

# NISSIN REPORT 2020

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, nichu (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.25-26.

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Developing and Supplying Environmentally Friendly Products That Leverage Our Technical Capabilities to Meet Customer Needs			



**Shigeo Saito**  
President

# Aiming to Boost Our Corporate Value by Contributing Toward Solving Social Challenges

## Being Sincere in Keeping Our Promises to Stakeholders

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Through corporate activities that support the foundations of society and industry, Nissin Electric will harmonize with environment and contribute toward realizing a vibrant society —Based on this corporate philosophy, we have contributed to the development of society by developing and providing numerous products and services based on high voltage technology since our founding in 1917. In particular, our core business of power system equipment is the vital equipment that supports the energy infrastructure of modern society, and with environmental and energy challenges becoming global issues, society is showing growing interest in it. We recognize that we must strive to create products that can further contribute to society, including in areas such as our own energy consumption and the impact our business has on the environment.

The basis of Nissin's activities lies in the Five Trusts. Realizing trust means keeping promises. Trust can be earned by keeping promises to our customers and shareholders, and to our partners and employees.

Of course, there are times when we cannot fulfill our promises due to factors beyond our control, such as changes in the external environment and natural disasters. In those instances, what is important is the attitude to make a sincere effort to keep the promises we have made. This integrity is the criteria for a company to continue to exist. Companies that lack integrity will eventually decline, even if they temporarily improve their performance. As a manager, I always keep in mind to be sincere an integrity in my promises to all stakeholders.

## FY2019 Business Results

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Since 2016, the Nissin Electric Group has been promoting the five-year medium- to long-term business plan “VISION2020.” Under the plan, we set numerical targets to achieve consolidated net sales of 180 billion yen, a consolidated operating income of 18 billion yen, and an ROA and ROE of over 10% in the final year of FY2020 (year ending March 31, 2021), and pursued growth strategies in each business division.

In the fourth year of “VISION2020” (the year ended March

2020), we consolidated net sales were ¥117.5 billion (down 6.9% from the previous year), operating income was ¥11.5 billion (down 30.2% from the previous year), and net income attributable to shareholders of parent company was ¥8.4 billion (down 32.2% from the previous year).

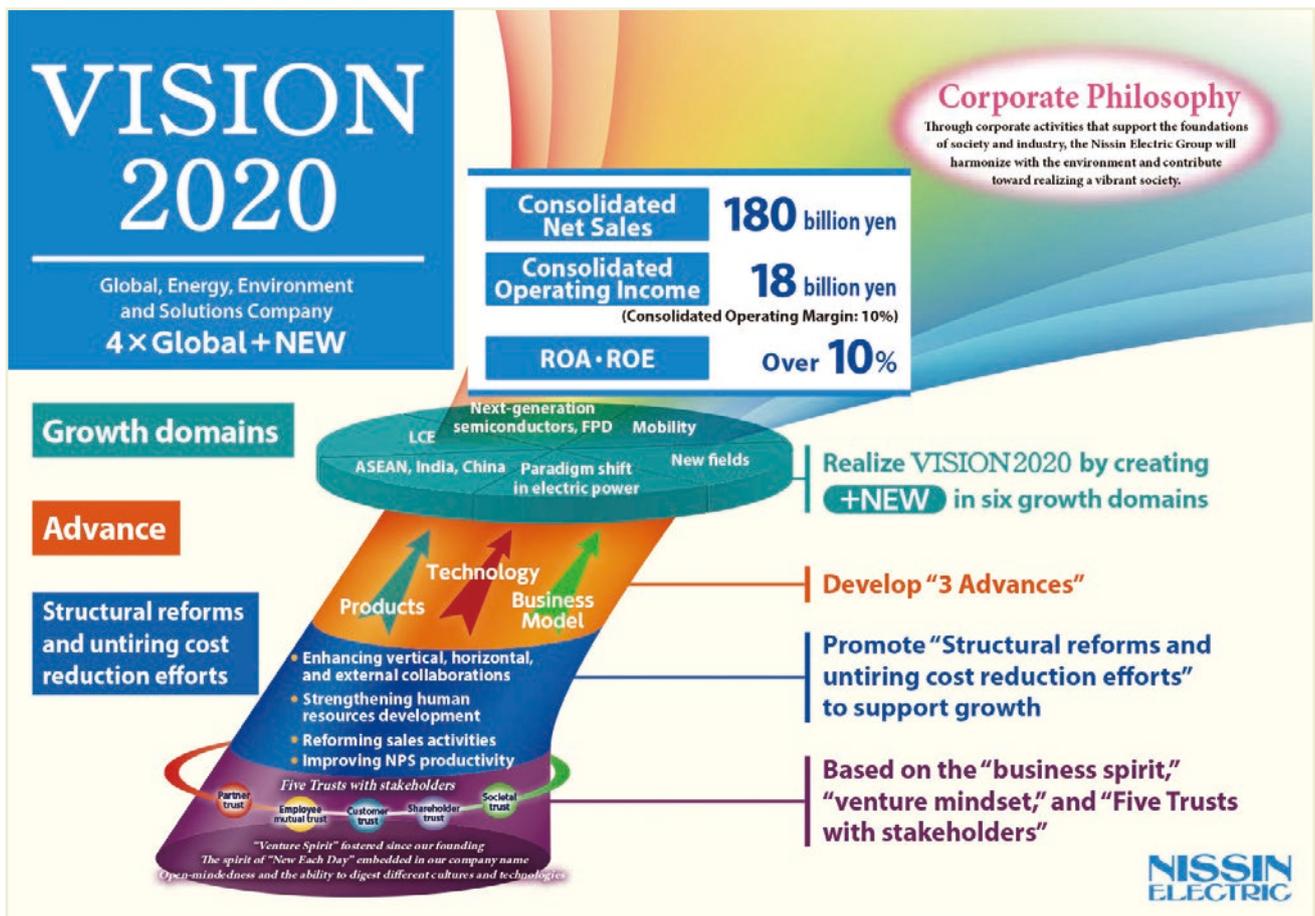
In our Power System Equipment Business, while domestic replacement demand for substation equipment was strong, the chronic shortage of manpower in the construction industry and the shortened work hours associated with work style reform has led to delays in many projects with installations shifted into the next term. Overseas, sales increased in China thanks to the progress of ultrahigh voltage (UHV) electricity transmission projects. Our Industrial Equipment and Parts Contract Manufacturing Business was strong in Vietnam as it benefited from the effects of US-China trade friction, but income fell due to a recession in the field of semi-conductor manufacturing equipment in which our main customers are in Thailand.

In our Renewable Energy and Environment Business, income in power conditioners for photovoltaic systems increased due to the last-minute surge in demand following the end of the feed-in tariff system (FIT) for renewable energy. Income in the Life Cycle Engineering Business also increased, primarily due to an increase in after-sales service in Japan. On the other hand, our Charged Beam Equipment and Processing Business saw a decline in income due to lower orders in the previous fiscal year for ion implanters for small/medium high definition flat panel displays (FPDs). The global economic turmoil caused by the COVID-19 pandemic that began in January 2020 has also affected business results for the current period. Although we do not yet have a quantitative understanding, I think it is certain we will see major impacts continue to emerge.

## Progress of the Five-Year Medium- to Long-Term Plan, VISION2020

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We are promoting strategies under the growth scenario of the six growth domains and introducing products and services through the “3 Advances” in each as defined in “VISION2020.” Looking back over the past four years, our growth strategy has made significant progress in the power system equipment business segment and in the renewable



energy and environment business segment in support of the paradigm shift in electric power.

With the ongoing paradigm shift in the power market, such as the separation of electric power generation and transmission of electric power companies implemented in Japan in April 2020, the adoption of renewable energy, and the use of distributed power generation, we are expanding our business by developing products and systems, and services that meet new demand. In particular, we are focusing on SPSS (Smart Power Supply Systems) that result in lower energy consumption, reduced CO<sub>2</sub>, and a stable power supply by combining different types of distributed power generation such as solar, wind, battery storage, and gas generators. This is not a just an equipment business, but a solution business that uses technology and know-how cultivated over many years in electric power infrastructure to give complete solutions for the challenges of our customers. The R&D investments we have made so far, such as building an in-house testing environment, are steadily bearing fruit.

Another is our Industrial Equipment and Parts Contract Manufacturing Business that has seen rapid growth recently. This is a business being developed in Thailand and Vietnam that outsources the production of equipment and parts for various industrial equipment, such as semiconductor manufacturing equipment, by utilizing our own manufacturing

technologies such as design, sheet metal processing, welding, and painting. Our strength is that we can provide integrated system services from consulting to design, material procurement, processing and assembly, and surface treatment and coating. We are planning to start operation of a new factory in Myanmar following those in Thailand and Vietnam in the first half of FY2020, and we are also considering expanding in Japan, where the number of processing companies will decrease in the future.

In executing these business growth strategies, we are conscious of strengthening and engaging in "vertical-lateral-external" collaboration between in-house divisions (vertical) and departments (lateral), as well as externally, such as with universities, government agencies, and other companies (external). Furthermore, we are focusing on the training of people who will influence the future of the company. In March, we opened the Nissin Academy Training Center next to head office as part of our 100th anniversary commemorative project. Our policy is to use this facility to expand our educational programs to develop advanced engineers and technicians.

## Aiming for Sustained Growth by Solving Social Challenges

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As a company deeply involved in the critical social infrastructure of electric power, Nissin Electric has been developing its business with corporate social responsibility (CSR) at its core. To fulfill our responsibilities to our customers and shareholders, we have been implemented various social contribution activities on an ongoing basis that include striving to improve safety and quality, appropriately disclosing information, holding on-site science classes for elementary school students, and providing scholarships to technical graduate students.

In recent years, non-financial information called ESGs (environment, social, and corporate governance) has been commanding the attention of investors. In addition, the SDGs (sustainable development goals) presented by the United Nations require not only national governments and local governments, but also private companies, to take an active stance. Give these circumstances, we believe that it is necessary for us to focus more on solving social challenges through our business. Since 2018, we have been considering and selecting the 17 goals set forth in the SDGs that the Nissin Electric Group should focus on, and will work to formulate our next medium- to long-term plan starting in FY2021 with this as a guideline.

In September 2019, we announced that we would aim to obtain certification from the Science Based Targets Initiative (SBTi), an international environmental organization, for our greenhouse gas reduction targets for fiscal 2030. We plan to set global emission reduction targets by 2021 and receive SBTi (science based validity) certification. This certification is closely related to the content of our next medium- to long-term plan. We plan to promote projects under various themes in order to implement our own reduction targets, such as developing new products, improving our manufacturing process, and reviewing our construction process. We want to link contributing to solving the global challenge of reducing greenhouse gases to expanding our business.

## Changes That Should and Should Not Be Made

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FY2020, the final year of “VISION2020,” felt the effects of the COVID-19 pandemic, which has made reaching our numerical targets difficult, but we will pool our efforts and unite as a Group to make every effort until the very end to achieve them. With respect to profits in particular, we will aim to achieve our numerical target (operating income of ¥18 billion) through internal efforts such as thorough rationalization and efficiency in each business and operation.

We will also focus on preparing for a smooth start of the next medium- to long-term plan that begins next year (FY2021). Since “VISION2020” was established five years ago, the business environment we find ourselves in has been changing rapidly. We will reconfirm the necessity of everything initially planned. We will continue and strengthen areas that are



producing results or those that we determine to be able to do so in the future, and not hesitate to cut those that are not. Over the past year, we thoroughly reviewed our current operations and projects on a zero base, and ordered “change what should be changed and stop what should be stopped” throughout the company. By reallocating the limited resources of people, materials, and money, we will achieve the numerical targets (operating income) of the current medium- to long-term plan, and at the same time, formulate a highly specific next medium- to long-term plan.

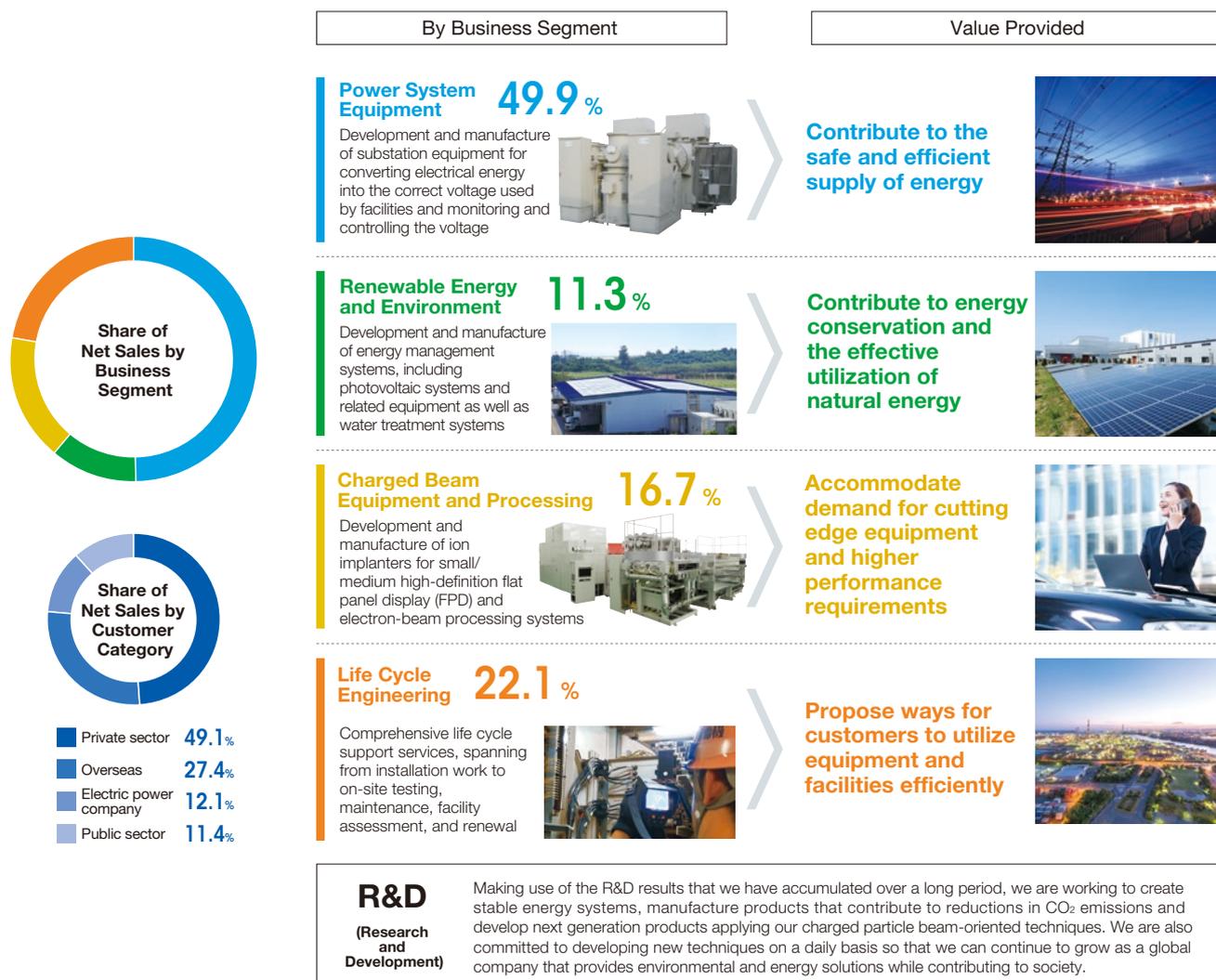
However, there are some things that should never be changed. These are what I mentioned at the outset: our Corporate Philosophy, Principles of Activities, and our Business Mindset. I also send out messages to the entire company to always make you aware of these as a basis for thinking about everything.

The Nissin Electric Group will continue to strive to improve its corporate value and achieve sustainable growth by firmly meeting the demands of society. I look forward to the continued understanding and support from our stakeholders.

