NISSIN ELECTRIC

NISSIN REPORT **2016**

Company Profile / Sustainability Report

NISSIN ELECTRIC CO., LTD.

Hideaki Obata
President

We will grow together with society through our new medium- to long-term business plan “VISION 2020”

The Nissin Electric Group has been in business for more than a century. Our very first step was taken when researcher Nobu Tomizawa founded a manufacturing company for electric instruments and switchgears in order to commercialize the outcomes of his own research at Kyoto Imperial University (currently, Kyoto University) during the era when electricity was first introduced. As a result, the Nissin Electric Group’s roots can be traced back to a venture firm originating from a university. The company’s name was also created based on two Chinese characters found in the Four Books and Five Classics, one of the Confucian Classics, meaning “new each day,” which provides a sense of the young researcher’s motive and drive. The venture mindset from our founding and the commitment to daily innovation both remain with us today as key tenants of our management, unchanged for over a century.

Soon after the end of World War II noted modern Japanese novelist Junichiro Tanizaki passed down his residence in Kyoto’s Shimogamo neighborhood to Nissin with the stipulation that it be preserved in the same condition. For more than half a century we have kept this promise and carefully maintained this important cultural asset. In this manner, another key tenant of the Nissin Electric Group’s management is that we have always been a good corporate citizen that values both society and our relationships with all stakeholders.

Fiscal 2016 represents the first year of “VISION 2020,” our new five-year plan that will replace the outgoing “VISION 2015,” a similar five-year plan spanning from fiscal 2011 to fiscal 2015.

Under “VISION 2015,” we beat our targets for profit margin and ROA and we were able to create a 4×Global Portfolio aiming for global expansion in four business segments, as well as accompanying earnings structure. However, challenges still remain regarding our growth as we were unable to attain the plan’s target for sales.

Now, however, we find a powerful dynamism taking place that is comparable to our founding more than a century ago. This includes a paradigm shift in the electric power industry, the growth of emerging countries, and the electrification of mobility. Under “VISION 2020,” we have established six growth domains by matching this dynamism together with our long-standing core technologies and solid customer relationships. Our goal is to transform this dynamism into business opportunities by injecting our advanced technologies, products and business model into these domains in an effort to achieve further growth and continually increase profits. At the same time, we will actively implement activities for society, including environmental conservation efforts, the development of electrical engineers and other human resources, the preservation of historical and cultural assets, and the promotion of employment of people with disabilities, among other initiatives.

In this way, the Nissin Electric Group will transform the dynamism of society and markets into business opportunities under “VISION 2020” while also firmly maintaining its key tenants of management developed over its more than 100 years in business. By actively addressing the issues facing society, we will also seek to create growth together with society like never before.

I conclude my message by humbly asking for the continued warm support and patronage of our stakeholders.

June 2016

Hideaki Obata
President

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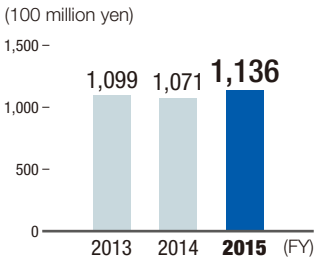
We engage in four business segments underpinning the with a focus on power system equipment

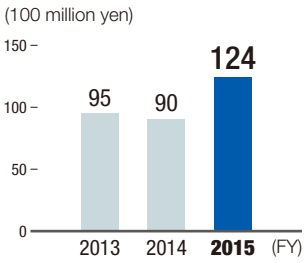
Company Outline (as of March 31, 2016)

Company Name	Nissin Electric Co., Ltd.
Incorporated	April 11, 1917
Stated Capital	10,252,840,000 yen
Employees	4,829 (consolidated)
Issued Shares	107,832,445 shares
Stock Code	6641(First Section of the Tokyo Stock Exchange)
Operations	Manufacture and sales of electrical equipment and instruments as well as ancillary construction works

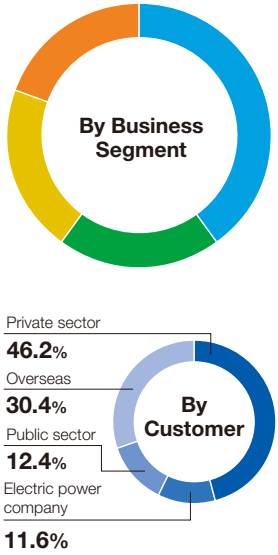
Net Sales (Consolidated)

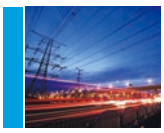


Operating Income (Consolidated)



Composition of Net Sales (Consolidated; fiscal 2015)





