the “Safety and Quality Enhancement Project” as a group-wide project to achieve “VISION2020” under the strict safety goals of zero workplace accidents with absence and two or fewer business-related accidents as safety indicators. As a first step, we are continuously improving the work at each workplace by identifying the current situation from factory surveys that include group companies in Japan, and making various suggestions to improve safety. We changed our organization to add a new “Safety and Environment Department,” which takes a fresh approach to promoting safety and health activities.

Furthermore, a hands-on safety classroom was added to the Nissin Academy Training Center, which opened in March 2019, that includes six pieces of equipment and machinery designed to heighten safety awareness of individual employees by simulating accidents, such as being caught in equipment or falling during training. Nissin Electric is vigorously implementing safety education with the cooperation of the Nissin Academy that includes this hands-on training as structured training based on the ranking for all employees in order to achieve zero accidents across the entire group.

Going forward, we will continue to strive to create a safety culture that ingrains determining, following, and checking rules and procedures with the participation of all employees.



Hands-on safety equipment

Health Management

Creating a Healthy Environment Where Employees Can Work with Purpose

Nissin Electric created the “Health Management Section” within the Human Resources Department in February 2019. Going forward, it will work closely with the Safety and Environment Department and the Nissin Electric Health Insurance Association to promote initiatives for mental and physical health that improve motivation at work. One new initiative from the Nissin Electric Health Insurance Association adopts health management tools in wearable devices that can collect data on health conditions (exercise, sleep, etc.) simply by wearing the devices, and can be checked on a smartphone or other devices. The spread of this initiative aims to promote health.

Additionally, under the Certified Health and Productivity Management Organization Recognition Program sponsored by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi, we were certified as a company demonstrating 2019 Outstanding Health and Productivity Management Organization (White 500) for the large enterprise category. By continuing our certification from fiscal 2018, we have been recognized for our proactive measures to improve mental and physical health, and enhance our health management system. Among our group companies, Nissin Systems Co., Ltd. has been newly certified for the SME category.



Certification for the SME category (Nissin Systems Co., Ltd.)

Let's Raise Our Individual Awareness through Safety Education

In our safety education, Nissin Electric is striving to improve the safety awareness of each employee by enhancing hands-on safety training, education based on rank such as position and qualification, and e-learning, and is creating an environment where everyone looks out for each other. Let's aim for a safer and more efficient workplace by being more sensitive to hazards and making improvements in our work and to our equipment.

Yasunari Mochida (center)
Manager

Tetsuya Taniguchi (right)
Senior Staff

Yukako Kichise (left)
Safety and Environment Department



Initiatives for Fair and Transparent Corporate Management

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

Corporate Governance

The Corporate Governance System and Compliance with Japan's Corporate Governance Code

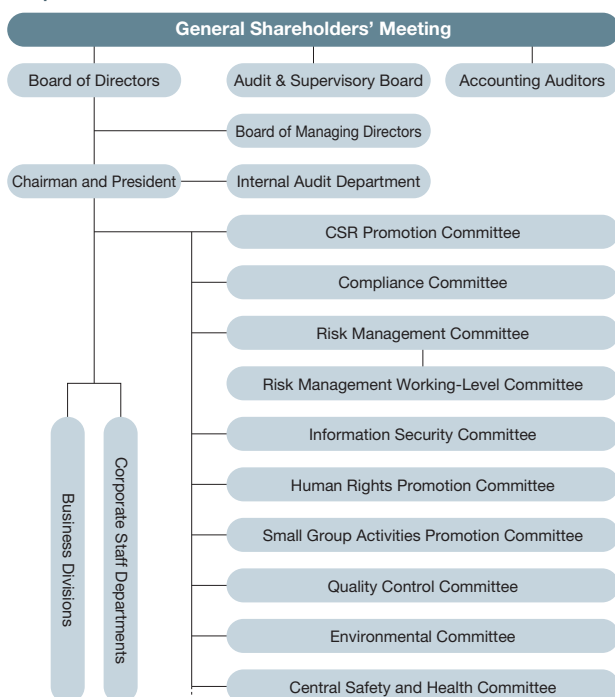
Nissin Electric has an Audit & Supervisory Board with a total of five outside officers, comprised of three outside auditors and two outside directors, one of whom is a woman.

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 of the entire Nissin Electric Group, including overseas operations.

After considering the response to the partial revision of Japan's Corporate Governance Code applied in June 2018, the Board decided to establish a voluntary Nomination and Remuneration Committee for matters such as the election and dismissal of executive officers and compensation for directors, and also decided on a policy to reduce cross-holding stocks that are not necessary to improve the corporate value of the group, and disclosed this in the Corporate Governance Report on the Tokyo Stock Exchange website in November 2018. All principles of Japan's Corporate Governance Code have been implemented and complied with.

Looking forward, we will continue to work to further enhance our corporate governance.

Corporate Governance Structure



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. As such, we aim to realize our Corporate Philosophy by working to fully comply with laws and ordinances and striving to build relationships of trust with stakeholders as our Principles of Activities based on our Business Mindset.

In addition, Nissin Electric will further focus on developing business globally, and will ensure that the actions of each employee comply with and respect human rights, international rules, and the laws and cultures of various countries with the aim of achieving our medium- to long-term business plan "VISION2020."

Maintaining the Excellence of Our Compliance System

We established the "Nissin Electric Group Corporate Behavior Charter" based on our Corporate Philosophy, Principles of Activities, and Business Mindset, and revised it in April 2019 in response to changes in the business environment to make the relationship with the Corporate Philosophy clearer and more comprehensive.

The Compliance Committee works with "Area Compliance Managers*" of each workplace and group company to roll out measures and training or awareness related to the enhancement of compliance. The Nissin Electric Group has not had any legal violation for approximately 10 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.