**Shigeo Saito**  
President

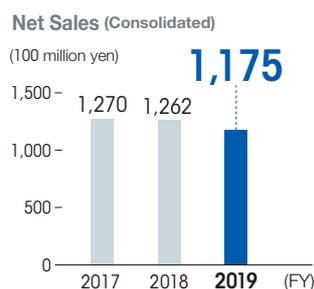
# We Engage in Four Business Segments Underpinning with a Focus on Power System Equipment

Business Description (as of March 31, 2020)



Company Outline (as of March 31, 2020)

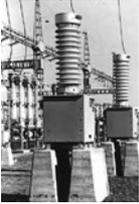
<b>Company Name</b>	Nissin Electric Co., Ltd.
<b>Incorporated</b>	April 11, 1917
<b>Stated Capital</b>	10,252,840,000 yen
<b>Employees</b>	5,112 (consolidated)
<b>Issued Shares</b>	107,832,445 shares
<b>Stock Code</b>	6641 (First Section of the Tokyo Stock Exchange)
<b>Operations</b>	Manufacture and 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

- |  |  |  |   |
|--|--|--|---|
| <p>1910: <span style="color: #0056b3;">■</span> Founded as Nissin Kogyosha</p> <p>1912: <span style="color: #0056b3;">■</span> Started manufacturing switchgears</p> <p>1917: <span style="color: #0056b3;">■</span> Incorporated as Nissin Electric Co., Ltd.</p> <p>1937: <span style="color: #0056b3;">■</span> Constructed head office and works in Ukyo-ku, Kyoto (current location)</p> <p>1945: <span style="color: #0056b3;">■</span> Took over the power capacitor production business of Sumitomo Electric Industries, Ltd.</p> <p>1950: <span style="color: #0056b3;">■</span> Developed capacitor voltage transformers (PD) (current CVTs)</p> <p>1963: <span style="color: #0056b3;">■</span> Built the Maebashi Works in Maebashi City, Gunma Prefecture</p> <p>1968: <span style="color: #0056b3;">■</span> Built new works at Kuze and Kujo</p> <p>1968: <span style="color: #0056b3;">■</span> Developed gas insulated switchgears (GISs)</p> <p>1970: <span style="color: #ffcc00;">■</span> Established Nissin High Voltage and started business of charged particle accelerators (NHV Corporation, took over the business of Nissin High Voltage in 2003)</p> <p>1978: <span style="color: #ffcc00;">■</span> Developed ion implanters</p> <p>1984: <span style="color: #008000;">■</span> Established Nissin Systems Co., Ltd. for software development and systems design</p> <p>1987: <span style="color: #0056b3;">■</span> Established Nissin Electric (Thailand) Co., Ltd. to manufacture and sell medium-voltage capacitors and electronic components</p> <p>1991: <span style="color: #0056b3;">■</span> Established Nissin Allis Electric Co., Ltd. in Taiwan to manufacture and sell gas insulated capacitors and gas insulated switchgears</p> <p>1995: <span style="color: #0056b3;">■</span> Established Nissin Electric Wuxi Co., Ltd., the company's first joint venture in China, and commenced manufacturing and sales of capacitor voltage transformers</p> <p>1999: <span style="color: #ffcc00;">■</span> Established Nissin Ion Equipment Co., Ltd. for the manufacture, installation, and adjustment of ion implanters or semiconductors and FPD</p> <p>2001: <span style="color: #0056b3;">■</span> 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)</p> <p>2001: <span style="color: #0056b3;">■</span> 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)</p> |      | <p>2002: <span style="color: #0056b3;">■</span> Established Nissin Electric Wuxi Co., Ltd. in China to manufacture and sell voltage transformers for gas insulated switchgears</p> <p>2003: <span style="color: #0056b3;">■</span> Developed ultra-compact gas insulated switchgears</p> <p>2005: <span style="color: #ffcc00;">■</span> Made Nippon ITF Inc., a provider of thin-film coating services, a consolidated subsidiary</p> <p>2005: <span style="color: #ffcc00;">■</span> Established Nissin Ion Equipment Co., Ltd. Shiga Works / Plasma Technology R&amp;D Center in Shiga Prefecture</p> <p>2005: <span style="color: #0056b3;">■</span> Established Nissin Electric Vietnam Co., Ltd. as a subsidiary for subcontracting the manufacturing and processing of industrial components</p> <p>2007: <span style="color: #0056b3;">■</span> Became a consolidated subsidiary of Sumitomo Electric Industries, Ltd.</p> <p>2010: <span style="color: #ffcc00;">■</span> Established Nissin Ion Equipment USA, Inc. to carry out installation, adjustment, modification, maintenance and inspection work for semiconductor manufacturing equipment</p> <p>2011: <span style="color: #ffcc00;">■</span> Established Nissin Ion Hightech (Yangzhou) Co., Ltd. in China to manufacture and sell semiconductor manufacturing equipment</p> <p>2011: <span style="color: #ffcc00;">■</span> Established NHV Accelerator Technologies Shanghai in China to manufacture and sell electron-beam processing systems</p> <p>2013: <span style="color: #0056b3;">■</span> Developed SPSS (Smart Power Supply Systems)</p> <p>2015: <span style="color: #0056b3;">■</span> 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)</p> <p>2017: <span style="color: #0056b3;">■</span> 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)</p> <p>2017: <span style="color: #0056b3;">■</span> 100th anniversary of Nissin Electric Co., Ltd.</p> <p>2019: <span style="color: #0056b3;">■</span> Opened the Nissin Academy Training Center</p> <p>2019: <span style="color: #0056b3;">■</span> Established Nissin Electric Myanmar Co., Ltd. which provides industrial equipment and parts contract manufacturing in Myanmar</p> |   |
|--|--|--|---|

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

## List of Group Companies



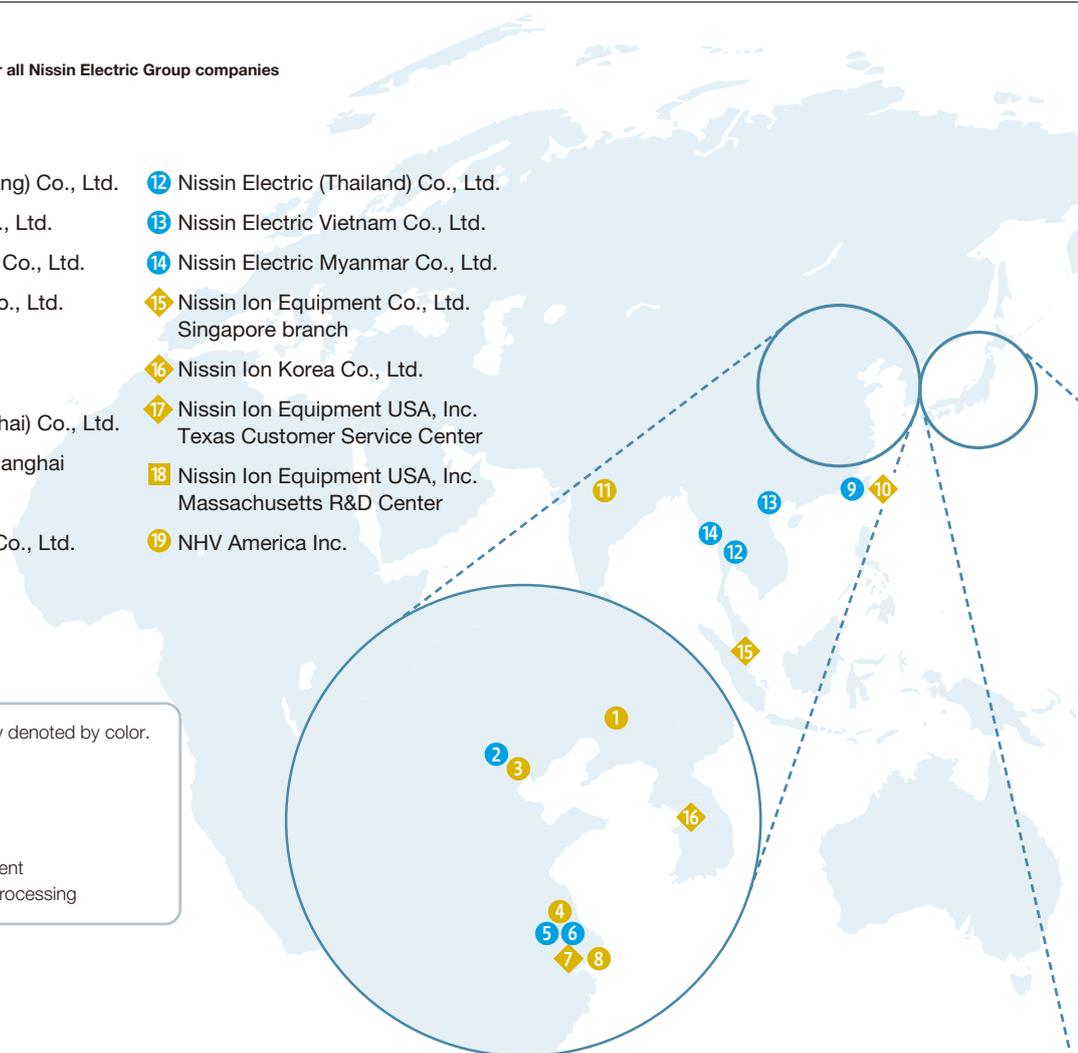
A unified corporate logo for all Nissin Electric Group companies

### Overseas

- |   |  |
|---|--|
| ① Nissin Advanced Coating (Shenyang) Co., Ltd.    | ⑫ Nissin Electric (Thailand) Co., Ltd.                         |
| ② Beijing Hongda Nissin Electric Co., Ltd.        | ⑬ Nissin Electric Vietnam Co., Ltd.                            |
| ③ Nissin Advanced Coating (Tianjin) Co., Ltd.     | ⑭ Nissin Electric Myanmar Co., Ltd.                            |
| ④ Nissin Ion Hightech (Yangzhou) Co., Ltd.        | ⑮ Nissin Ion Equipment Co., Ltd. Singapore branch              |
| ⑤ Nissin Electric (Wuxi) Co., Ltd.                | ⑯ Nissin Ion Korea Co., Ltd.                                   |
| ⑥ Nissin Electric Wuxi Co., Ltd.                  | ⑰ Nissin Ion Equipment USA, Inc. Texas Customer Service Center |
| ⑦ Nissin Allis Ion Equipment (Shanghai) Co., Ltd. | ⑱ Nissin Ion Equipment USA, Inc. Massachusetts R&D Center      |
| ⑧ NHV Accelerator Technologies Shanghai           | ⑲ NHV America Inc.   |
| ⑨ Nissin Allis Electric Co., Ltd.                 |  |
| ⑩ Nissin Allis Union Ion Equipment Co., Ltd.      |  |
| ⑪ Nissin Advanced Coating Indo Co., Private 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><b>① Head Office &amp; Works</b> (Ukyo-ku, Kyoto)<br/>                 Nissin Electric Co., Ltd.<br/>                 NHV Corporation<br/>                 Nippon ITF, Inc.<br/> <b>Major Products:</b><br/>                 Switchgear, Transformer, Power 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><b>② Maebashi works</b> (Maebashi City, Gunma Prefecture)<br/>                 Nissin Electric Co., Ltd.<br/>                 NHV Corporation<br/>                 Nippon ITF, Inc.<br/> <b>Major Products:</b><br/>                 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><b>③ Kuze works</b> (Minami-ku, Kyoto)<br/>                 Nissin Ion Equipment Co., Ltd.<br/>                 Nippon ITF Inc.<br/> <b>Major Products:</b><br/>                 Ion implanter for semiconductor, Ion implanter for flat panel display (FPD), and Thin-film Coating Service</p> |
|   |  | <p><b>④ Kujo works</b> (Minami-ku, Kyoto)<br/> <b>Major Products:</b><br/>                 Switchgear</p>  |
|   |  | <p><b>⑤ Nissin Ion Equipment Co., Ltd. Shiga Works / Plasma Technology R&amp;D center</b> (Koka City, Shiga Prefecture)<br/> <b>Major Products:</b><br/>                 Ion implanter for semiconductor and Ion implanter for flat panel display (FPD)</p>  |

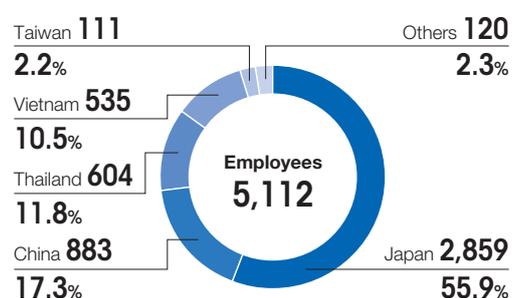
# in Areas Where Our Core Technologies

## Japan

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

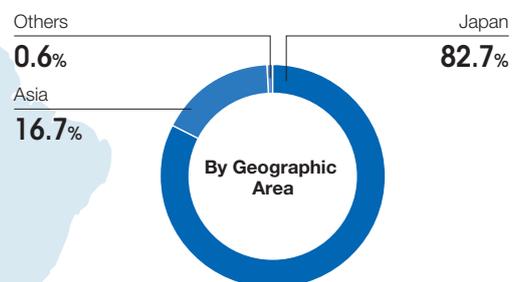
## Employees by Location

(Consolidated; as of March 31, 2020)



## Share of Net Sales by Geographic Area

(Fiscal 2019)

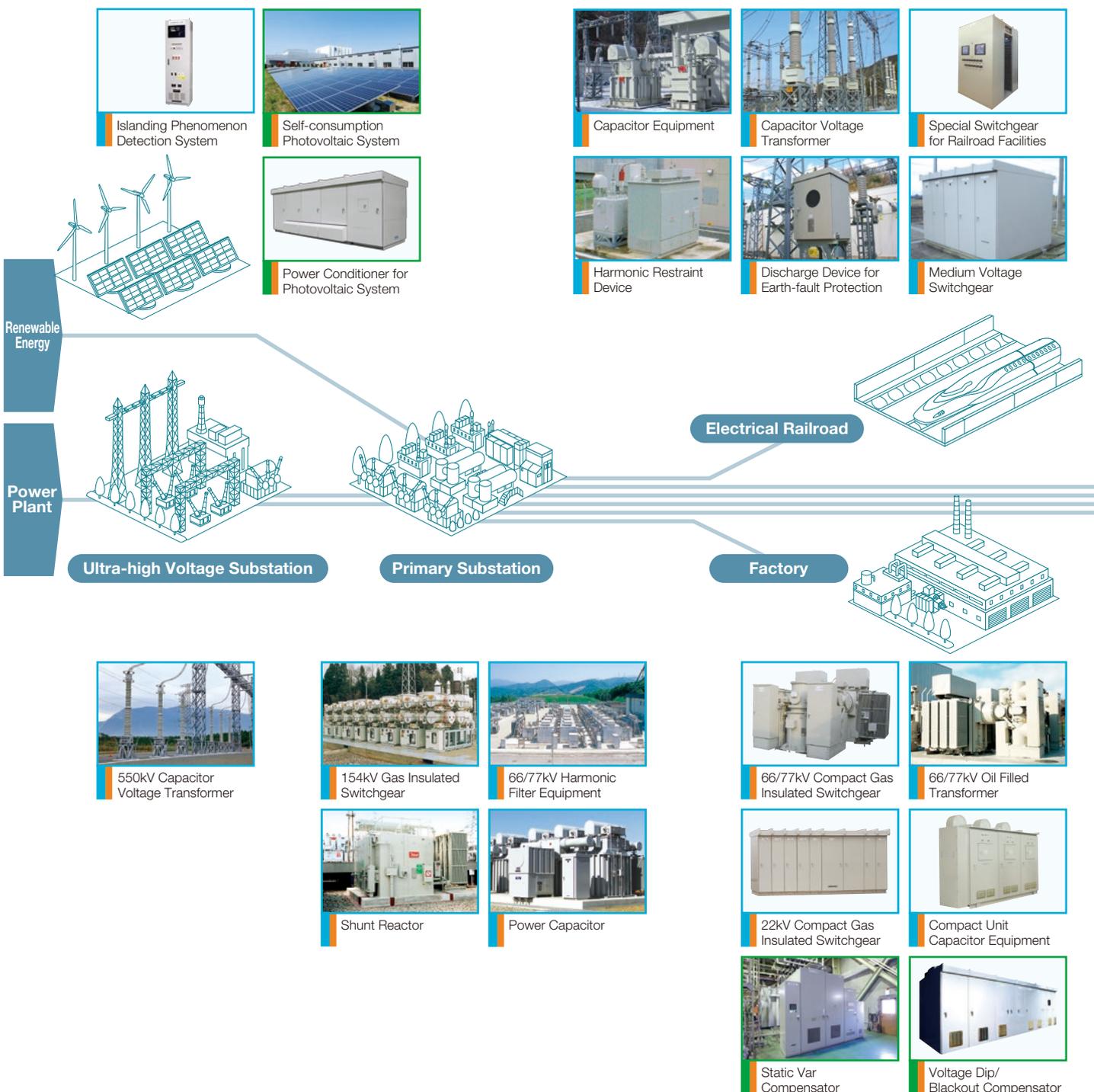


## Major Sales Sites in Japan

- 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.13

**Charged Beam Equipment and Processing** P.17

**Renewable Energy and Environment** P.15

**Life Cycle Engineering** P.19



Supervisory Control System for Waterworks



Ion Implanter for FPD



Ion Implanter for Semiconductor



Electron-beam Processing System



Arc Ion Plating System



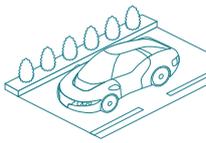
Control Center



Smartphone



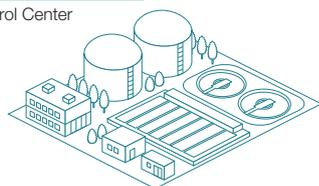
Tablet PC



Automobile



Thin-film Coating Service



Water and Sewerage

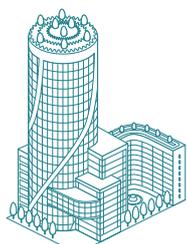


Home



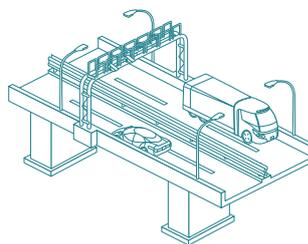
Outdoor type IoT Gateway

Office Building



66/77kV Gas Insulated Switchgear (Indoor Type)

Expressways



Vehicle Recognition System



6.6kV Switchgear



22/33kV Spot Network Substation Equipment



Supervisory Control System for Expressways



Environment Consideration Unit Substation

# Power System Equipment

## Segment Overview

Our Power System Equipment Business focuses on developing and manufacturing substation equipment, which converts power voltages to a level suitable for the equipment and monitors and controls the voltage level to ensure a safe and efficient energy supply. 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)



Power Capacitor

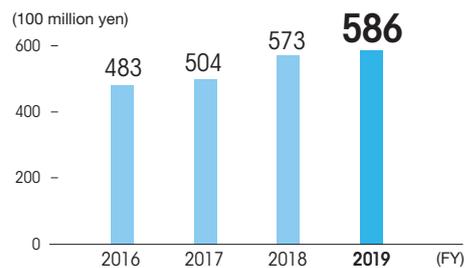


Capacitor Voltage Transformer (CVT)



Switchgear (SWG)

## Net Sales



## Related SDGs



A reliable supply of electricity is essential for stable economic activities and maintaining a comfortable lifestyle. Improving energy efficiency also helps reduce greenhouse gas emissions and leads to energy security. Nissin Electric's substation equipment not only ensures a safe and stable supply of electricity, but also improves efficiency, which aids in the maintenance of energy infrastructure in Japan and abroad.