Power System Equipment — **40.0%**

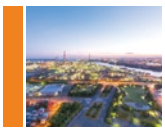
Development and manufacture of substation equipment for monitoring and controlling electrical energy and converting electrical energy into the correct voltage used by facilities

Renewable Energy and Environment — **20.1%**

Development and manufacture of energy management systems, including photovoltaic systems and related equipment as well as water treatment systems

Charged Beam Equipment and Processing — **20.7%**

Development and manufacture of ion implanters for small/medium high-definition Flat Panel Displays (FPDs) and electron-beam processing systems



Life Cycle Engineering — **19.2%**

Comprehensive life cycle support services, spanning from installation work to on-site testing, maintenance, facility assessment, and renewal

Research and Development (R&D)

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

Corporate Principles of the Nissin Electric Group

Through corporate activities that lay foundations for society and industry, we will contribute toward realizing a society that is gentle to both people and the environment

— Mission —

Forge a bright future for both people and technology

With the aim of realizing a sustainable society, gentle to humans and the environment, Nissin Electric develops original technology to meet the fundamental needs of society and industry.

— Company Code of Conduct —

Integrity, Trust and Long-term Relationships

We take the following Five Trusts as the point of origin for our activities. Through these Trusts, we strive to promote the growth of the company and foster the personal development of its employees.

foundations of society and industry,

History

Nissin Electric Group | Power System Equipment | Renewable Energy and Environment | Charged Beam Equipment and Processing | Life Cycle Engineering

1910: Founded as Nissin Kogyo.

1917: Incorporated as Nissin Electric Co., Ltd.

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

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

1963: Built the Maebashi Works.

1968: Merged with Rissei Electric Co., Ltd. Built new works at Kuze and Kujo.

1970: Started business of charged particle accelerators, and established Nissin High Voltage. (2003, NHV Corporation, took over the business of Nissin High Voltage.)

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

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

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

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

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

2001: Established Nissin Electric Wuxi Power Capacitor Co., Ltd. in China to manufacture and sell power capacitors. (2004, Changed name to the Nissin Electric (Wuxi) Co., Ltd.)

2001: Established Beijing Beikai Nissin Electric HV Switchgear Equipment Co., Ltd. in China to manufacture and sell gas insulated switchgears. (2006, Changed the name to Beijing Hongda Nissin Electric Co., Ltd.)

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

2005: Nippon ITF Inc., an affiliated company conducting thin-film coating services, became a subsidiary of Nissin.

2005: Established Nissin Ion Equipment Co., Ltd. Shiga Plant / Plasma Technology R&D Center in Shiga Prefecture.

2005: Established Nissin Electric Vietnam Co., Ltd. as a subsidiary for subcontracting the manufacturing and processing of industrial components.

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

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

2011: Established Nissin Ion Hightech (Yangzhou) Co., Ltd. in China to manufacture and sell semiconductor manufacturing equipment.

2011: Established NHV Accelerator Technologies Shanghai in China to manufacture and sell electron-beam processing systems.

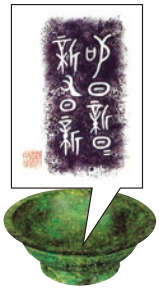
2015: Established Nissin Heartful Friend Co., Ltd. in order to promote the employment of people with disabilities. (designated as a special subsidiary company to promote the employment of people with disabilities in March 2016)