Expansion of the 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 contacts staffed by female persons in charge, an outside lawyer, plus a line for outside directors to receive whistleblower reports or consultations.

The Help Line Desk had nine consultations in fiscal 2016, 11 in fiscal 2017, and 10 in fiscal 2018, and we are working to independently correct and resolve issues before they become serious problems.

Promotion of Compliance Education

In fiscal 2018, we conducted nationwide compliance training sessions for all group employees in Japan on subjects such as ensuring compliance with prohibiting cartels, recent examples in society of fraudulent inspection data, and an overview of the Japanese version of the plea bargaining system. In addition, we also held the compliance training sessions for executive officers on the subject of the law on work style reform and practical measures for it.

Compliance meetings for sales staff were held in conjunction with nationwide compliance training sessions due to our business partners being investigated by the Fair Trade Commission in fiscal 2018, where doubts and concerns about laws in daily sales activities were raised along with guidance about compliance with prohibiting cartels.



Nationwide compliance training sessions held at the head office

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 2018, we held training for all employees on the subject of harassment in addition to training by rank for new employees and newly appointed managers.

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 ensures 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.

Risk Management Structure



Utilizing ICT and thorough Information Security

The environment surrounding information security is rapidly changing. To respond to this, 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, including the timely revision of information security regulations and rules in line with the social climate as well as the development of various measures to prevent information leaks and requiring employees and partners to take part in information security training. Nissin Electric is thoroughly managing information security. From fiscal 2017, we began collecting and monitoring data using a software asset management system at overseas group companies just as with group companies in Japan. In fiscal 2018, we also established an environment to detect attacks and contain them before any malicious activity could take place.

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.

External Main Awards and Certifications

2018

Apr.

Nissin Electric Co., Ltd.

The 67th Electric Industry Technology Achievement Awards Encouragement Award
 "Development of the business support system using the tablets device"
 Japan Electrical Manufacturers' Association (JEMA)

May

Nissin Electric Co., Ltd.

Excellent Crane Operator Award, Fiscal 2018
 Japan Crane Association Kyoto Branch

Nissin Electric Co., Ltd.

Welding Technology Competition Chairman's Award (Excellence Award)
 Tungsten inert gas weld
 Fiscal 2018 Kyoto
 Prefecture Welding
 Technology Competition
 Kyoto Prefecture Welding
 Engineering Society



Jun.

Nippon ITF Inc.

Monozukuri Grand Prize
 The Society of Plant Engineers Japan



Nissin Electric Group Foundation for Social Contribution

Kyoto Prefecture Donor Recognition
 Kyoto Prefecture

Jul.

Nissin Ion Equipment Co., Ltd.

Kyoto Labour Bureau President's Award Encouragement Award
 Kyoto Safety and Health Convention
 Kyoto Labour Standards Association



Oct.

Nissin Electric Group Foundation for Social Contribution

Kyoto City Donor Recognition
 City of Kyoto

Nov.

Nissin Electric Co., Ltd.

38th Takasaki City Business Award for Contributing to Industrial Promotion
 Takasaki City



Nissin Electric Co., Ltd.

Chairman's Prize from the Kyoto Institute of Invention and Innovation
 The 2018 Kinki Local Commendations for Inventions
 The Japan Institute of Invention and Innovation

Dec.

Nissin Electric Co., Ltd.

IDW'18 Outstanding Poster Paper Award
 International Display Workshops Incorporated Association



2019

Feb.

Nissin Electric Co., Ltd.

2019 Outstanding Health and Productivity Management Organization (White 500) certification
 Ministry of Economy, Trade and Industry



Nissin Systems Co., Ltd.

2019 Outstanding Health and Productivity Management Organization (SME category) certification
 Ministry of Economy, Trade and Industry



Mar.

Nissin Electric Co., Ltd. Head Office & Works

Business Recognized for Excellence in Industrial Waste Disposal & 3Rs for fiscal 2018 certification
 City of Kyoto

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.

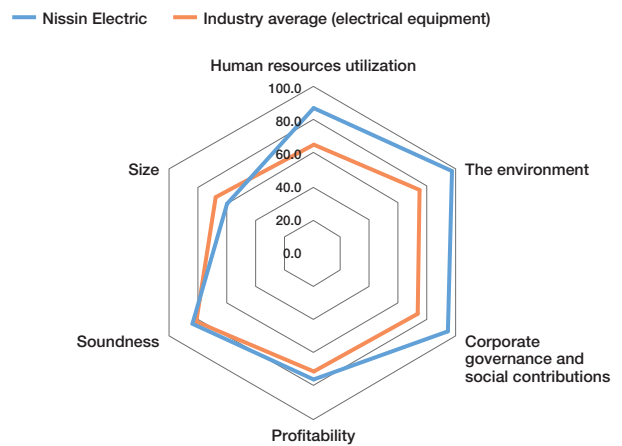
Also, survey results enable us to check our position among peers and are utilized to invigorate initiatives in an effort to become a company that can earn even greater trust from stakeholders.

13th CSR Rankings (Weekly Toyo Keizai, February 16, 2019 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 2018, Nissin Electric ranked 170th (173rd in 2017) in the 13th CSR rankings that targeted 1,501 companies (1,221 valid responses). Despite its relative ranking remaining the same level, scores in CSR categories are increasing and Nissin Electric received an AAA score for all four categories just as the previous year.

Score Radar Chart for 2018



Survey: Toyo Keizai Inc.

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 2018, following the plan and results indicated on pages 23 and 24.

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, 2018, to March 31, 2019

Reference Guidelines

Environmental Reporting Guidelines 2012 by the Ministry of the Environment, Japan
GRI (Global Reporting Initiative) sustainability reporting standard

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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 half a 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.