## VISION2020

Segment Growth Scenario  
— Power System Equipment Business Growth Domains —

### Paradigm Shift in Electric Power

#### SPSS (Smart Power Supply Systems)

Providing solutions to new customer needs by leveraging the core technologies of the Nissin Electric Group

- Factories and office buildings
- Power plants and substations
- Remote islands

#### Grow Demand for Power Meters with the Separation of Power Production from Distribution and Transmission

### ASEAN, India, China, and Other Regions

#### Investment in Electricity Infrastructure

##### China

- Expand sales of equipment related to ultrahigh voltage (UHV) transmission
- Expand the lineup of locally produced products (shunt reactor)

##### ASEAN

- Expand sales of power system equipment that comply with the standards of each country

##### India

- Enter the gas insulated switchgear and gas voltage transformer market

##### Other

- Expand sales of transformers in the Middle East and Korean markets

### New Fields

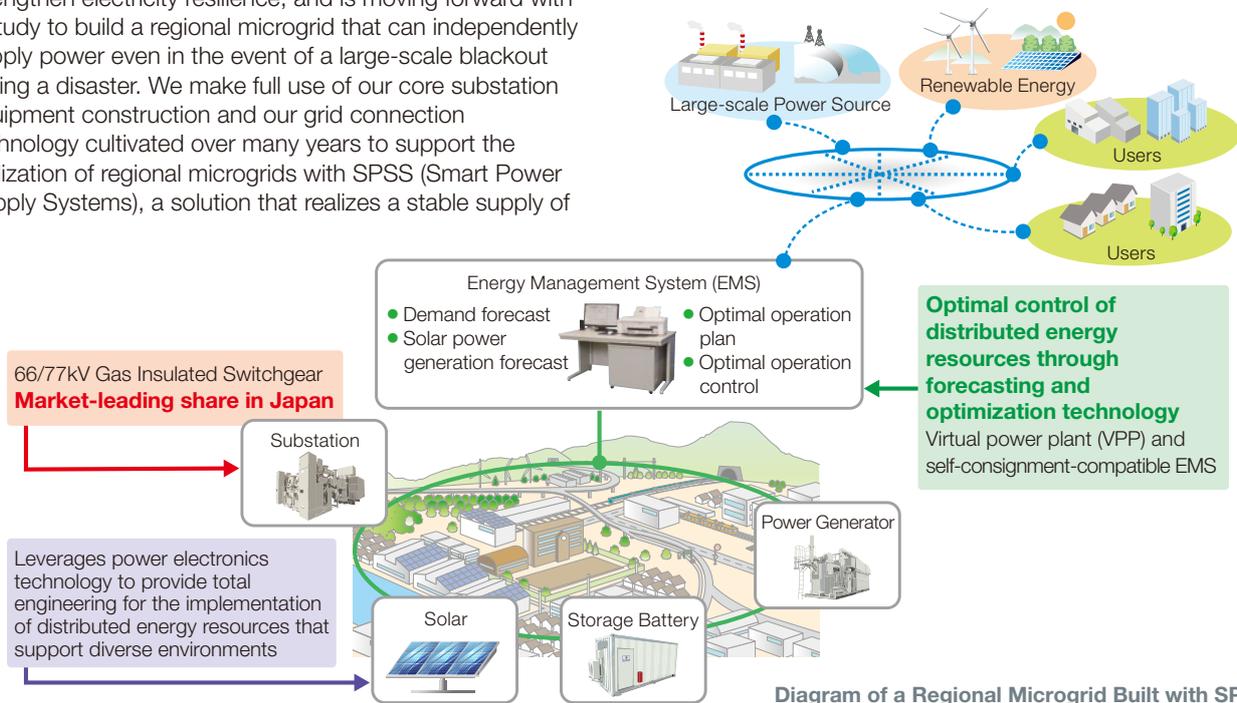
#### Industrial Equipment and Parts Contract Manufacturing Business

## Supporting the Realization of Regional Microgrids with SPSS and Contributing to Strengthening Electricity Resilience

S | Social Stable Electricity Supply

Nissin Electric is leveraging distributed power resources, which includes renewable energy, as one of our efforts to strengthen electricity resilience, and is moving forward with a study to build a regional microgrid that can independently supply power even in the event of a large-scale blackout during a disaster. We make full use of our core substation equipment construction and our grid connection technology cultivated over many years to support the realization of regional microgrids with SPSS (Smart Power Supply Systems), a solution that realizes a stable supply of

power and business continuity plan (BCP) measures by combining various distributed power resources.



## Expanding Our Industrial Equipment and Parts Contract Manufacturing Business in the ASEAN Region

S | Social Stable Electricity Supply

We established Nissin Electric Myanmar Co., Ltd., our third base of operations, in Myanmar to expand our Industrial Equipment and Parts Contract Manufacturing Business. Operations are scheduled to start in the first half of 2020. In addition, Nissin Electric Vietnam Co., Ltd. is working to improve productivity by expanding its production area and

installing the latest processing equipment. Nissin Electric (Thailand) Co., Ltd. coordinates the business and technology, and promotes optimal production and sales by leveraging the characteristics of each base in Vietnam and Myanmar to respond to increasing demand.



Exterior of Nissin Electric Myanmar



High-accuracy Machining Center (Nissin Electric Vietnam)

## Contributing to a Stable Electricity Supply in Vulnerable Areas

S | Social Stable Electricity Supply

Nissin Electric aims to provide a stable supply of electricity to more people in a sustainable manner, and is advancing a proposal for micro-substations that use PVT (large-capacity voltage transformers to supply power) and automated power distribution systems that use pole-mounted high voltage vacuum switches in overseas areas where distribution networks overseas are not fully developed.



(Left)  
145kV 100kVA PVT  
(Power Voltage Transformer)

(Right)  
Automated Power  
Distribution System  
(Installed in Myanmar)

Pole-mounted high  
voltage vacuum switch

Controller

# Renewable Energy and Environment

## Segment Overview

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



Supervisory Control System for Waterworks

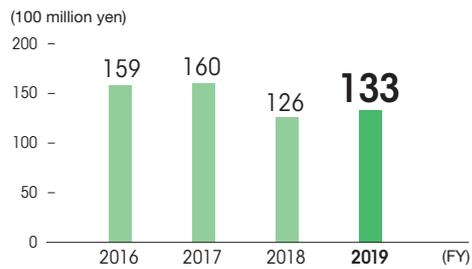


Photovoltaic System with Storage Battery



Outdoor Type IoT Gateway

## Net Sales



## Related SDGs



Using renewable energy has been a challenge as it was difficult to achieve a stable supply because the amount of power generated fluctuated depending on conditions. Nissin Electric's products and systems solve these challenges, and enable a stable supply, which contributes to the diffusion of renewable energy. In the environmental field, we also assist in the stable operation of water treatment facilities with a highly accurate control system to support the comprehensive management of water resources.

## VISION2020

Segment Growth Scenario  
— Renewable Energy and Environment Business Growth Domains —

### Paradigm Shift in Electric Power

#### Growth of the Wind Power Market

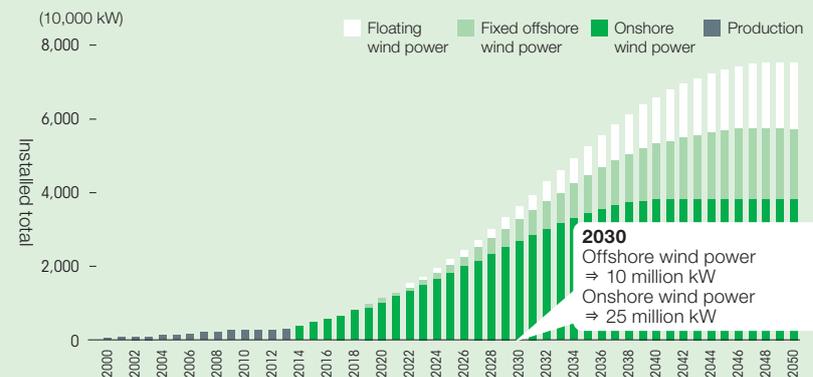
- Develop power grids and wind power generation systems

#### SPSS (Smart Power Supply Systems)

Provide solutions to new customer needs by leveraging the core technologies of the Nissin Electric Group

- Water treatment facilities
- Neighborhoods and homes

### Wind Power Adoption Road Map



Source: Agency for Natural Resources and Energy

## Using Power System Analysis in the Growing Wind Power Generation Market

**E | Environmental** Diffusion and Expansion of Renewable Energy

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. In our Power System Equipment Business, we leverage our power system analysis technology based on substation equipment technology and power quality management technology that we have cultivated over the years in large-scale wind power generation, which is expected to grow in the future.



Passive filter for harmonic resonances measures for wind power generation

Wind Farm Tsugaru

### Our Strengths

#### The ability to make system proposals

The ability to design and propose optimal systems for grid connection equipment

#### A wealth of experience

A proven record of installing grid connection equipment for wind and solar power generation

#### Power quality management equipment

A full lineup of power quality management equipment for wind power generation

#### Power system analysis

A wealth of knowledge and power system analysis technology on power quality management

### 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

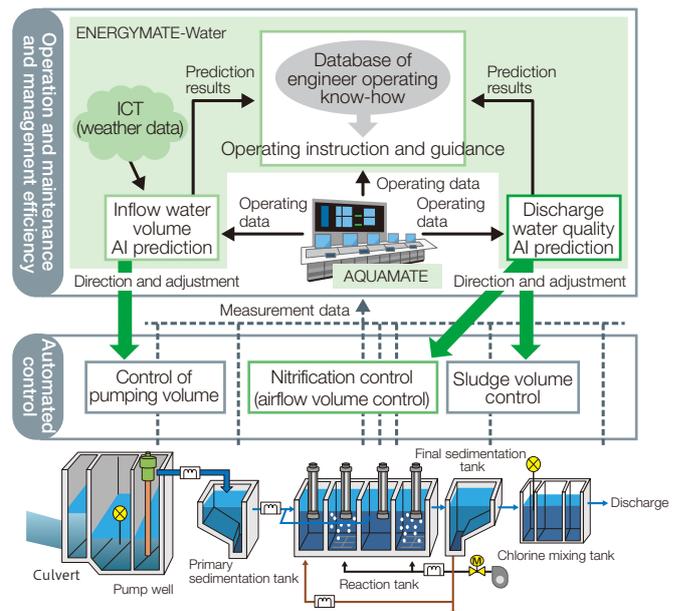
## Development of Technology That Predicts the Quality of Discharge Water for Water Treatment Facilities Using AI Technology

**E | Environmental** Diffusion and Expansion of Renewable Energy

Nissin Electric has developed technology that uses artificial intelligence (AI) that predicts the quality of discharge water to improve the efficiency of maintenance and management at water treatment facilities. By using AI to predict the water quality concentration two hours later using past measured data and detecting the deterioration of water quality in advance, it is possible to prevent problems before they happen.

Moving forward, in addition to our “inflow water (inflow load) AI prediction technology” and “nitrification control (air flow control)” that are functions of ENERGMATE-Water, we will use our newly developed “AI prediction technology for discharged water quality” to contribute to the efficient operation, maintenance and management, and the stabilization of water quality by developing and systematizing functions for operating instructions and guidance from a database of engineer operating know-how.

### Operation and Maintenance and Management Efficiency

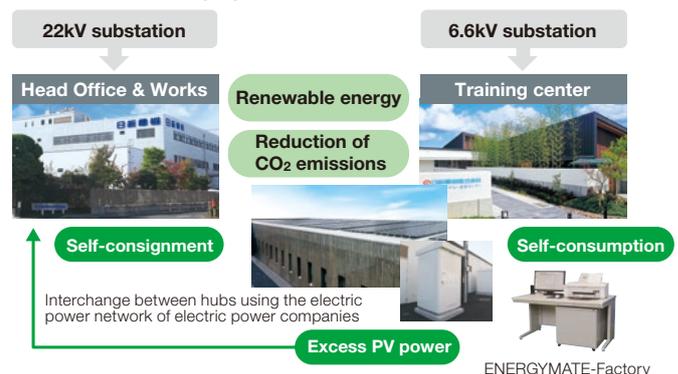


## Solution to Effectively Use Excess Solar Power by Self-consignment

**E | Environmental** Diffusion and Expansion of Renewable Energy

To reduce CO<sub>2</sub> emissions, the introduction of photovoltaic systems for self-consumption is increasing through electricity generated by solar power and consumed at their own facilities. With self-consumption, excess electricity generated on holidays and other off-peak days can be used without waste by self-consigning it to facilities or factories in other locations, which further improves the ratio of renewable energy and reduces CO<sub>2</sub> emissions. Nissin Electric is working on the self-consignment of excess electricity with EMS “ENERGMATE-Factory.”

### Self-consignment of Excess Electricity from Photovoltaic (PV) Generation



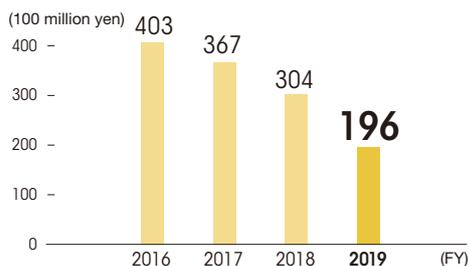
# Charged Beam Equipment and Processing



## Segment Overview

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.

## Net Sales



## Main Products



Ion Implanter for FPD



Electron-beam Processing System (EPS)



Ion Implanter for Semiconductor



Thin-film Coating Service

## Related SDGs



In the development of equipment critical for the manufacture of a wide variety of semiconductors that support social infrastructure, we are working to create equipment with a low environmental impact by eliminating harmful substances and promoting energy conservation. We also contribute to improving the environmental performance of finished products by supporting the manufacture of power devices, which are attracting attention for their use in electric vehicles (EVs), hybrid electric vehicles (HEVs) and in energy-saving home appliances.

## VISION2020

### Segment Growth Scenario

—Charged Beam Equipment and Processing Business Growth Domains—

### Next-generation semiconductors & FPD

#### Ion Implanter for Flat Panel Display (FPD)

- Meet the growing demand for high-definition LCD/OLED manufacturing equipment for smartphones
- Commercialization of next-generation FPD manufacturing equipment

#### Ion Implanter for Semiconductor

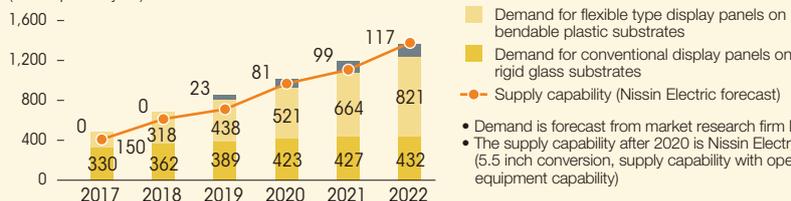
- Launch next-generation equipment and gain market share
- Expand sales of equipment for compound semiconductor power devices
- Develop legacy products for the Chinese market

#### Electron-beam Processing System

- Develop demand for electron-beam processing systems and expand beam applications in the mobility field
- Sterilization/disinfection needs in the medical, agricultural, and food fields

#### Small and Medium-size OLED Panels—Forecast of Supply and Demand (Capability) in the Medium to Long Term

(million panels/year)



- Demand is forecast from market research firm DSCC (2019)
- The supply capability after 2020 is Nissin Electric's forecast based on customer information (5.5 inch conversion, supply capability with operation rate and yield added to 100% equipment capability)

#### Thin-film Coating

- Expand DLC coating in the mobility field
- Expand service hubs in ASEAN, India, and China

## Growing Sales of Ion Implanters

### 1 Ion Implanter for Flat Panel Display (FPD)

Nissin Electric boasts a 100% worldwide share in ion implanters for FPD, which are indispensable for manufacturing high-definition displays such as smartphones and tablets. In fiscal 2019, we developed and started sales of a new model that has 20% greater productivity compared to previous models.

Ion Implanter for FPD



### 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

## 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.

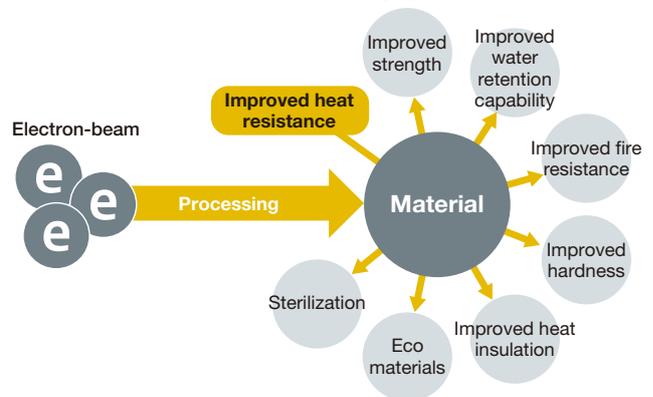


Use in sterilizing and disinfecting medical devices



Use in aircraft materials

### Effects of Electron-beam Processing



## Development of "HC-DLC" DLC Film for Automobile Engines

Nissin Electric has developed "HC-DLC," an industry-leading first DLC (Diamond-Like Carbon) film suitable for the surface coating of the piston pins of automobile engine parts, and started sales in July 2019. The film is expected to be applied to not only engine components, but also to gears, drive train components, fuel system components, machine parts other than automobiles, and molds.



Engine piston

HC-DLC coated piston

# Life Cycle Engineering



Life Cycle Map

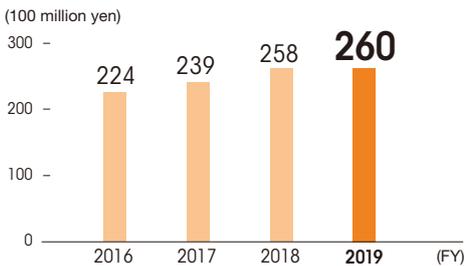
## Segment Overview

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.