Origin of Company Name

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

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

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



Conjectural replica of Emperor Tang's basin

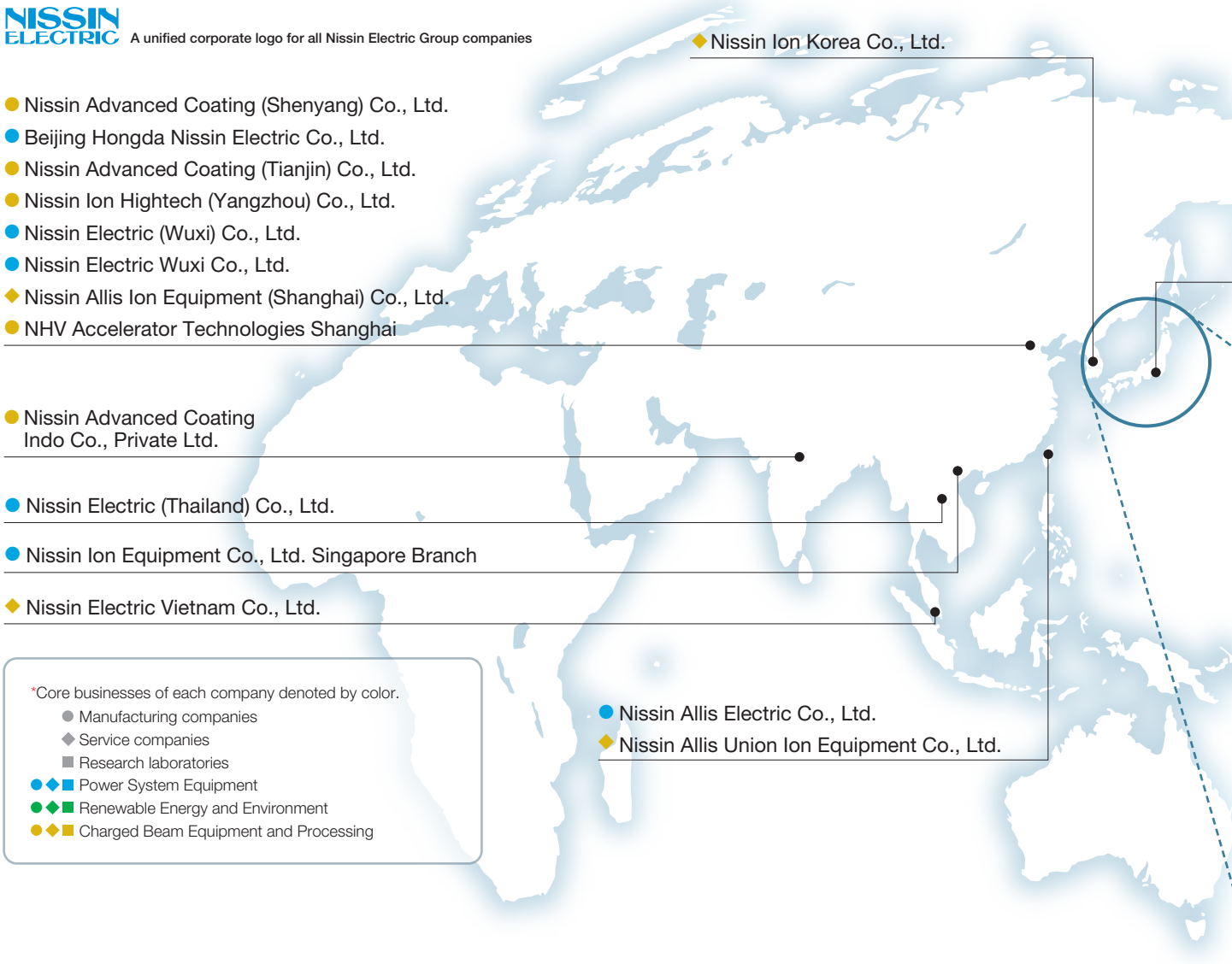
湯之盤銘曰ク、
苟ニ日ニ新ニセバ、
日日ニ新ニ。
又日ニ新ナリ。

Source : *Great Learning, one of the Four Books of Confucianism*

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

List of Group Companies

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



Manufacturing Sites in Japan

1 Head Office & Works (Ukyo-ku, Kyoto)
(Nissin Electric Co., Ltd.)
(NHV Corporation)
(Nippon ITF, Inc.)

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

2 Maebashi Works
(Maebashi City, Gunma Prefecture)
(Nissin Electric Co., Ltd.)
(NHV Corporation)
(Nippon ITF, Inc.)

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

3 Kuze Works (Minami-ku, Kyoto)
(Nissin Ion Equipment Co., Ltd.)
(Nippon ITF Inc.)

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

4 Kujo Works (Minami-ku, Kyoto)

Major Products:
Switchgear and power conditioner for photovoltaic system

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

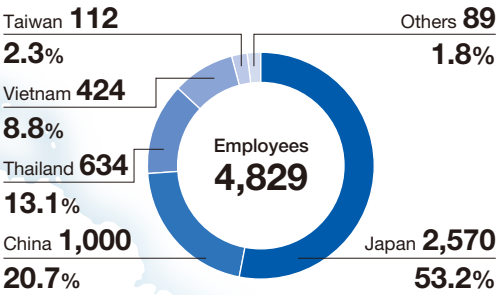
Major Products:
Ion implanter for semiconductor and ion implanter for Flat Panel Display (FPD)

areas where our core technologies

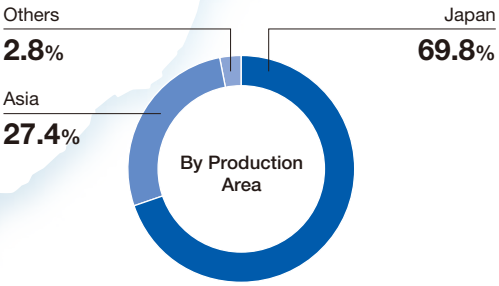
- NHV Corporation
- Nissin Ion Equipment Co., Ltd.
- Nissin Systems Co., Ltd.
- Nissin Business Promote Co., Ltd.
- Nippon ITF Inc.
- Nissin Denki Shouji Co., Ltd.
- Nissin Pulse Electronics Co., Ltd.
- Nissin Heartful Friend Co., Ltd.