## Related SDGs



## Net Sales



# VISION2020

Segment Growth Scenario

—Life Cycle Engineering Business Growth Domains—

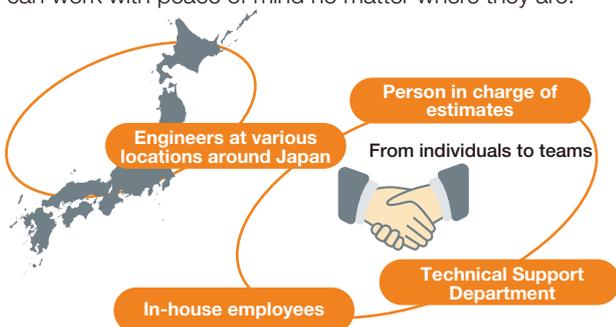
## Life Cycle Engineering (LCE)

### Power System Equipment / Renewable Energy and Environment

- Respond to increasing need to overhaul equipment and extend their useful life and improve customer care rate
- Launch maintenance business for power conditioners
- Build a new failure diagnosis and preventive maintenance business model that combines sensors and IoT
- Inspection using robots
- Develop human resources and conduct training at CS (Customer Service) college

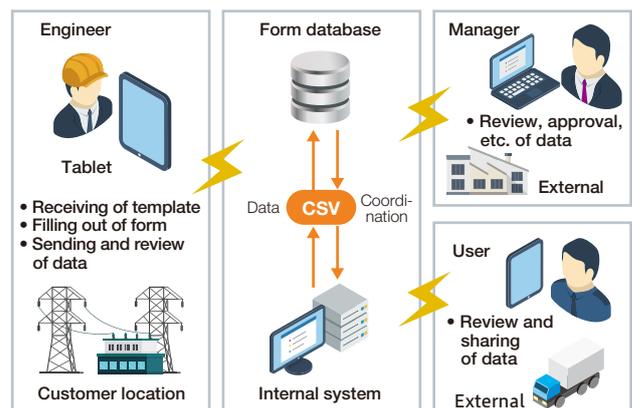
## Promoting Work Style Reform of On-site Engineers Through Construction Management Using ICT

By establishing a specialized organization to support on-site engineers in the construction management of power system equipment, and by using ICT tools (smart glasses, specialized blogs, business chat) that allows communication between the installation site and Nissin Electric and communication between on-site engineers, we are strengthening our organization so that on-site engineers can work with peace of mind no matter where they are.



## Promoting the Creation of a Comfortable Working Environment by Streamlining Inspection Work in Gas Insulated Switchgear Construction

In the inspection of gas insulated switchgear (GIS), we use an electronic form solution system to reduce the time required to create inspection reports and improve work efficiency to create a comfortable working environment.



## Developing and Supplying Environmentally Friendly Products That Leverage Our Technical Capabilities to Meet Customer Needs

With society's acceleration of environmental measures in recent years, there has been a growing demand from customers for environmentally friendly products.

Nissin Electric has been applying its technology and know-how to a wide variety of needs. We leverage this, not only taking into account the environment in the development and manufacturing processes, but also in developing and supplying environmentally friendly products that our customers demand.

Here, we introduce our products and technologies that help our customers solve their issues and address environmental problems.



### Related SDGs

<p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>13 CLIMATE ACTION</p>	

Our business supports electricity infrastructure while also being closely connected to SDGs. Above all, we believe it is the responsibility of manufacturing companies to develop and provide environmentally friendly products. We will continue to contribute to the protection of the global environment by considering the impact on the environment and our responsibility in making products.



## Feature. 1

### Developing Biodegradable Electrical Insulating Oils for Power Capacitors

Power capacitors have an electric field\*1 that is 5-10 times higher than that of other equipment, which requires an insulating oil with excellent dielectric breakdown and partial discharge characteristics. Therefore, synthetic oils containing petroleum-based aromatic hydrocarbons as the main component have been widely used. This type of oil has low loss and excellent electrical characteristics, but when it is released into the environment, it does not breakdown well and imposes a great environmental load on the ecosystem.

In recent years, there have been an increasing number of reports on the use in transformers of fatty acid ester oils in electrical insulating oils, such as palm fatty acid ester oil (synthetic oil) and rapeseed oil, as they have excellent biodegradability.

As such, we have researched and studied the electrical characteristics of these fatty acid ester oils and the performance required of insulating oil for power capacitors, and have developed an insulating oil with excellent biodegradability and environmental performance in terms of ichthyotoxicity while maintaining nearly the same characteristics as conventionally-used synthetic oils. We will continue to promote the manufacture of products that are safe for the global environment without degrading the performance of equipment.

\*1 Electric field: The electrical gradient between electrodes



Our oil-filled (OF) type power capacitor. Nissin Electric will continue to work toward commercializing oil-filled equipment that uses our own original insulating oil.

## Feature. 2

### SPSS-Water Saving Energy in Water Treatment

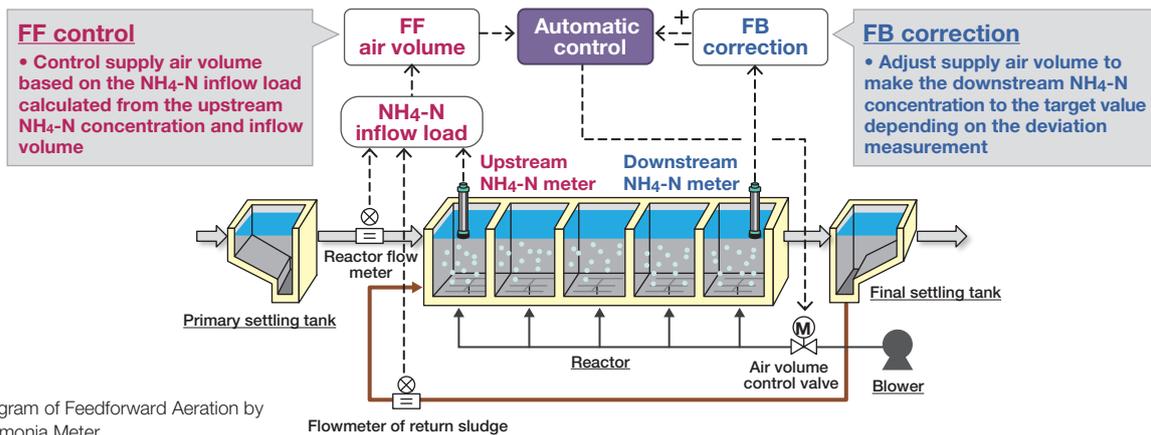


Diagram of Feedforward Aeration by Ammonia Meter

Water treatment consumes a large amount of electricity for aeration in the reaction tank, so the air volume needs to be adjusted appropriately according to the time fluctuation of the pollutant inflow load of organic substances and nitrogen (mainly ammonium nitrogen (NH<sub>4</sub>-N)), meaning that it must be controlled in order to save energy and stabilize the quality of treated water. However, with conventional air volume control technology, it is difficult to control the air volume so that it coincides with the time fluctuation of the pollutant inflow load, so in many cases, energy is inefficiently consumed because of the need to operate with enough air to ensure the quality of the treated water.

As such, Japan Sewage Works Agency (JS) selected Nissin Electric's air volume control technology as a feedforward aeration by ammonia meter as a Type I new technology for Innovation Program.

This new technology is part of the results of joint research with Nissin Electric, JS, and Nissin Systems Co., Ltd., a Nissin Electric Group company. This new technology uses the concentration of ammonium nitrogen as an index of the pollutant inflow load and uses a combination of feedforward control (FF control) to make the required air volume proportional to the NH<sub>4</sub>-N inflow load and feedback correction (FB correction) with the concentration of the downstream ammonium nitrogen to automatically control the air volume from the reactor. This process is expected to conserve energy by optimizing the air volume and stabilizing the quality of the treated water quality (concentration of ammonia, etc.).

Going forward, we will actively promote the introduction of this technology in new construction and upgrades at water treatment facilities to help conserve energy at these facilities.

## Feature. 3

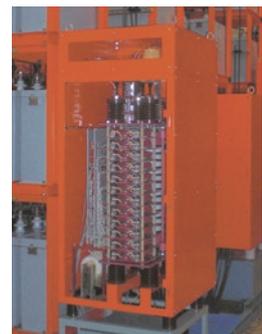
### Development of a Mercury-free High Current Semiconductor Switch

Mercury-based electron tube switches have been used as switching elements for high voltages and high currents for the instantaneous release of energy stored in capacitors in flash lamps and strong magnetic field generators in laser fusion and high-energy research. While mercury adheres well to electrodes, has very low contact resistance, and does not cause chattering<sup>\*2</sup>, it has a serious effect on the environment, such as it being very toxic to living organisms.

Nissin Pulse Electronics Co., Ltd., a Nissin Electric Group company has developed a mercury-free semiconductor switch as an alternative. It has been delivered to the Institute of Laser Engineering, Osaka University, and has been in operation for over two years, in which its stable operation and reliability has been confirmed.

The device is compact, making it easy to replace existing switches, and also eliminates the heating device that was needed for stable operation in the past. In addition to environmental considerations, we are working to improve workability and reduce its energy consumption.

\*2 Chattering: The minute and very fast mechanical vibrations caused when switches and relays are connected



External View of the Semiconductor Switch

# Feature 4

## Gas Recovery System with Lower SF<sub>6</sub> Gas Emissions

Our products use SF<sub>6</sub> gas as an electrical insulating material for various power system equipment and electron-beam processing systems.

SF<sub>6</sub> gas is an excellent insulating material, but it has a very high global warming coefficient of 22,800, and because it is important to control the amount of SF<sub>6</sub> gas used and reduce emissions, it is defined as a greenhouse gas (GHG) under the Act on Promotion of Global Warming Countermeasures and subject to control.

As most SF<sub>6</sub> gas emissions are generated when the gas is collected by gas recovery equipment during internal inspections of equipment, NHV Corporation, a Nissin Electric Group company, has installed a booster pump with an enhanced gas recovery capability in the immediate vicinity of equipment that uses SF<sub>6</sub> gas, and has started selling a system in combination with SF<sub>6</sub> gas recovery equipment that reduces emissions to a minimum. This system also shortens the collection time, which helps combat global warming and also contributes to the operational efficiency of our customers.



SF<sub>6</sub> Gas Recovery Booster Pump

Nissin Electric has been focused on developing environmentally friendly products for a long time, and since 2007, we have been making advanced efforts, such as establishing our own environmental label certification system. In recent years,

we have taken a step further and are strengthening the assessment criteria for obtaining SBT certification. See p.28 for information about our environmental label.

	Certification date	Applicable product
<b>eco-products (11 products)</b>	May 2007	Voltage dip compensator for low voltage UNISAFE
	June 2007	Digital multi-protection relay (DU1-2T11 – 2T31 DC110V 8.7A 50/60Hz)
	August 2009	I-type control center (200/400V, 1250A or lower)
	May 2013	Power conditioner for photovoltaic system (SPM100-CS1A, SPM100-CS2A, SPM250-CS1)
	August 2013	Compact switchgear (6.6kV, 1200A or lower)
	September 2014	3Φ gas insulated voltage transformer (SVTR-12C)
		Ultra-compact gas insulated switchgear XAE7 (72/84kV 1200A)
		Compact gas insulated switchgear XAE2G (24kV 630A)
		D1U type harmonic relay (DC110V)
	August 2018	SJ series programmable controller (DRX-V26A)
October 2018	NS type T87 percentage differential relay (NS-3T25)	
<b>super eco-products (10 products)</b>	September 2013	D1U type spot network relay (DC110V)
	September 2014	1 Φ Gas insulated voltage transformer (SVR-14A)
		Capacitor voltage transformer for unprotected areas (PDL-20F)
		Capacitor voltage transformer for protected areas (PDB-14F)
		Capacitor voltage transformer for protected areas (PDB-17F)
		Capacitor voltage transformer for protected areas (PDB-20F)
		Capacitor voltage transformer for protected areas (PDB-25F)
		D1U type automatic voltage regulating relay (#90) (D1UVR-41)
	February 2016	J-series SC protection relay (DC110V)
May 2020	Power conditioner for photovoltaic system (SPM250-CS1B, SPM500-CS1B, SPM660-CS1B, SPCS500-1, SPCS660-1, SPCS750-1, SPCS1000-1)	



Voltage Dip Compensator UNISAFE



Compact Switchgear



Capacitor Voltage Transformer

Going forward, we will continue to strive to create environmentally friendly products by leveraging our accumulated technologies and know-how.

# 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.

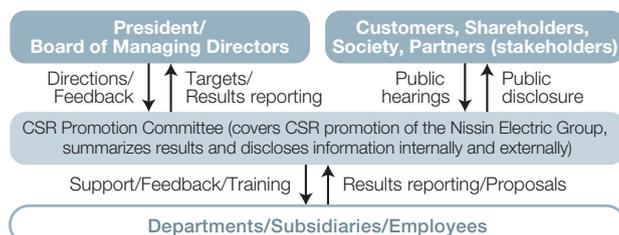


## Promoting Activities Through the CSR Promotion Committee

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
 <b>Customers</b> 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
 <b>Shareholders</b> We have 5,025 shareholders and the total number of shares outstanding is around 100 million. The breakdown of shareholders includes 19% financial institutions, 58% domestic corporations, 15% foreign corporations, 7% individuals, and 1% other (as of March 31, 2020).	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
 <b>Society</b> The Nissin Electric Group operates around 40 business sites in Japan and abroad (as of March 31, 2020).	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
 <b>Partners</b> A total of 71 partners participated in partner meetings held for suppliers (results for the second half of fiscal 2019; Nissin Electric Co., Ltd.). Additionally, 53 distributors participated in Business Partner Gatherings (results for fiscal 2019; 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 Business Partner Gatherings and engineering seminars for sales personnel Integration of order targets
 <b>Employees</b> The Nissin Electric Group employs a workforce of 5,112. This workforce is broken down into 56% in Japan and 44% overseas (as of March 31, 2020).	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	Central 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

## CSR Activities – Plan/Results for Fiscal 2019 and Policy for Fiscal 2020

Domain	Initiative Theme	PLAN	DO (Fiscal 2019 Results)
Environment	 <b>Initiatives for Global Environmental Conservation</b> P.27-30	Prevention of global warming <ul style="list-style-type: none"> <li>● Submit commitment letter to SBT initiative</li> <li>● Calculate greenhouse gas (GHG) emissions and improve accuracy of the calculation</li> <li>● Formulate GHG emission reduction targets and reduction measures</li> <li>● Achieve CO<sub>2</sub> emission reduction target through environmentally friendly products and services</li> <li>● Achieve reduction target for CO<sub>2</sub> emissions associated with energy usage cutbacks</li> <li>● Achieve target for SF<sub>6</sub> gas emission rate into the atmosphere</li> </ul>	<ul style="list-style-type: none"> <li>● Submitted commitment letter to SBT initiative</li> <li>● Calculated GHG emissions and checked accuracy of the calculation</li> <li>● Formulated GHG emission reduction targets and reduction measures</li> <li>● Achieved CO<sub>2</sub> emission reduction target through environmentally friendly products and services</li> <li>● Did not achieve reduction target for CO<sub>2</sub> emissions associated with energy usage</li> <li>● Close to achieving target for SF<sub>6</sub> gas emission rate into the atmosphere</li> </ul>
		Emission reductions <ul style="list-style-type: none"> <li>● Achieve target for total waste volume reduction</li> <li>● Achieve target for waste recycling ratio</li> <li>● Achieve reduction target for volatile organic compounds (VOC) emissions into the atmosphere</li> </ul>	<ul style="list-style-type: none"> <li>● Did not achieve target for total waste volume reduction</li> <li>● Achieved target for waste recycling ratio</li> <li>● Achieved reduction target for VOC emissions into the atmosphere</li> </ul>
Trust	 <b>Customers</b> P.31-33	Quality improvement activities <ul style="list-style-type: none"> <li>● Roll out quality improvement measures as entire Nissin Electric Group by sharing recurrence prevention measures and preventive measures, along with management of changes made to each</li> </ul>	<ul style="list-style-type: none"> <li>● Thoroughly reviewed and reinforced implementation of measures by using the QC method for the group</li> <li>● Held Nissin Electric Group QA Conference monthly</li> <li>● Implemented lessons about the study of failure</li> </ul>
		Use customer feedback to make improvements <ul style="list-style-type: none"> <li>● Make improvements by collecting and analyzing customer feedback</li> </ul>	<ul style="list-style-type: none"> <li>● Conducted a customer survey to collect customer opinions and provided feedback and improvement proposals to divisions</li> </ul>
		Promotion of life cycle engineering <ul style="list-style-type: none"> <li>● Conduct LCE activities to prevent product accidents due to aging degradation and improve the reliability of maintenance work by introducing new technologies</li> </ul>	<ul style="list-style-type: none"> <li>● Implemented line inspections without interrupting power to assess the soundness of equipment</li> <li>● Proposed maintenance and upgrading plans based on facility assessments</li> <li>● Improved efficiency of inspections and reliability by automating protection relay tests during inspections</li> </ul>
		Provide products and services that resolve customer issues <ul style="list-style-type: none"> <li>● Expand business to solve energy management problems, and build and expand win-win relationships with customers</li> <li>● Identify issues in public water treatment and propose solutions</li> </ul>	<ul style="list-style-type: none"> <li>● Identified customer needs and rolled out ENERGMATE solutions that made effective use of dispersed power sources</li> <li>● Developed a simple proposal tool that is easy for customers to understand</li> <li>● Selected energy-saving technology by nitrification control as a new Type I technology by Japan Sewage Works Agency (JS)</li> <li>● Proposed energy solutions such as power consumption controls</li> <li>● Proposed systematic renewal of aging equipment</li> </ul>
	 <b>Shareholders</b> P.34,43	Enhance governance system and information disclosures in accordance with the Corporate Governance Code <ul style="list-style-type: none"> <li>● Conduct work necessary to continue to comply with the principles of Japan's Corporate Governance Code (already implemented)</li> </ul>	<ul style="list-style-type: none"> <li>● Held a voluntary Nomination and Compensation Committee</li> </ul>
		Enhance investor relations activities <ul style="list-style-type: none"> <li>● Conduct face-to-face IR activities</li> <li>● Conduct IR activities using publications and other materials</li> </ul>	<ul style="list-style-type: none"> <li>● Conducted earnings presentations for institutional investors, individual meetings and conference calls, and company presentations for individual investors</li> <li>● Published earnings reports, annual report, fact book, and other materials</li> </ul>
	 <b>Society</b> P.35-36	Support the development of engineers <ul style="list-style-type: none"> <li>● Conduct initiatives for expanding the horizons of engineers and assist them with finding schooling in Japan and overseas</li> </ul>	<ul style="list-style-type: none"> <li>● Continued to operate full grant-based scholarship program</li> <li>● Designed teaching materials for on-site science classes for elementary school students that correspond to the new school curriculum guidelines</li> <li>● Provided assistance to expand the base of engineers</li> </ul>
		Preserve historical and cultural assets mainly in Kyoto <ul style="list-style-type: none"> <li>● Expand monetary donations to businesses and organizations who agree with our mission</li> <li>● Maintain, preserve, and use Sekison-tei</li> </ul>	<ul style="list-style-type: none"> <li>● Continue assistance by coordinating with governments</li> <li>● Study new grant recipients</li> <li>● Continue to preserve the Sekison-tei building and garden</li> </ul>
		Cooperate with local environmental conservation activities <ul style="list-style-type: none"> <li>● Cooperate with forest preservation</li> <li>● Participate in waste reduction activities</li> </ul>	<ul style="list-style-type: none"> <li>● Conducted forest preservation activities in the Kyoto and Maebashi area</li> <li>● Cooperated with Gion Festival Zero-Waste Project</li> </ul>
	 <b>Partners</b> P.37-38	Promotion of CSR procurement <ul style="list-style-type: none"> <li>● Enhance CSR activities throughout the supply chain by conducting CSR procurement surveys and other efforts</li> </ul>	<ul style="list-style-type: none"> <li>● Conducted second survey on CSR procurement initiatives</li> </ul>
		Partnerships with partners <ul style="list-style-type: none"> <li>● Strengthen cooperation with partners and build win-win relationships</li> </ul>	<ul style="list-style-type: none"> <li>● Held partner meetings and visits to business partners in the division level to further strengthen cooperation with partners</li> <li>● Held regular meetings with transportation business partners</li> </ul>
		Promote safety and health awareness <ul style="list-style-type: none"> <li>● Take measures to eliminate the three serious occupational accidents (electric shock, falls and transport-related injuries)</li> <li>● Take measures to improve sensitiveness to hazards</li> <li>● Conduct stress checks</li> </ul>	<ul style="list-style-type: none"> <li>● Conducted monthly safety work comprehension tests for target workers via e-learning</li> <li>● Implemented improvements to unsafe behavior and unsafe conditions through factory inspections and patrols</li> <li>● Opened a practical safety training room and started hands-on training using specialized equipment</li> <li>● Conducted stress checks, including group companies</li> </ul>
Promote educational and training opportunities that support personal and professional growth <ul style="list-style-type: none"> <li>● Increase opportunities for human resource development (target: 5,500 or more participants per year)</li> </ul>		<ul style="list-style-type: none"> <li>● 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)</li> </ul>	
Utilize diverse workforce <ul style="list-style-type: none"> <li>● Expand 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)</li> <li>● Improve percentage of female regular employees (to over 16%)</li> <li>● Improve percentage of women in managerial roles (section manager and above) to over 2.5%</li> </ul>		<ul style="list-style-type: none"> <li>● Established the Nissin Heartful Friend Co., Ltd. Maebashi office (April)</li> <li>● Expanded areas of outsourced work (data entry, etc.) and increased order volume (digitization, etc.)</li> <li>● Actively promoted female regular employees</li> <li>● Exceeded the plan for the ratio of female managers</li> </ul>	
Corporate Management	 <b>Fair and Transparent Corporate Management</b> P.43-44	Thorough compliance <ul style="list-style-type: none"> <li>● Continue to maintain the compliance system</li> </ul>	<ul style="list-style-type: none"> <li>● Formulated and implemented compliance measures for priority compliance laws</li> </ul>
		Thorough risk management <ul style="list-style-type: none"> <li>● Understand risk situations and determine management policy and measures</li> <li>● Identify risks facing the Nissin Electric Group and determine response measures</li> <li>● Roll out various measures to address a large-scale disaster</li> </ul>	<ul style="list-style-type: none"> <li>● Held Risk Management Committee meeting once a year</li> <li>● Held Risk Management Working-Level Committee meetings 4 times a year</li> <li>● Conducted disaster prevention drills, personal safety confirmation drill, and prepared emergency supplies and food at production bases in Japan</li> </ul>
	Utilizing ICT and thorough information security <ul style="list-style-type: none"> <li>● Scrutinize and match levels of the Information Management Ledger of each department, and offer guidance</li> <li>● Follow up on management implementation status of top-secret information in each department, and follow up on the management of information other than top-secret</li> <li>● Roll out to group companies in Japan based on response within Nissin Electric</li> <li>● Implement various measures at Nissin Electric and domestic group companies</li> <li>● Implement various measures aimed at overseas group companies</li> </ul>	<ul style="list-style-type: none"> <li>● Revised Company Information Management Guidelines</li> <li>● Followed up on management implementation status of top-secret information, and followed up on the management of information other than top-secret</li> <li>● Continued measures to prevent viruses (removal of executable file attachments, e-learning, email training, etc.)</li> <li>● Enhanced measures against infections and intrusions (attack detection and containment)</li> <li>● Strengthened terminal management for overseas group companies (introduction or deployment of tools)</li> <li>● Conducted vulnerability diagnosis by a security research company</li> </ul>	

	CHECK	ACTION (Fiscal 2020 Policies)	ESG	SDGs
	<ul style="list-style-type: none"> <li>○ Established a system for reducing GHG emissions via Eco Project (EcoPro) II campaign</li> <li>* Promoted sales of high-efficiency products</li> <li>* Strengthened energy conservation activities</li> <li>* Strengthened measures for reducing SF<sub>6</sub> gas emissions</li> <li>* Strengthened efforts for waste volume reduction</li> <li>○ Improved recycling rate by recycling incineration ash</li> <li>○ Optimized calculation method for VOC emissions</li> </ul>	<ul style="list-style-type: none"> <li>● Acquire SBT initiative certification</li> <li>● Formulate emission reduction measures via EcoPro II when sales increase</li> <li>● Strengthen efforts to promote the creation of environmentally friendly products</li> <li>● Energy conservation activities: Strengthen management in specific divisions</li> <li>● Promote introduction of high-efficiency SF<sub>6</sub> gas recovery equipment, strengthen management in specific divisions</li> <li>● Waste volume reduction activities: Strengthen management in specific divisions</li> <li>● Apply incineration ash recycling throughout the year</li> <li>● Enhance and strengthen management of VOC emissions</li> </ul>	<b>E</b> Environmental	
	<ul style="list-style-type: none"> <li>○ Conducted root cause analysis course with the Human Resources Development Department</li> <li>○ Regularly held monthly Nissin Electric Group QA Conference</li> <li>○ Held 2 lessons and 1 workshop on lessons learned about the study of failure</li> <li>○ Changed survey to a descriptive form and rolled out improvements from concrete opinions: 652 surveys collected and posted on internal company website</li> <li>○ Completed nearly all line inspections and facility assessments</li> <li>* Further enhanced functions to automate protection relay test</li> </ul>	<ul style="list-style-type: none"> <li>● Roll out quality improvements through factory and design inspections in Safety and Quality Enhancement Project activities</li> <li>● Improve effectiveness of Nissin Electric Group QA Conference and hold purchasing and outsourcing QA promotion meeting</li> <li>● Make a routine of learning about the study of failure in-house (hold 4 workshops)</li> <li>● Continue to make further improvements using customer opinions</li> <li>● Enhance functions to automate protection relay test</li> <li>● Improve work efficiency by promoting IT in the workplace</li> </ul>	<b>S</b> Social	
	<ul style="list-style-type: none"> <li>○ Implemented many solution proposals incorporating distributed power generations centered on ENERGMATE</li> <li>* Continue to budget for BCP measures and propose solutions for realizing it</li> <li>○ Responded to selection of a new technology of nitrification control by JS, designed and constructed technology for introduction</li> <li>○ Established systematic renewal of aging equipment and energy conservation proposal activities</li> <li>* Expanded proposal activities aimed at implementation</li> <li>○ Held voluntary Nomination and Compensation Committees (May, November, March)</li> </ul>	<ul style="list-style-type: none"> <li>● Strengthen efforts for subsidy projects that simultaneously realize regional disaster prevention/mitigation and low carbon</li> <li>● Promote solutions for customer needs, such as CO<sub>2</sub> reduction and BCP response</li> <li>● Deepen customer trust by expanding solution proposals, such as nitrification control and energy conservation</li> <li>● Expand solutions to solve the customers' challenges of technology succession and maintenance management efficiency caused by the declining number of skilled engineers</li> <li>● Expand proposals for securing energy to achieve sustainability</li> <li>● Implement work necessary to continue compliance (implemented) (hold Nomination and Compensation Committee, analysis and evaluation of the Board of Directors, etc.)</li> <li>● Investigate and confirm trends in code changes (scheduled for spring 2021) for changing listing standards on the stock exchanges</li> </ul>	<b>S G</b> Social Governance	
	<ul style="list-style-type: none"> <li>○ Conducted 1 earnings presentation for institutional investors, 117 individual meetings and conference calls, and 2 company presentations for individual investors</li> <li>* Conducted explanations that enable investors to deepen their understanding</li> <li>○ Provided scholarships to 22 technical graduate students</li> <li>* Prepared teaching materials for on-site science classes for elementary school students that correspond to the new school curriculum guidelines</li> <li>○ Provided 2 new assistances to expand the base of engineers</li> <li>○ Continue grants by coordinating with governments and determine 1 new grant recipient</li> <li>○ Maintained knowledge for the maintenance and preservation of Sekison-tei</li> <li>○ Conducted forest preservation activities with employee volunteers 4 times (3 times in Kyoto and once in Maebashi)</li> <li>○ Cooperated with Gion Festival Zero-Waste Project by 30 employee volunteers</li> <li>○ Expanded target of CSR procurement survey to all business partners with 90% of total transaction amount</li> <li>* Spread CSR procurement guidelines to partners</li> <li>○ Held 2 partner meetings and conducted visits to business partners by young engineers</li> <li>○ Held 2 regular meetings with transportation business partners</li> <li>* Further strengthened relations with business partners</li> </ul>	<ul style="list-style-type: none"> <li>● Improve communication with investors that deepens their understanding</li> <li>● Continued to operate full grant-based scholarship program</li> <li>● Standardize on-site science classes for elementary school students for higher grades</li> <li>● Continue assistance by coordinating with governments and consider new grant recipients</li> <li>● Continue daily preservation of the Sekison-tei building and garden</li> <li>● Continue forest preservation activities with employee volunteers</li> <li>● Expand forest preservation activities in the Maebashi area</li> <li>● Advance educational activities through daily business dealings and workshops</li> <li>● Facilitate thorough understanding of CSR procurement guidelines by partner</li> <li>● Reinforce partnerships by continuing and expanding partner meetings</li> </ul>	<b>S</b> Social	
	<ul style="list-style-type: none"> <li>* Although there were no accidents from electric shock or falls, need to eliminate accidents in transport work</li> <li>○ Reduced workplace accidents by half since last fiscal year</li> <li>○ Achieved stress check implementation rate of 96%, and conducted interviews with employees with elevated stress levels, and performed group analysis</li> <li>○ Achieved target number of participants per year: 6,465</li> <li>○ Annual curriculum: Increased to 217 courses</li> </ul>	<ul style="list-style-type: none"> <li>● Reinforce initiatives to eliminate the three serious occupational accidents</li> <li>● Strengthen safety and health management system and enhance safety and health training</li> <li>● Conduct fifth year of stress checks and verify improvement effects</li> <li>● Increase opportunities for human resource development (target: 6,800 or more participants per year)</li> <li>● Promote career development for young employees and enhance global education</li> <li>● Enhance training of each technology and skill and enhance the necessary education for work to develop the necessary personnel for business at an early stage</li> </ul>	<b>S</b> Social	
	<ul style="list-style-type: none"> <li>○ Achieved target: employment rate of 2.67% for the group (as of the end of March 31, 2020)</li> <li>* Prepared a stable office operation environment and organization</li> <li>○ Percentage of women employees: 17.3%, Percentage of women in managerial roles: 2.4% (as of April 1, 2019)</li> <li>* Encouraged hiring of female employees and career paths</li> <li>○ Improved percentage taking annual paid holidays: FY2018: 66.6% (14.2 days) FY2019: 73.0% (16.4 days)</li> </ul>	<ul style="list-style-type: none"> <li>● Promote increased hiring and expansion of scope of business with a view to increasing the 2020 statutory employment rate</li> <li>● Develop new business and stable operation</li> <li>● Stabilize operation and expand business at the Maebashi office established in April 2019</li> <li>● Encourage use of the career support system (more than 5 persons/year)</li> <li>● Use work from home for childcare, elderly care, and treatment of illness (60% of women employees who are balancing work and family)</li> <li>● Encourage male employees to take childcare leave (8 or more persons/year)</li> <li>● Encourage employees to take annual paid leave (67% or more)</li> </ul>	<b>S</b> Social	
	<ul style="list-style-type: none"> <li>○ Promoted the sharing of goals the company aims for through lively discussions: total 46 participants</li> <li>○ Contributed to many exchanges and cross-divisional connections: 70 participants</li> <li>○ Conducted interviews by rank and developed more specific measures by department in addition to overall measures</li> </ul>	<ul style="list-style-type: none"> <li>● Continue to hold discussions with newly appointed managers and chiefs in fiscal 2020</li> <li>● Continue to hold the quadrilateral subsection chiefs networking session</li> <li>● Conduct the fiscal 2020 employee satisfaction survey and verify the results of improvements</li> </ul>	<b>S</b> Social	
	<ul style="list-style-type: none"> <li>○ Confirmed the status of compliance with priority compliance laws in the Compliance Committee (4 times a year)</li> <li>○ Shared risk cases and solved problems for 15 themes</li> <li>○ Conducted training drills on disaster prevention in 14 divisions, and held drills to check the safety of employees 4 times throughout the company, and completed installation of earthquake early warning systems at 5 divisions</li> <li>* Identified potential risks and changing risks</li> </ul>	<ul style="list-style-type: none"> <li>● Reviewed priority compliance laws based on importance, and formulated and implemented compliance measures</li> <li>● Identify business risk, and further study and implement measures</li> <li>● Continue and expand implementation items from fiscal 2019</li> <li>● Develop various measures in the event of a large-scale disaster or outbreak of an infectious disease</li> </ul>	<b>G</b> Governance	
	<ul style="list-style-type: none"> <li>○ Revised Company Information Management Guidelines (September)</li> <li>○ Followed up on management implementation status of top-secret information, and followed up on the management of information other than top-secret</li> <li>○ Continued measures because they were effective to some extent for Nissin Electric and domestic group companies</li> <li>○ Started to deploy software asset management system to overseas group companies, and some operation monitoring in effect</li> <li>* Raised the management level at overseas group companies to the same level of domestic group companies</li> </ul>	<ul style="list-style-type: none"> <li>● Follow up on management implementation status of top-secret information in each department</li> <li>● Roll out application to domestic group companies</li> <li>● Continue and expand current measures in Japan</li> <li>● Raise the management level overseas by deploying software asset management system and conducting operation monitoring</li> </ul>	<b>G</b> Governance	



# 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.



Evaluation and analysis of biodegradable electrical insulating oil

## Highlight 2019 | Creating Environmentally Friendly Products

### Developing a Biodegradable Electrical Insulating Oil That Can Be Used in All Products

From the viewpoint of long-term reliability, the electrical insulating oil for power system equipment has been petroleum-based aromatic hydrocarbons, which are stable, hard to decompose, and highly insulating. However, there has been concern that, in the event of a large-scale disaster or some other incident that damages power system equipment to make it leak, the oil may pollute the soil, groundwater, rivers, and oceans and affect the ecosystem.

Therefore, there is a need for a switch to an insulating oil that is easily decomposed by bacteria and ecologically safe. From around 2010, insulating oils such as palm oil and rapeseed oil that have excellent biodegradability and only a small impact on the ecosystem have been used for power system equipment (transformers).

In 2019, Nissin Electric collaborated with Lion Specialty Chemicals Co., Ltd. to develop a new electrical insulating oil that has excellent biodegradability and only a small impact on the ecosystem and yet meets performance requirements, which were difficult to satisfy before, for use with power

capacitors. This oil has acquired EcoMark certification (certification number: 16 110 001). The development of this oil has enabled us to offer all types of equipment (power capacitors, transformers, instrument transformers, and reactors) with a biodegradable electrical insulating oil. Nissin Electric will focus on the development of environmentally friendly products, thereby promoting the reduction of environmental load with its distinctive products.

#### Doing What It Takes to Develop a Biodegradable Electrical Insulating Oil

Looking at the devastation of the Great East Japan Earthquake and thinking about the oil leaking from all the damaged equipment, I had just started research at the time and did what I had to do to push forward with development. I will work to spread this biodegradable electrical insulating oil.

#### Yukio Sasatani

Chief Senior Staff  
Material Technology Laboratories



#### EcoMark Certification Requirements



EcoMark certification No.  
16 110 001

#### Oil that easily degrades in the environment

- Biodegradability: 60% or more (28 days)
- Ichthyotoxicity: 100 mg/l or more

\* EcoMark is a registered trademark of the Japan Environment Association.