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

Employees by Location
(consolidated; as of March 31, 2016)



Share of Sales by Production Area
(Fiscal 2015)



Major Sales Sites in Japan

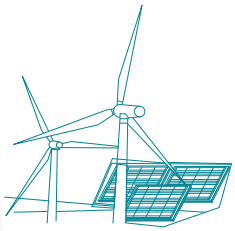
1. Hokkaido Office
2. Tohoku Office
3. Tokyo Office
4. Chubu Office
5. Kansai Office
6. Chugoku Office
7. Shikoku Office
8. Kyushu Office
9. Okinawa Office

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

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


Islanding Phenomenon Detection System


Photovoltaic System




Power Conditioner for Photovoltaic System

Renewable energy


Parallel Capacitor


Capacitor Voltage Transformer


Special Switchgear for Railroad Facilities


Harmonic Restraint Devices


Discharge Device for Earth-fault Protection


High Voltage Switchgear

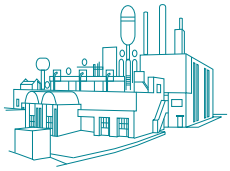

Electrical Railroad

Power plant

Ultra-high Voltage Substation

Primary Substation

Factory




550kV Capacitor Voltage Transformer


154kV Gas Insulated Switchgear


66/77kV Harmonic Filter Equipment


66/77kV Compact Gas Insulated Switchgear


66/77kV Oil Filled Transformer


Shunt Reactor


Capacitor


22kV Compact Gas Insulated Switchgear


Compact Unit Capacitor Equipment


Static Var Compensator


Voltage Dip Compensator

electrical infrastructure supporting industry and society


Power System Equipment 9P

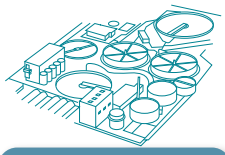

Renewable Energy and Environment 10P


Charged Beam Equipment and Processing 11P


Life Cycle Engineering 12P

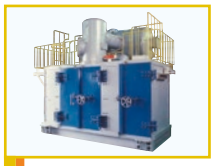

Supervisory Control System for Waterworks


Control Center


Water and Sewerage


Ion Implanter for FPD

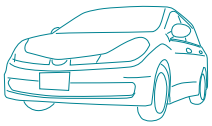

Ion Implanter for Semiconductor


Electron-beam Processing System


Thin-film Coating Equipment


Smartphones


Tablet PC


Automobile


Thin-film Coating Service


Home


Home Energy Management System

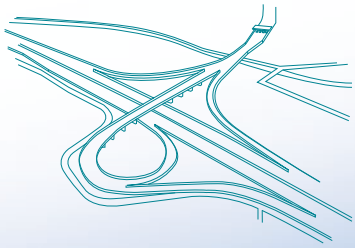
Office Building

Expressways


66/77kV Gas Insulated Switchgear (indoor type)