## Reduction of Greenhouse Gas Emissions

### Aiming for SBT Certification

Nissin Electric Group announced that we would aim to obtain certification from the Science Based Targets Initiative (SBTi)\*, an international environmental organization, for our greenhouse gas reduction targets for fiscal 2030. Moving forward, we will set global targets for reducing the total amount of greenhouse gases emitted by our corporate activities by October 2021 and aim to obtain certification.

\* Science Based Targets initiative: An international initiative that recommends medium- and long-term targets for greenhouse gas reductions based on scientific evidence.

### Calculating Supply Chain Emissions

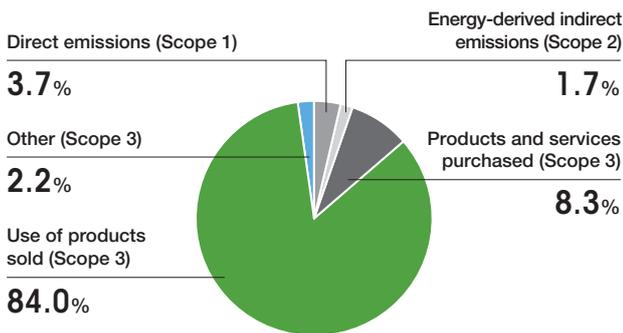
The Nissin Electric Group calculates its greenhouse gas emissions in the group’s supply chain in Japan and abroad using the Basic Guidelines on Calculating Greenhouse Gas Emissions in the Supply Chain Ver. 2.3 issued by METI and the Ministry of the Environment.

In fiscal 2019, we revised the evaluation and analysis of greenhouse gas emissions calculated in fiscal 2018 in order to set emission reduction targets required for SBT certification.

#### CO<sub>2</sub> Emission Results for the Entire Supply Chain

**Total: 1,776,000t-CO<sub>2</sub>**

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



Note: Updated aggregate values in May 2020.

t-CO<sub>2</sub>: 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

### Issuing Environmental Labels Based on New Standards

Since our “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 develop environmentally friendly products and encourage their use to reduce emissions when they are used. We have our own “eco-product” certification for products that conform to one or more criteria as environmentally friendly products, and emit 20% fewer greenhouse gases from fiscal 2000 levels. We also have “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). As of the end of May 2020, we have 11 certified eco-products and 10 certified super eco-products. We have also issued new labels based on FY2018 levels. We will continue to contribute to the reduction of greenhouse gases by promoting the diffusion of our products with environmental labels.



New environmental label

## Reducing Waste

### Promoting the Reduction of Food Loss at Nissin Club Saganoso

Global interest in reducing food loss\* is increasing given that it is included in the SDGs adopted by the United Nations in 2015, mentioned in the G20 declaration by members at their meeting in Japan in 2019, and is being enforced in Japan by the Food Loss Reduction Promotion Act, enacted in October 2019.

Reducing food loss not only leads to the effective use of food resources, but also combats global warming by reducing waste.

Nissin Electric is also helping to reduce food loss at Nissin Club Saganoso, which provides a communication space for employees and other stakeholders. In order for banquet organizers to adjust the content and amount of food to order depending on the number of participants, the club restructured its menu to reflect their analysis of leftover food, and also practices the “30/10 Campaign” which encourages people to sit and enjoy eating for 30 minutes after the toast and 10 minutes before the end of the banquet. We will continue to implement efforts to reduce food waste.

\* Food loss: Still-edible unsold food or leftover food that is thrown away.



# Initiatives for Global Environmental Conservation

## The Nissin Electric Group Environmental Policy

### Environmental Policy

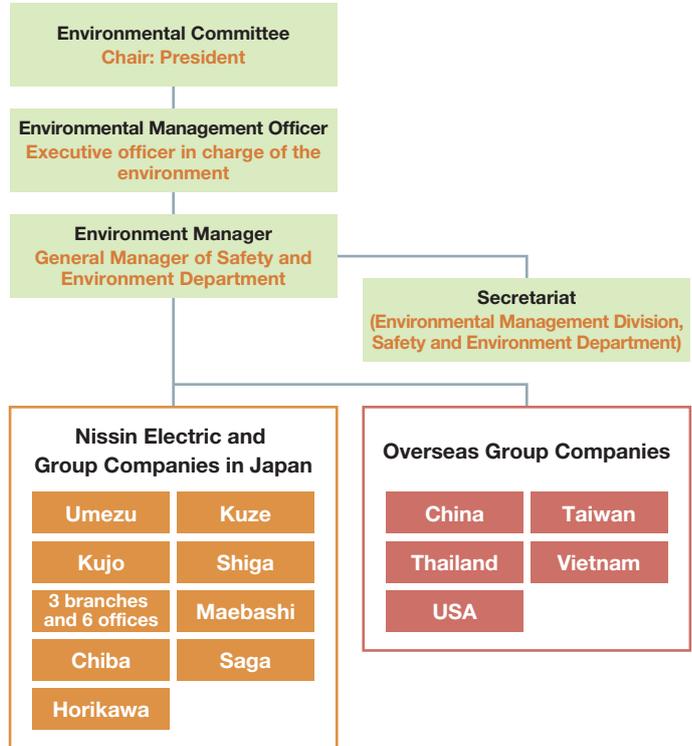
We strive to prevent environmental pollution, use resources sustainably and respond to climate change. We comply with environmental laws and regulations and strive to continually improve our environmental activities.

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

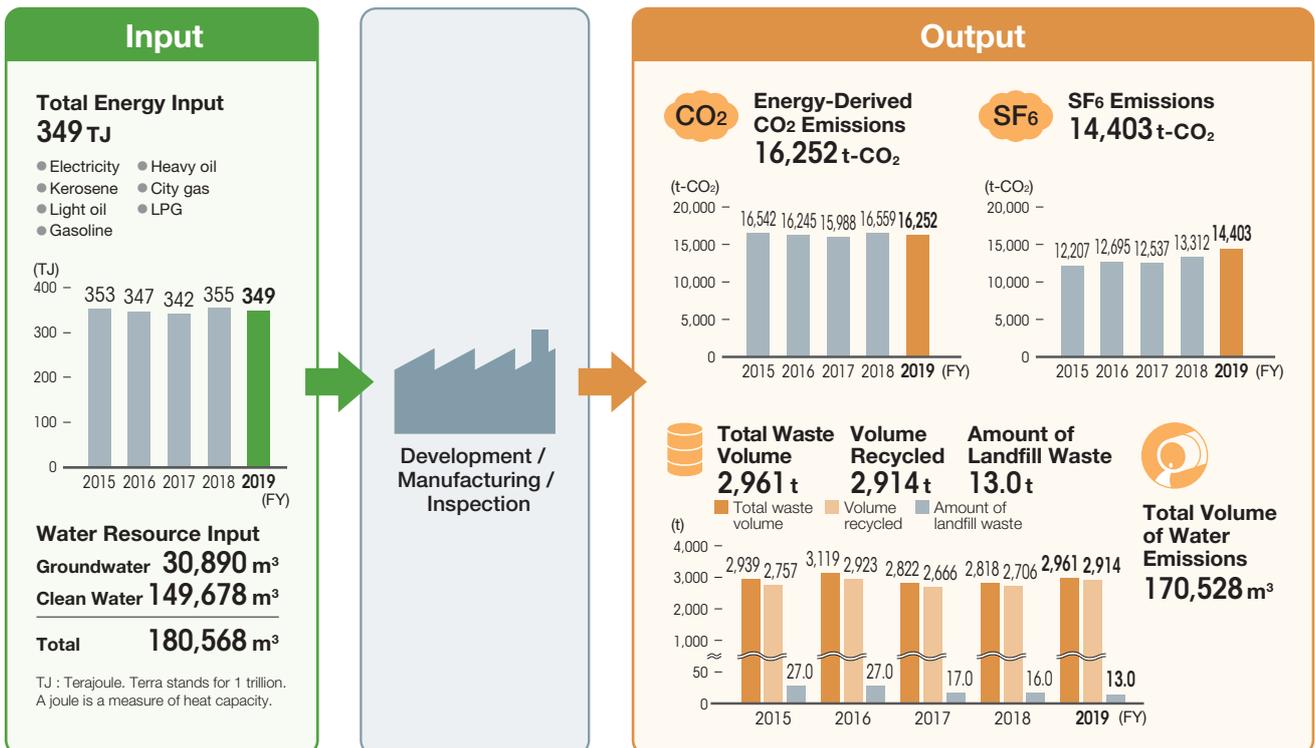
### Focus Environmental Activities

- (1) Develop and supply environmentally friendly products and services
- (2) Reduce energy usage
- (3) Reduce SF<sub>6</sub> 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 (FY2019)



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.

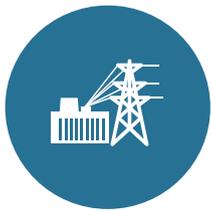
## Targets and Results

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 2019		
	Mid- to Long-Term Environmental Target	Annual Environmental Targets	Results	Evaluation	Example of Activities
Prevention of Global Warming	<b>Popularize Environmentally Friendly Products</b> (Reduction of indirect emissions) Reduction of CO <sub>2</sub> emissions resulting from products and services CO <sub>2</sub> emissions: 7% reduction compared to fiscal 2015	CO <sub>2</sub> emissions: Reduced by 5.6% from fiscal 2015	6.1% reduction	○	<ul style="list-style-type: none"> <li>● Promoted sales of high-efficiency products (power conditioners, etc.)</li> <li>● Promoted development and sales of environmentally friendly products</li> <li>● Carried out external environmental engagement activities linked to the sale of environmentally friendly products</li> </ul>
	<b>Energy Conservation</b> (Reduction of direct emissions) Reduction of CO <sub>2</sub> emissions associated with energy usage cutbacks in business activities CO <sub>2</sub> emissions per unit (t-CO <sub>2</sub> /million yen): 5% reduction compared to fiscal 2015	CO <sub>2</sub> emissions per unit: 4% reduction compared to fiscal 2015 (0.211t-CO <sub>2</sub> /million yen)	4.5% increase (0.230t-CO <sub>2</sub> /million yen)	▲	<ul style="list-style-type: none"> <li>● Implemented Eco Work day</li> <li>● Changed over to LED lighting</li> <li>● Installed high-efficiency equipment</li> <li>● Made efforts to ensure that vehicles did not idle unnecessarily</li> </ul>
	<b>Sulfur Hexafluoride (SF<sub>6</sub>) Emission Reduction into the Atmosphere</b> (Reduction of direct emissions) SF <sub>6</sub> gas emission rate: 1.0% or less	SF <sub>6</sub> gas emission rate: 1.2% or less	1.2%	○	<ul style="list-style-type: none"> <li>● Increased SF<sub>6</sub> recovery by attaching a booster pump</li> <li>● Strengthened management by establishing SF<sub>6</sub> gas management standards</li> <li>● Provided training to handlers</li> </ul>
Emission Reduction	<b>Resource Conservation and Recycling</b> Total waste volume per unit (t/million yen): 5% reduction compared to fiscal 2015	Total waste volume per unit: 4% reduction compared to fiscal 2015 (0.0374t/million yen)	7.4% increase (0.0419t/million yen)	▲	<ul style="list-style-type: none"> <li>● Waste material reduction by product design change or jig installation</li> <li>● Reduced amount of wood packing materials</li> <li>● Promoted going paperless</li> </ul>
	Waste recycling ratio: 98.0% or higher	Waste recycling ratio: 98.0% or higher	98.4%	○	<ul style="list-style-type: none"> <li>● Recycling of incineration ash</li> <li>● Reused wood packing materials</li> <li>● Promoted returning wood pallets to vendors</li> <li>● Thoroughly separated waste through workplace patrols</li> </ul>
	Landfill waste ratio: Less than 1.0% every year	Landfill waste ratio: Less than 1.0%	0.43%	○	<ul style="list-style-type: none"> <li>● Encouraged recycling at waste disposers</li> </ul>
	<b>Prevent Environmental Pollution</b> Reduce volatile organic compounds (VOC) emissions into the atmosphere Maintain the fiscal 2015 level	Maintain the fiscal 2015 level	16.9% reduction compared to fiscal 2015	○	<ul style="list-style-type: none"> <li>● Improved efficiency of the paint coating process</li> <li>● Provided training to painters</li> <li>● Strengthened management of used paints and coatings</li> </ul>
<b>Environmental Management</b> 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"> <li>● Conducted training on biodiversity</li> <li>● Used FSC-certified paper for the Nissin Report, etc.</li> </ul> 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.  
 \* FSC is a registered trademark of the Forest Stewardship Council.

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



Sharing on-site video in the company and confirming with engineers



An on-site engineer wearing smart glasses to record his work



Smart glasses

## Highlight 2019 | Promotion of Life Cycle Engineering

### Providing Trust and Peace of Mind Among Our Customers Through the Use of ICT and Strengthening Collaboration Between Engineers

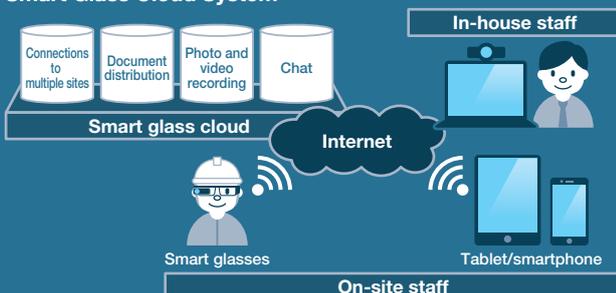
The Nissin Electric Group supports the entire life cycle of our delivered products over the course of installation, on-site testing, maintenance, and facility assessment. By using ICT to connect installation sites to each other and to Nissin Electric, we are striving to improve work efficiency and service quality by establishing a business system based on teamwork.

We launched the Technical Support Department in April 2019, and staffed it with experienced on-site engineers and CAD operators. We are working to share information among engineers through the use of blogs and chat, which are useful for the early resolution of problems. In addition, by using Smart Glass Cloud System, we can share images taken from the same perspective as on-site engineers internally. We can also display materials on the screen of a pair smart glasses from within the company, and exchange work know-how and

advice, as well as other communication while conducting various on-site work. It also helps prevent omissions and confirmation errors, and can provide efficient services in a limited time.

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

#### Smart Glass Cloud System



#### Improving Service Quality Through Various On-site Support

We are improving productivity and service quality by reducing the on-site workload from various angles, such as supporting the work of on-site workers. We will continue to strengthen cooperation and use ICT to meet our customers' needs.

#### Hisakazu Inada

Manager, Power System Equipment Construction Department Construction Division



## Promotion of Life Cycle Engineering

### Swift and Meticulous Support in Times of Disaster

The Mabi Sewage Treatment Plant in the town of Mabi, Kurashiki City, Okayama Prefecture was hit by the torrential rains of July 2018, in which water levels rose to 4.2m and caused widespread damage across wide swaths of western Japan. The disaster flooded the electrical room and brought operation of the sewage treatment plant to a halt. At the request of our customer, we conducted on-site investigations immediately after the disaster, proposed swift recovery methods and means after fully understanding the characteristics of the treatment plant, and made every effort to avoid affecting the lives of citizens and the surrounding environment. We also played a role in coordinating the restoration schedule and work with customers and contractors. We worked to manage the safety of electrical equipment throughout the sewage treatment plant, which was in an unstable situation. We restored power by July 2019 and completed restoration of the treatment facility functions in October.

We provide swift and meticulous recovery support even in the event of a disaster, using our experience and technical capabilities cultivated over the years.

## Sharing Technology

### Hands-on Customer Training for Substation Equipment Maintenance

Nissin Electric conducts customer training to support the development of electrical engineers involved in maintaining substation equipment.

Training used to be conducted at the Technology and Skills Development Center, but was moved to the Practical Training Building at the Nissin Academy Training Center from fiscal 2019, where training was conducted four times with a total of 38 participants.

The Nissin Academy Training Center, opened in March 2019 with the aim of strengthening human resource development in support the next generation, is equipped with numerous actual products and equipment.

The concept is to give trainees practical hands-on training through experience and learning by working with actual equipment. This approach has resulted in more practical and fulfilling training that will further increase the level of contribution to customers' operations.

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.

### Inspecting Electron-Beam Processing Systems That Support Customer Production and Research

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 for their stable performance. 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 our customers, NHV Corporation is also working on efforts 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.

#### Details of Customer Training (Sample Itinerary)

##### Substation Equipment Maintenance Course (2.5 Days)

<b>Day 1</b>	<ul style="list-style-type: none"> <li>● Basic theory on substation equipment (classroom)</li> </ul>
<b>Day 2</b>	<ul style="list-style-type: none"> <li>● Structure of main equipment and directions on use (on-site)</li> <li>● Safety work (classroom and on-site) Practical learning focusing on the basics and things to be careful of, and how to shut down and restore power using an actual cubicle substation with 6,600V applied.</li> <li>● Case studies in electrical equipment accidents and proper maintenance practices (classroom and on-site) Practical learning using electrical equipment with signs of insulation degradation focused on conducting an investigation using a degradation assessment system, experiencing abnormal heat caused by improper tightening of the wiring terminal, and experiencing discolored thermo labels.</li> </ul>
<b>Day 3</b>	<ul style="list-style-type: none"> <li>● See equipment manufacturing process</li> <li>● Key points of electrical equipment maintenance work (on-site) Characteristic test of protection relays and practical inspection of circuit breakers.</li> <li>● Case studies in electrical equipment accidents and explanation of ways to investigate troubles (classroom and on-site) Practical learning on the use of relays, experience with unnecessary operations, and inspection methods for the ground fault of the control power supply after a high voltage ground fault.</li> <li>● Technology sharing session</li> </ul>



# Customer Trust

## Quality Improvement Activities

### 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.

## Improving Customer Satisfaction Together with a Relationship of Trust That Goes One Step Beyond a Business Relationship

At the Nissin Electric Group, the Quality Assurance Administration Department, which has the three functions of “company-wide quality control,” “promotion of comprehensive quality assurance activities,” and “response to customer inquiries and handling trouble reports,” has a company-wide role to continuously improve the quality management system, and is engaged in quality control and activities that promote quality assurance.