6.6kV Switchgear


22/33kV Spot Network Substation Equipment

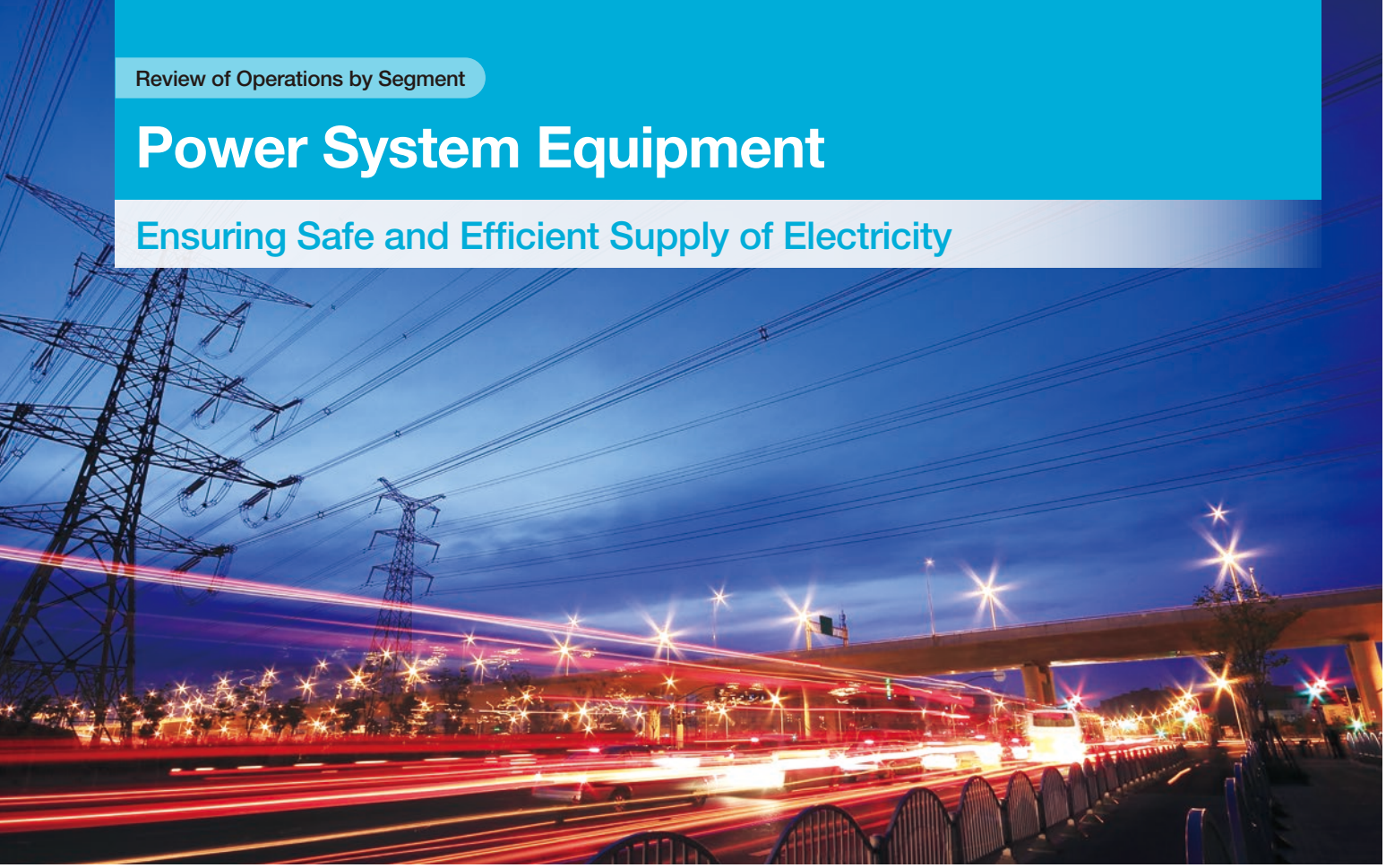



Supervisory Control System for Expressways


Vehicle Recognition System

Power System Equipment

Ensuring Safe and Efficient Supply of Electricity

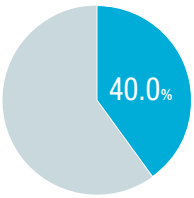


Delivering a number of grid connection equipment used for the introduction of renewable energy systems

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

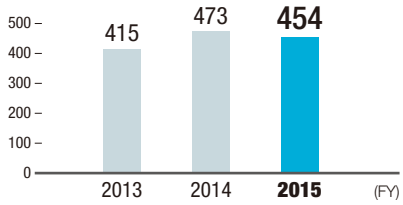
In fiscal 2015, we delivered a large amount of grid connection equipment used for connecting electricity generated by mega solar systems to electric power companies in response to the further acceleration of the introduction of renewable energy. We are also contributing to a smaller footprint of substations and the stable supply of electricity by combining our smaller switchgears and high efficiency power transformers directly connected to gas insulated switchgears.

Share of Total Sales



Net Sales

(100 millions of yen)



Main Products

Gas Insulated Switchgear (GIS)

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

Power Capacitor

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

Switchgear (SWG)

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

Capacitor Voltage Transformer (CVT)

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

Renewable Energy and Environment

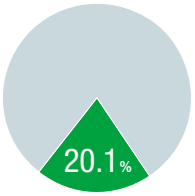
Coping with Global Social Needs

Proactively addressing the growing capacity of equipment for photovoltaic systems

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

In fiscal 2015, we increased our share of 500kW-class equipment in the power conditioner market for photovoltaic systems and proactively took measures to address the trend of growing capacity by newly introducing a DC1000V compatible power conditioner (600kW class) to our model lineup, among other efforts. We also worked on the development of even more energy efficient systems, including nitrification controls using ammonia sensors for sewage treatment facilities.

Share of Total Sales



Net Sales

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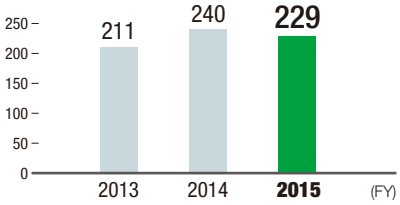


Main Products

Power Conditioner for Photovoltaic System

A power conditioner transforms direct current electricity generated in the photovoltaic module into alternating current electricity. Our newly developed power conditioner called Smart Power Conditioner® offers among the highest conversion efficiency in the industry. This particular unit employs an air conditioner free cooling method, which conserves substantial amounts of energy.