We believe that it is important to consider our customers partners, and to treat them with the awareness that their manufacturing is an extension of our own processes. By deepening communication through technical exchanges and reflecting the feedback received into manufacturing, we build a relationship of trust that goes one step beyond a business relationship, improve quality while solving common problems, and increase customer satisfaction.

## Raising and Improving Awareness of Safety and Quality

Nissin Electric holds the Safety and Quality Competition at the Nissin Electric headquarters and Maebashi Works twice a year 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.

Through this competition, we learn about the improvement activities in each department and strive to improve awareness of safety and quality.

## Quality Improvement Activities in the Group and Globally

GLOBAL

We believe that it is necessary to promote quality improvement activities on a group-wide and global basis, including our overseas group companies. In addition to holding a Safety and Quality Competition for Chinese-speaking subsidiaries in April 2019, we will also hold one in the ASEAN region for the first time in September. We are working to raise awareness by sharing examples of safety and quality initiatives. Moving forward, we aim to further raise awareness of safety and quality throughout the group, and plan to expand this to a Global Safety and Quality Competition that will be held for the first time at our headquarters with the participation of Chinese-speaking and ASEAN group companies.



The First ASEAN Safety and Quality Competition

### The Technical Exchange Deepened My Product Understanding and Made Work Consultations Easier

Through the technical exchanges that we receive from Nissin Electric, I have deepened my understanding of products and was reminded of the importance of welding at our company. The technical exchanges also made it easier to consult about work, and I feel more connected to Nissin Electric.



#### Oota Atsuyuki

General Manager  
Kyoto Plant, FUJIWELDTech Co., Ltd.

### The Quality Control of Our Partners is Part of Our Quality Control

Quality Assurance Administration Department considers the quality control of our partners part of our quality control, and we are aiming to further improve the quality of outsourced products and purchased products by performing supply chain management in an appropriate manner.



#### Katsuya Tanaka

Manager  
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 2019 |**  
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.

In fiscal 2019, we held company presentations for individual investors on two occasions, in addition to an earnings presentation for institutional investors. In our company presentations for individual investors, we are working to deepen their understanding of Nissin Electric by explaining our businesses and products in an 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 fiscal 2019, the tour visited the Nissin Academy Training Center and Nissin Club Saganoso, which opened in March.



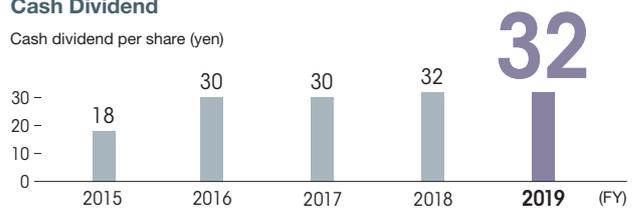
Tour of the Nissin Academy Training Center

## 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.

### Cash Dividend

Cash dividend per share (yen)



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

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

The Nissin Electric Group constantly strives to become a company that is trusted by all shareholders as one of our Principles of Activities. We continue our efforts, such as the timely and appropriate disclosure of information, enhancing opportunities for constructive dialogue, and improving 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 and to boost our corporate value.

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.



Generate Electricity with Solar Panels



Generate Electricity by Pedaling

## Highlight 2019 | Support the Development of Engineers

### Conveying the Fun of Learning Science to Contribute to the Development of Future Engineers

Nissin Electric holds on-site science classes for elementary school students and cooperates in environmental learning and hands-on classes conducted by local governments and boards of education to solve the challenge of waning interest in science by children and to expand the horizons of engineers.

Our employees act as instructors in the classes using the “hands-on eco-power generation system” teaching materials, jointly developed with Nissin Systems Co., Ltd., and the youth group of the Nissin Electric Cooperative Association, and original teaching materials that simulate how to generate electricity with thermal power, hydroelectric power, and wind power. We provide children the opportunity to learn while having fun, such as experiencing the difficulty of making electricity by pedaling to generate power or making it with a solar panel, realizing the importance of saving energy, and deepening their interest in science and electricity.

In recognition of this effort that has been ongoing since 2004, Kyoto City commended us with the Area Enterprise Bright Special Award at the Kyoto City Brilliant Area Enterprise Awards, which recognizes businesses that are rooted in the community and engaged in corporate activities. Moving forward, we will continue to contribute to the development of future leaders through these efforts.

#### An Excellent Opportunity for Hands-on Learning

Learning about electricity is normally difficult for children to understand by personal experience. This class was an excellent opportunity to experience the power of sunlight using teaching materials such as large solar panels that the kids would not normally experience, and it was fun for everyone.

#### Len Inagaki

6th year class teacher  
Katsuragawa Elementary School



Cooperating in the “hands-on eco-power generation experience class” held by Maizuru City  
(Left: Hydroelectric power generation, Right: Thermal power generation)

## 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

#### Examples of the Nissin Electric Group's Social Contribution Activities

- Support KakeRobo monozukuri classes, the workshop of robot (sponsor: Kakehashi mirai, a non-profit organization)
- Host internships for university and vocational college students **GLOBAL**
- Host factory tours for schools in the community
- Host work experience program for junior and senior high school students
- Dispatch speakers to the Future Forum for High School Students (sponsored by Kyoto Prefecture and the Kyoto Employers' Association)
- Maintenance and preservation of Junichiro Tanizaki's Sekison-tei heritage residence
- Volunteering in the Gion Festival Zero-Waste Project and community clean-up activities
- Host children's kendo classes with members of the Nissin Electric Group's kendo club
- Support for disaster recovery (Disaster relief fund for Typhoon Hagibis in 2019, Shuri Castle fire restoration and reconstruction support, etc.)
- Donation activities (Donation of used stamps and donation of picture books through charities, etc.) **GLOBAL**

### Cooperating with Local Environmental Conservation Activities

#### “Nissin Electric Forest” Preservation Activities in Kyoto and Maebashi

The Nissin Electric Group and the Nissin Electric Group Foundation for Social Contribution (the Foundation) conduct forest preservation activities in the Nissin Electric Forest established in Nantan City, Kyoto Prefecture based on an agreement signed in support of the Kyoto Model Forest Movement to protect and nurture the forests of Kyoto. In fiscal 2019, Nissin Electric Group employees and their families participated in volunteer activities to create a walkway in the forest.

Also, to expand forest preservation activities in Gunma Prefecture, where one of our production bases is located, the Foundation signed an agreement to implement maintenance projects for forests owned by Gunma Prefecture and Maebashi City respectively. We started preservation activities in the Nissin Electric Forest at the southern foot of Mt. Akagi, Maebashi City.



Creating a walkway in the forest in Kyoto



Making preparations for planting at Mt. Akagi

### Activities of the Nissin Electric Group Foundation for Social Contribution

#### Providing Scholarships for Technical Graduate Students

The Foundation operates a grant-based scholarship program for technical graduate students pursuing two-year master's degree programs. In fiscal 2019, it provided scholarships to 22 students conducting research on electricity, plasma processing, information, and materials & mechanical systems. Every year, scholarship recipients get together to hold scholarship student gatherings and report on their research activities and careers, which has been ongoing since 2017.

#### Preservation of Historical and Cultural Assets Mainly in Kyoto

In fiscal 2019, the Foundation cooperated in the repair and maintenance of important cultural properties owned by Kyoto Prefecture, such as the former main building of the Kyoto Prefectural Hall, through donations based on an agreement with Kyoto Prefecture. We also continue donating for our project to preserve and use the remains of Okubo Toshimichi's former residence Tea room “Yuutaian” and cooperate with Kyoto City to repair and preserve cultural properties designated and registered by the city and *Kyomachiya* houses based on a collaborative agreement with Kyoto City and the Kyoto Center for Community Collaboration.



The former main building of the Kyoto Prefectural Hall



# 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 2019 | Promotion of CSR Procurement

### Build Stronger Relationships of Trust with Partners Through Our CSR Procurement Survey

The Nissin Electric Group is conscious of our social responsibility and wants to contribute to the creation of a better society and environment through our business activities. To that end, we must work together with our partners, who directly and indirectly provide us with their products and services, in activities that promote social responsibility.

In 2013, we established the Nissin Electric Group CSR Procurement Guidelines, and ask our partners to actively promote and disseminate them. In order to monitor awareness

of these guidelines, we conduct a survey on the CSR initiatives targeting partners accounting for 90% of total transaction amount. Following the 2018 survey in the head office area we started a second CSR procurement survey in the Maebashi area in fiscal 2019.

Going forward, we will continue to use this survey to help build stronger relationships of trust with partners, including group companies, and ask 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 seeks out partners 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

### Launch of the Council for the Promotion of Smart Activity to Overcome Management Challenges Together

Structural problems, such as lack of human resources due to declining birthrates and an aging population and complying with laws related to work style reforms, are major constraints on corporate growth.

Nissin Electric believes that it is important for our company and our major partners to work together to solve these management challenges, and to deepen communication and work more closely together than ever before. We launched the Council for the Promotion of Smart Activity. The council met seven times in fiscal 2019. We will continue to develop activities, such as cooperation to boost productivity in each company, efforts to strengthen human resources system, and support for human resource development, in order for us and our partners to continue to grow and profit.

### Strengthening Relations Through Partner Meetings and Partner Visits by Young Engineers

We have been holding division-level partner meetings and partner visits to further strengthen our win-win relationships, such as by offering ideas and discussing ways to make better products. In fiscal 2019, our young engineers visited four partners to observe their manufacturing and exchange views. We are developing bottom-up activities, such as using the results of the meetings and visits to make improvements, and we will continue to strengthen our relationships with our partners through these activities.



Exchange of views with partners

#### Applying the Experience of Visiting Our Partners in Product Design

I was able to learn about the manufacturing site during my visit with a partner. I want to apply this experience in product design and use it to create drawings that consider ease of manufacturing for our partners.

#### Yuji Nawatani

Environmental Design Department,  
Solution System Division



## Partnerships with Distributors

### Engineering Seminars for Sales Personnel to Explain Our Products and Technologies

We hold engineering seminars for sales personnel at our distributors to deepen their knowledge and understanding of our products and technologies so they can use this information in their sales activities. Since fiscal 2019, the training has been held at the Nissin Academy Training Center, which opened in March, and has been attended by 106 people from 34 companies.



Engineering seminars for sales personnel

### Further Strengthening Sales Capabilities from Business Partner Gatherings

The Nissin Electric Group has held the new Business Partner Gatherings starting in fiscal 2019 with the aim of creating synergy from lively discussion between business partners in different industries, with an eye toward expanding business areas for the entire group. The meetings have been attended by 112 people from 53 companies, including distributors from Nissin Denki Shouji Co., Ltd., who also handle general-purpose products of other companies, and partner companies in the industrial equipment and parts contract manufacturing business that have sales channels for our products in overseas businesses.

Through these gatherings, we will share sales strategies and revitalize the exchange of information and opinions between partners in combinations never seen before, and will aim to further collaborate and strengthen sales capabilities between our group and each partner company.



The first Nissin Electric Group Business Partner Gatherings



# 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.



Interview with career supporter and childcare leave supporter

## Action Plan Based on the Act on Advancement of Measures to Support Raising Next-Generation Children (April 1, 2017–March 31, 2020)

- **Goal 1:** Encourage male employees to participate in childcare and have at least one male employee take childcare leave annually
- **Goal 2:** Achieve a company-wide average total annual working hour of 2,000 hours per person or less
- **Goal 3:** Achieve rate taking annual paid leave of 64%

## Highlight 2019 | Encourage Diverse Work Styles and Work-Life Balance

### Creating a Workplace Culture Where Both Men and Women Can Balance Work and Childcare

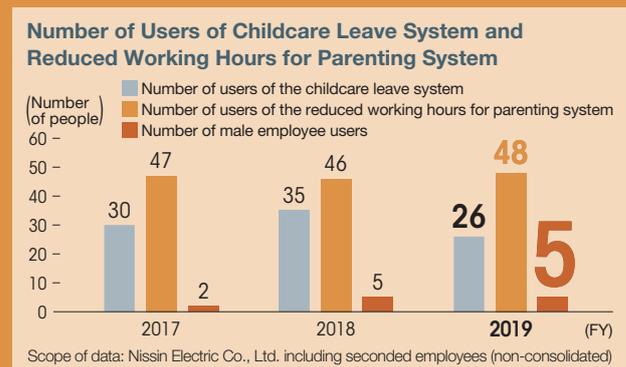
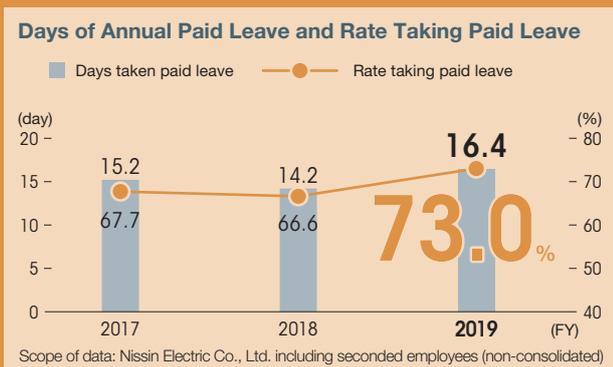
Nissin Electric has formulated an action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children to create a workplace environment where employees with diverse values and lifestyles can engage in meaningful work and cooperate with each other to get results in the office and also enjoy a fulfilling life at home.

From the results of the employee survey on work-life balance conducted in June 2019, we found that male employees wanted easy access to the work-life balance support system, such as childcare leave, and female employees wanted support for both work and childcare.

Thus, from fiscal 2019, we started the career supporters system to support the career development of employees for those giving birth or raising a child, in addition to the childcare leave supports, which introduces support systems and offers childcare consultations. For employees who will be away from the workplace for a long period of time, career supporters and childcare leave supporters interview them to share information and create an opportunity to think about their future careers so

as to relieve any anxiety about how to work when their time is limited. With these supports, we are creating a culture where employees can return to their jobs with peace of mind.

We have also started sending letters for childcare leave to employees who have given birth and their superiors so that they can communicate at work about the use of the support system. The letter to male employees includes a message to encourage them to consider using the support system to support their spouses after birth and to share childcare. It also contains stories from male employees who actually took childcare leave. The letter to female employees tells them to take enough time to devote themselves to childcare and to think about what they should do after returning to work once they are accustomed to childcare. Each letter includes contact information for childcare leave supporters and career supporters. Moving forward, we will continue working to reduce working hours and promote the taking of paid leave while creating a workplace culture that allows both men and women to balance work and childcare.



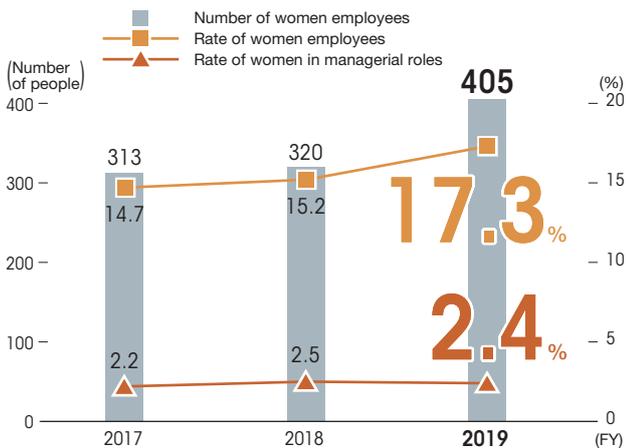
## Utilize a Diverse Workforce

Creating an Employment Environment Based on the Act on Promotion of Women's Participation and Advancement in the Workplace

### Action Plan Based on the Act on Promotion of Women's Participation and Advancement in the Workplace (April 1, 2018–March 31, 2020)

- **Employment goal:** Increase the percentage of women who are regular employees (16% or more)
- **Promotion goal:** Increase the percentage of women in managerial positions (chiefs and above) to over 2.5%

### Change in Number of Women Employees, Rate of Women Employees and Women in Managerial Roles



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 is formulating an action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace in order to create an employment environment in which female employees can play active roles in a wide range of fields.

In fiscal 2019, we introduced the return recruitment entry system for employees who leave the company for unavoidable circumstances as one of the initiatives that will lead to the achievement of the goals of the action plan. Under this system, employees who are unable to continue their careers due to circumstances such as a spouse's transfer, treatment of an illness, infertility treatment, pregnancy, childcare, nursing care, etc., can return to work after focusing on their situation for the necessary amount of time. It is a re-hiring system that provides opportunities for employees to make use of their specialized knowledge and skills that have been cultivated while working in the company.

Going forward, we will continue to create an even more comfortable working environment, with the aim of furthering gender equality and women's empowerment and realizing a variety of work styles according to the life stage each employee.

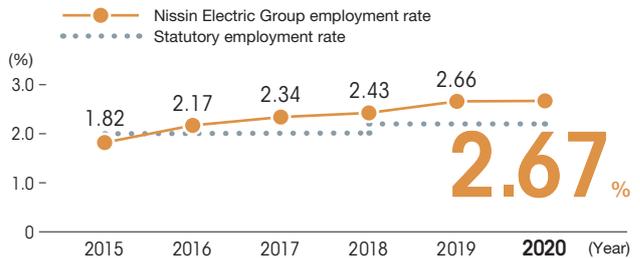
## Promoting Employment and Business with People with Disabilities

Nissin Heartful Friend Co., Ltd. (NHF) was established in September 2015 to provide a place for people with disabilities to achieve social independence and create rewarding work in which they can play a leading role. In March 2016, it received certification as a special subsidiary of Nissin Electric, receiving special subsidiary certification with other related companies in the group later in December. In April 2019, the NHF Kyoto office welcomed four new employees to boost the staff to 21 employees (17 of whom are people with disabilities) and later moved to a new office in October with an eye to expanding its business in the future. Everyone is throwing themselves into their work. We will continue to expand our business by joining forces with the seven employees (four of whom are people with disabilities) of the NHF Maebashi office, which opened in April 2019.



New office space at the NHF Kyoto office

### Change in Employment Rate of People with Disabilities



Note: Figures up to 2019 are as of June 1 for each year, and figures for 2020 are to the end of March.

Scope of data:

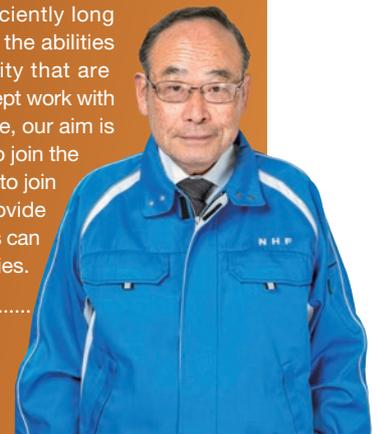
Up to 2016: Nissin Electric Co., Ltd., non-consolidated.

From 2017: Nissin Electric Co., Ltd., Nissin Ion Equipment Co., Ltd.,

Nissin Systems Co., Ltd., Nippon ITF Inc., and Nissin Heartful Friend Co., Ltd.

### We Provide More Places Where We Can Showcase Our Various Capabilities

It has been four years since we first started doing digitizing work with sufficiently long deadlines. By making full use of the abilities of each member with a disability that are second to none, we can now accept work with same-day deadlines. Furthermore, our aim is to be a company that you want to join the most and you are recommended to join the most. We will continue to provide more places where our employees can showcase their various capabilities.



#### Kenji Kubota

Inter-Divisional Coordinator  
Nissin Heartful Friend Co., Ltd.



# Employee Mutual Trust

## Promote Educational and Training Opportunities That Support Personal and Professional Growth

### Raising Global Leaders with the Overseas Short-term Trainees System GLOBAL

Nissin Electric has started the Overseas Short-term Trainees System to increasing the overseas experience of young and mid-career employees and develop global leaders.

In fiscal 2019, employees from Corporate Departments were sent to overseas group companies. Trainees from the Procurement Department visit partners in Vietnam and facilitated efforts to improve manufacturing activities together with our partners applying their experience in Japan abroad. In addition, trainees organized, chaired, and moderated the first Manufacturing Technology Exchange Meeting of Industrial Equipment and Parts Contract Manufacturing Business held on the second day of the Safety and Quality Competition held for the first time in the ASEAN region, participating in efforts to create connections between overseas group companies that they would not normally experience in Japan.



The first Manufacturing Technology Exchange Meeting of Industrial Equipment and Parts Contract Manufacturing Business

### Training for Executives of Overseas Group Companies GLOBAL

In fiscal 2019, we held the first Training for Executives of Overseas Group Companies for three days at the Nissin Academy Training Center in order to promote the development of group and global human resources. The training consisted of 10 participants from eight companies from four countries with simultaneous interpretation in Japanese, Chinese, English, and Vietnamese, in which they learned about the Nissin Group's corporate philosophy, shared the vision of the medium- to long-term business plan "VISION2020," gave presentations introducing themselves, and studied management to discover issues through the exchange of views and raised awareness of safety and quality. Going forward, we plan to continue holding practical report meetings with trainees and increase the number of participants.



The first Training for Executives of Overseas Group Companies

## Strengthen Communication

### Working Together for Sustainable Development Through the Exchange of Views Between Employees and Management

Since 2013, managers and chiefs who play a key role in the Nissin Electric Group have been holding regular meetings to exchange views with the president and executives.

In fiscal 2019, a total of 46 people participated in the meetings and discussed efforts to achieve the business goals of their respective departments and the issues and challenges that they have noticed as managers and chiefs. Going forward, we will continue to broaden the range of these dialogues, actively incorporate the opinions of employees regarding the future of the Nissin Electric Group, and work together from management to the factory site for the sustainable development of the group.



Exchange of views with managers, the president, and executives

### Employee Satisfaction Survey and Feedback for Resolving Issues

The Nissin Electric Group conducts an employee satisfaction survey every year as one of its communication tools to gain a detailed understanding of employee awareness and attitudes from various perspectives.

The fiscal 2019 survey targeted around 3,000 people and received a response rate of 93.3% that included numerous opinions.

We were able to gain an understanding of group-wide challenges, such as the relationship between subordinates and superiors and work style issues, in addition to the communication between employees, which has helped us to implement measures to improve the work environment for employees. The results are also fed back to each organization, and we are actively working to resolve the issues in each organization.

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.

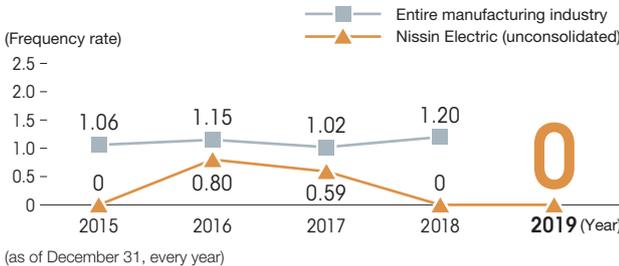
Promote Safety and Health Awareness

Strengthening Collaboration to Achieve Goals by Distributing Safety Notifications

The “VISION2020” medium- to long-term business plan of the Nissin Electric Group sets the strict safety goals of zero workplace accidents with absence and two or fewer business-related accidents as safety indicators, and we are working to improve the safety level of the entire group as the Safety and Quality Enhancement Project.

From April 2019, we started distributing safety notifications to safety managers and employees at each workplace, and are working to eliminate serious accidents, the same kind of accidents that occur repeatedly, and close calls. We are also rebuilding a corporate culture that puts safety first. Safety notifications urge employees to inspect their work environments, and we are working to strengthen the vertical and lateral collaboration of organizations through the manager’s own grasp of the current state of the workplace, inspection reports, and reports on improvements.

Industrial Accident Frequency Rate (Disabling Injury Frequency Rate)



Note: The figures for the entire manufacturing industry in 2019 are omitted because they were not yet announced by the Ministry of Health, Labor and Welfare as of March 2020 when this graph was created.

Scope of data: Employees directly employed by Nissin Electric (unconsolidated) only

It is Our Job to be Aware and Practice Safety So We Can Achieve Our Safety Goals

We must do what we can to achieve our safety goals in the final year of “VISION2020.” To reach those goals, everyone must be aware of and practice determining, following, and checking rules and procedures. Let us aim to rebuild a culture of safety by enhancing safety education and strengthening health and safety management.



Yasunari Mochida

Manager  
Safety and Environment Department

Promoting Safety Activities at Overseas Manufacturing Sites Based on Unified Rules **GLOBAL**

The Nissin Electric Group holds Safety and Quality Competitions at its head office and Maebashi Works to raise awareness of safety. Similarly, we also hold the competition in Chinese-speaking regions and the ASEAN region, and conduct safety education (classroom and on-site) and factory safety inspections tailored to the operations and the type of work at each manufacturing site. In addition, Nissin Electric (Thailand) Co., Ltd. hosted the first forklift and crane safe operation competition for an overseas group company for the first time.

Based on the idea that “safety takes precedence over all else,” each group company has unified rules, and we are promoting safety and health activities based on the high standards demanded by the safety requirements of the rules and regulations of head office and the Industrial Safety and Health Act of Japan.



Safe operation competition at Nissin Electric (Thailand) Co., Ltd.

Health Management

Initiatives to Prevent Passive Smoking and Reduce Smokers

Nissin Electric has stopped selling cigarettes on its premises and reduced the number of smoking areas as a measure to prevent smoking. In fiscal 2019, we set up a new smoking time at all of our offices in Japan to limit smoking hours during work hours, thereby reducing the number of opportunities for passive smoking from inhaling second-hand smoke due to exhalation or clothing of smokers.

In our ongoing efforts to reduce the number of smokers since 2010, we issue monthly company-wide notifications from various angles warning about the harms caused by cigarettes, and encourage employees to visit smoking cessation clinics. From fiscal 2010 to 2019, 55 people have taken on this challenge and 52 people have successfully quit smoking.



# 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

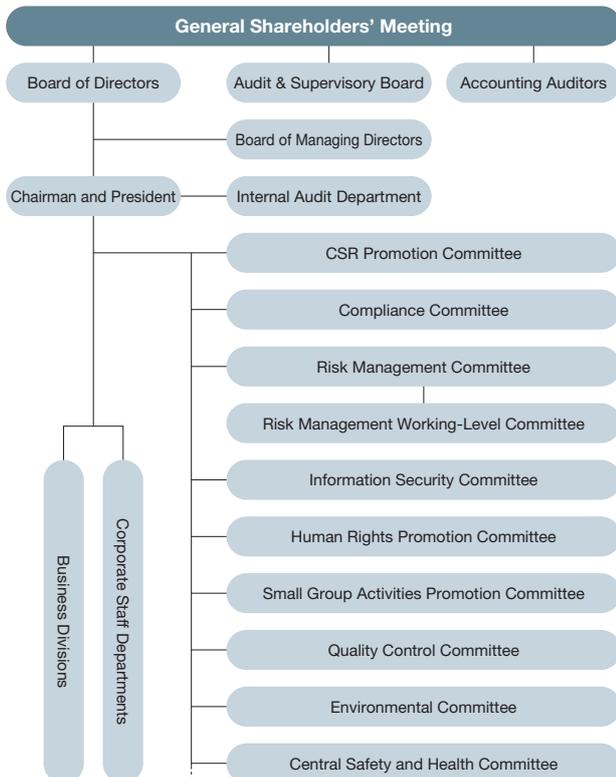
Nissin Electric has an Audit & Supervisory Board with a total of five outside officers, comprised of three outside auditors and two outside directors, one of whom is a woman (as of March 31, 2020).

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.

Nissin Electric revised its Corporate Governance Guidelines in November 2018 in response to the partial revision and application of the Japan's Corporate Governance Code from June 2018, and established a new voluntary Nomination and Compensation Committee to elect and dismiss executive officers and set compensation for directors.

We have implemented and complied with all principles of Japan's Corporate Governance Code and 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, we 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, and revised the name of the "Nissin Electric Group Corporate Conduct Guidelines" to the "Nissin Electric Group Employee Conduct Guidelines" in November. These revisions are made known to all group employees in Japan and overseas through means such as distributing them in a booklet translated into multiple languages.

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 11 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 the "Help Line Desk" for employee comments and consultations regarding compliance issues, including human rights and harassment, in order to promote their early detection and investigation, as well as voluntary correction and resolution. Since then, we have enhanced the Help Line Desk to include contacts staffed by female persons in charge, an outside lawyer, plus established a line for outside directors to receive whistleblower reports or consultations.

The Help Line Desk had 11 consultations in fiscal 2017, 10 in fiscal 2018, and 23 in fiscal 2019, and we are working to independently correct and resolve issues before they become serious problems.

## Promotion of Compliance Education

In fiscal 2019, we conducted nationwide compliance training sessions for group employees in Japan that includes topics such as thoroughly complying with the ban on cartels and collusion, key revisions of our Group Employee Conduct Guidelines, and an overview of amendments to the Anti-Monopoly Act, the Civil Code, and the Construction Business Act.

We also held compliance training sessions for executive officers on the subject of thorough compliance with the Anti-Monopoly Act in which executives learned about topics such as recent incidents in society, situations where bid rigging is likely to occur, and points to keep in mind when making bids, which was then followed by a question and answer session.

In addition, we are working to raise employee awareness of compliance by sending compliance messages to group employees via our intranet every month and publishing compliance-related articles in the quarterly group newsletter “Nissin” to ensure that everyone continues to uphold compliance.



Nationwide compliance training sessions held at the head office

## Respect for Human Rights

At the Nissin Electric Group, we have established the “Human Rights Promotion Committee” as a company-wide cross-functional organization that promises to respect basic human rights and not to discriminate as set forth in the Nissin Electric Group Corporate Behavior Charter, which is the standard of behavior for all employees, and the Nissin Electric Group Employee Conduct Guidelines, which stipulate what should be practiced in daily business activities. In addition to fair hiring practices, we are promoting education to deepen the correct understanding and awareness of various human rights issues, and creating a bright workplace where all employees respect each other’s human rights and can work with purpose.

In fiscal 2019, in addition to training by rank for new employees, mid-career hires and newly-appointed managers, we held training on the subject of awareness and actions for respecting human rights in work for all employees.

## Risk Management

### Thorough Risk Management

We manage risk across the entire group by assuming the risks of the group, including business risks, and assigning divisions to handle emergencies based on the type of risk. We have established the Risk Management Committee that stipulates basic policies, etc. and the Risk Management Working-Level Committee that ensures effectiveness as a subordinate organization, and we promote risk management in each division and group company with the general managers or group company president acting as the risk manager.

Furthermore, in the event of a large-scale disaster, we have formulated and are preparing business continuity plans (BCPs) for each division in order to minimize damage and ensure that business can continue to operate and quickly recover.

#### Risk Management Structure



## Utilizing ICT and Thorough Information Security

The Nissin Electric Group has established the Information Security Committee, chaired by the executive officer in charge of information systems, which prepares various measures to prevent information leaks and conducts security training for employees and partners, in addition to promptly revising information security rules and regulations in line with circumstances in society. We began regular monitoring to detect and contain attacks from fiscal 2018 based on the revised Cybersecurity Management Guidelines released by the Ministry of Economy, Trade and Industry, and in fiscal 2019 we are working to ensure strict information security management by undergoing a security diagnosis from an external organization among other efforts.

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

2019

Apr.

**Nissin Electric Co., Ltd.**

The 68th Electric Industry Technology Achievement Awards Encouragement Award  
 "Development of energy management system to improve efficiency of energy conservation and maintenance in sewage treatment plants"  
 Japan Electrical Manufacturers' Association (JEMA)

Jun.

**Nissin Electric Group Foundation for Social Contribution**

Kyoto Prefecture Donor Recognition  
 Kyoto Prefecture

Sep.

**Nissin Heartful Friend Co., Ltd.**

Governor's Award for Excellent Employment of People with Disabilities, Kyoto Work Fair of People with Disabilities 2019  
 Excellent Employment Recognition  
 Kyoto Prefecture



**Nissin Electric Co., Ltd.**

"GIS renovation work associated with the restoration of Okuma Substation"  
 Certificate of Appreciation  
 Fukushima Branch, Transmission and Distribution Company, Tohoku Electric Power Co., Inc.



Oct.

**Nissin Electric Group Foundation for Social Contribution**

Kyoto City Donor Recognition  
 City of Kyoto

**Nissin Electric Co., Ltd.**

"Remodeling of substation equipment in Tamazu IC on the Second Shinmei Road and 2 other places"  
 Excellent Business Operator Award  
 Kansai Branch Safety Council, West Nippon Expressway Company Limited



Nov.

**Nissin Electric Co., Ltd.**

The 8th Japan DC Forum  
 DC Excellent Company Award  
 401k Educational society



Dec.

**Nissin Electric Co., Ltd.**

Kyoto City Brilliant Area Enterprise Award  
 Area Enterprise Bright Prize  
 Area Enterprise Bright Special Award  
 City of Kyoto



**Auland Co., Ltd.**

Kyoto City Brilliant Area Enterprise Award  
 Area Enterprise Bright Prize  
 City of Kyoto

2020

Mar.

**Nissin Electric Co., Ltd.  
 NHV Corporation  
 Nissin Business Promote Co., Ltd.  
 Nissin Denki Shouji Co., Ltd.**

2020 Outstanding Health and Productivity Management Organization (large enterprise category) certification  
 Ministry of Economy, Trade and Industry



**Nissin Systems Co., Ltd.**

2020 Outstanding Health and Productivity Management Organization (SME category) certification  
 Ministry of Economy, Trade and Industry



**Nissin Electric Co., Ltd. Head Office & Works**

Business Recognized for Excellence in Industrial Waste Disposal & 3Rs for fiscal 2019 certification (certified for the third consecutive year)  
 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.

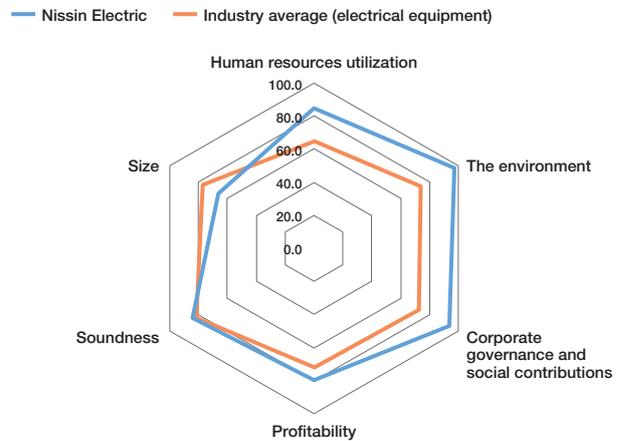
Also, survey results enable us to check our position among peers and are utilized to invigorate initiatives in an effort to become a company that can earn even greater trust from stakeholders.

## 14th CSR Rankings (Weekly Toyo Keizai, February 22, 2020 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 2019, Nissin Electric ranked 161th (170th in 2018) in the 14th CSR rankings that targeted 1,593 companies (1,284 valid responses). Our ranking has risen relatively, and all four categories of our CSR efforts have received AAA score as in the previous year.

Score Radar Chart for 2019



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 2019, following the plan and results indicated on pages 25 and 26.

#### ■ Reporting Areas and Scope

Page 23 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, 2019, to March 31, 2020

#### ■ Reference Guidelines

Environmental Reporting Guidelines 2018 by the Ministry of the Environment, Japan  
GRI (Global Reporting Initiative) sustainability reporting standard

**Forge a bright future for both people and technology**



47, Umezu-Takase-cho, Ukyo-ku, Kyoto 615-8686, Japan

Tel:+81(75)-861-3151 Fax:+81(75)-864-8312

URL <https://nissin.jp/e/>

### **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.