Supervisory Control System for Waterworks

A supervisory control system for waterworks monitors and controls the operations of waterworks facilities, which are key lifelines in society, to support their management and operation through use of various applications for improving water quality and reducing energy consumption. Supervisory control systems for rainwater storage facilities used to combat flooding also help protect urban areas from floods.

Photovoltaic System with Storage Battery

This photovoltaic system coupled with a storage battery makes it possible to address a number of energy issues, including mitigating fluctuations in output caused by weather conditions, supply-demand adjustments, and business continuity planning.

HEMS

(Home Energy Management System)

A Home Energy Management System, or HEMS, can display total power usage at home, and can also control electric appliances such as air conditioners using a tablet. Going forward, we will address automatic power saving as well as the control of power consumption at peak demand.

Charged Beam Equipment and Processing

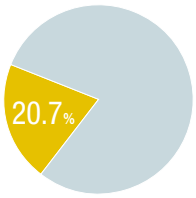
Contributing to Higher Performance of State-of-the-art Equipment

Successfully developed a DLC film (hard thin film) smoother than ever before

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

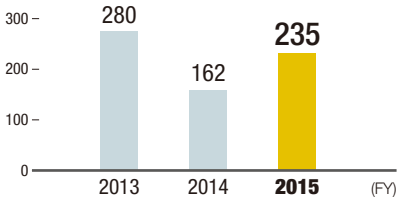
By upgrading various functions in response to enhanced maintenance and other requests from customers, we have managed to maintain a 100% market share for ion implanters for Flat Panel Displays (FPDs) in fiscal 2015. We also expanded customers for our electron-beam processing systems to 30 countries around the world against the backdrop of the rising equipment investment demand associated with the automobile-related industry's advance into the global market. For coating services, we developed a mass-production line for automotive parts in Thailand and commenced production. Additionally, we successfully developed a super smooth Diamond Like Carbon (DLC) film (Sparkless Carbon Arc (SLA)), which is expected to be used extensively as a coating for future equipment and parts.

Share of Total Sales



Net Sales

(100 millions of yen)



Main Products

Ion Implanter for FPD

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

Electron-beam Processing System

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

Ion Implanter for Semiconductor

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

Thin-film Coating Service

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

Life Cycle Engineering

Delivering Trust and Peace of Mind with a Focus on the Customer

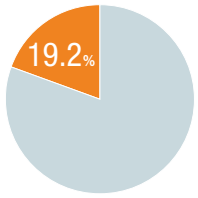
Providing support at every stage of the equipment life cycle

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

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

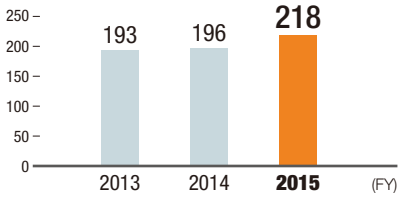
Life Cycle Map

Share of Total Sales



Net Sales

(100 millions of yen)



Main Products

1. Installation work

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

2. On-site testing

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

3. Maintenance

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

4. Facility assessment

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

Aiming for New Growth Using the Equation "4×Global+NEW"

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

Fiscal 2011 to Fiscal 2015

VISION 2015

Global Expansion in 4 Business Segments

- Power System Equipment
- Charged Beam Equipment and Processing
- Renewable Energy and Environment
- Life Cycle Engineering

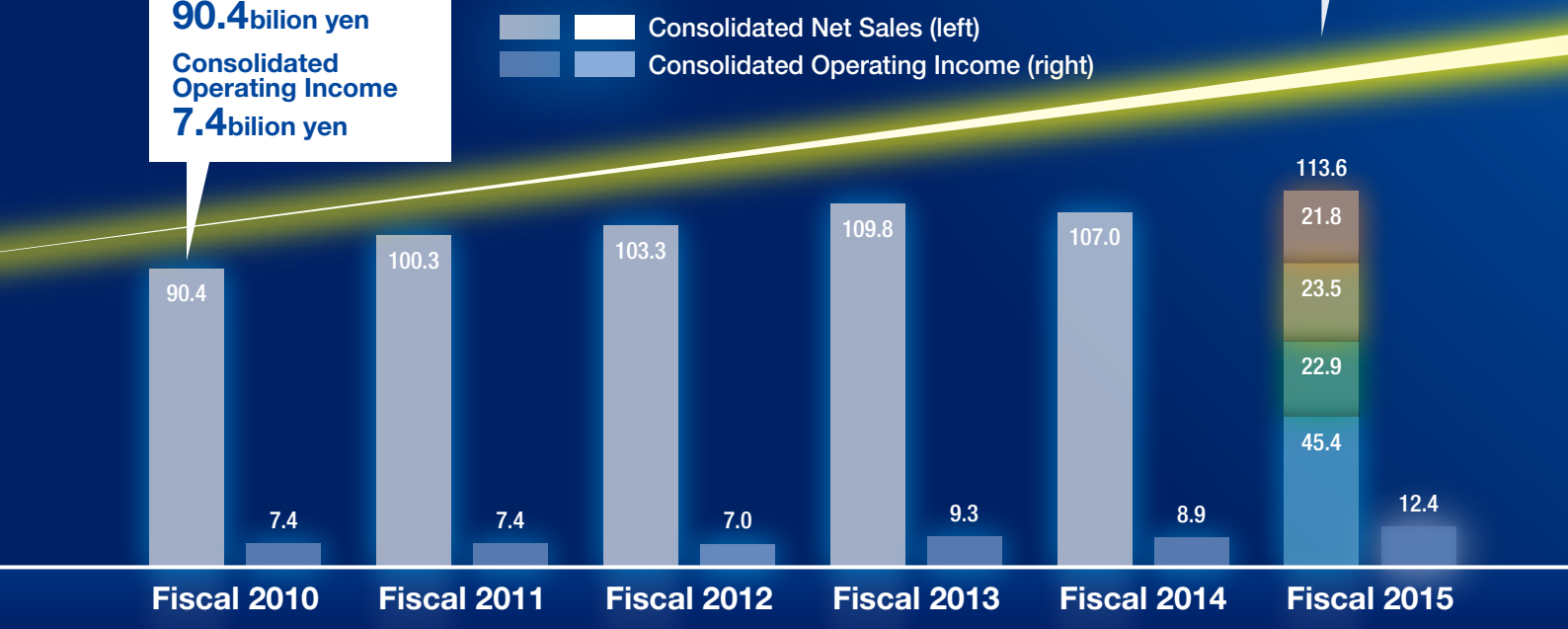
4 × Global Portfolio

	Targets	Results
Consolidated Net Sales	150.0 billion yen	113.6 billion yen
Consolidated Operating Income	12.0 billion yen	12.4 billion yen
Consolidated Operating Margin	8% or above	10.9%
ROA	8% or above	9.3%
Dividend Per Share	15 yen or more	18 yen

Targets generally achieved as net sales and operating income both set record highs

- Able to form a 4 × Global portfolio
- Profit margin achieved as planned
- Embarked on the solutions business through the commercialization of SPSS®
- Challenges remain in terms of growth potential because the sales plan was not met

Fiscal 2010
Consolidated 90.4bilion yen
Consolidated Operating Income 7.4bilion yen



Fiscal 2016 to Fiscal 2020

VISION 2020

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

Corporate Philosophy

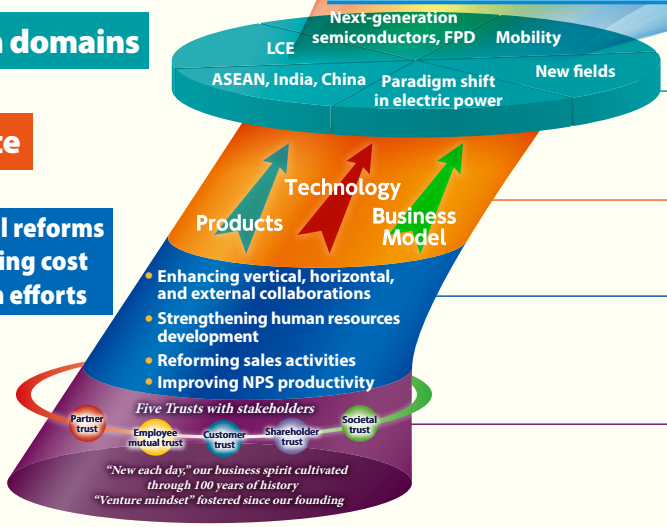
Through corporate activities that lay foundations for society and industry, we will contribute toward realizing a society that is gentle to both people and the environment.

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

Growth domains

Advance

Structural reforms and untiring cost reduction efforts



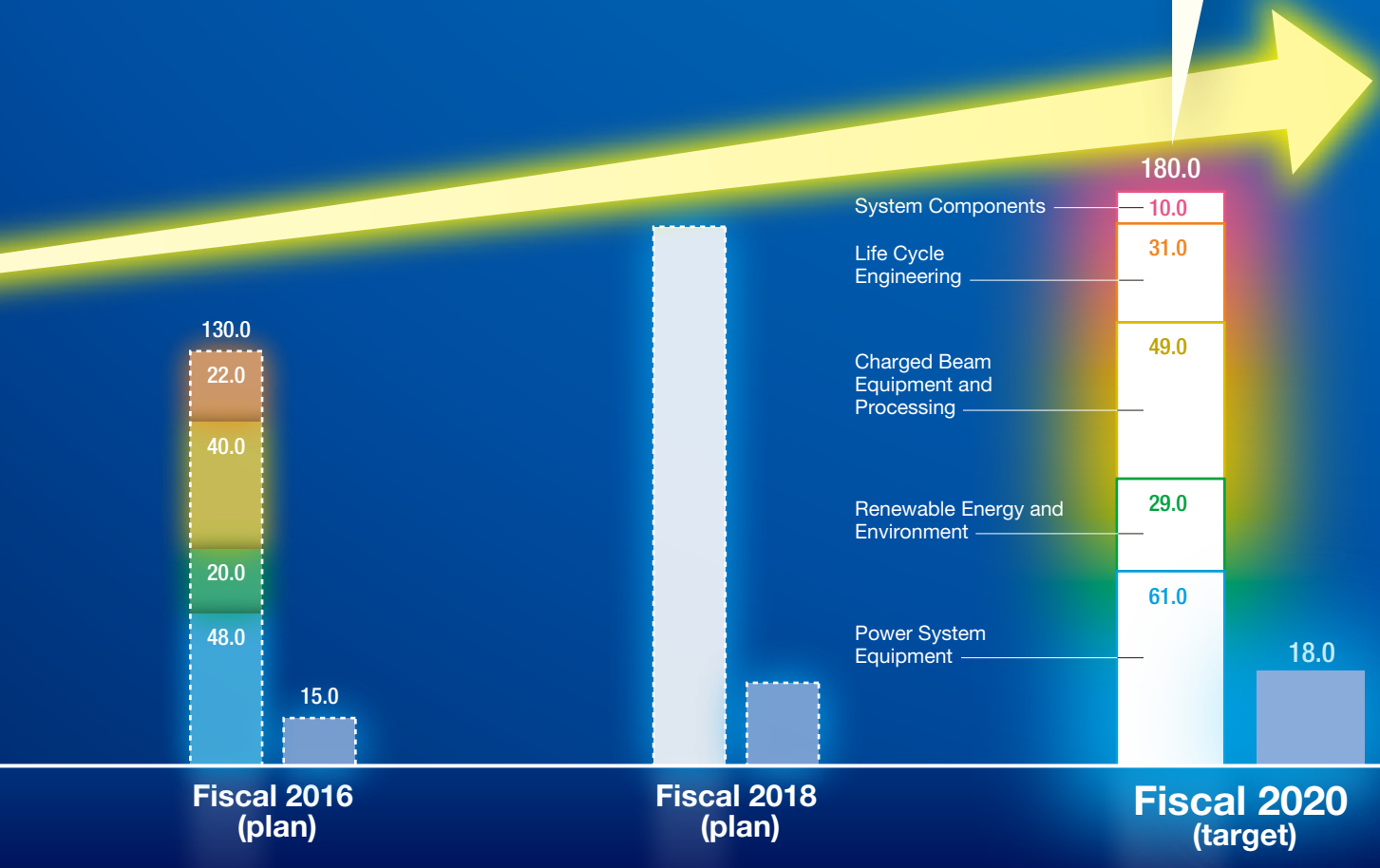
Realize VISION 2020 by creating +NEW in six growth domains

Develop "3 Advances"

Promote "Structural reforms and untiring cost reduction efforts" to support growth

Based on the "business spirit," "venture mindset," and "Five Trusts with stakeholders"

NISSIN ELECTRIC



Six Growth Domains Creating +NEW

Creating +NEW in Six Domains within the Four Core Businesses

The markets where the Nissin Electric Group is currently active are in the process of undergoing significant changes, including those brought about by power system reforms. In formulating the new medium- to long-term business plan, we will combine this dynamism, our core technologies developed over the past century, and our strong relationships with customers to form the following Six Growth Domains as business domains where we can expect to see solid growth in the future.

① Paradigm shift in electric power industry (Japan)

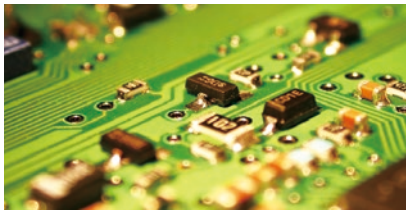
Demand for new products, systems, and services followng the major power market reforms that have taken place in Japan after the earthquake, tsunami and nuclear accident of March 2011

② ASEAN, India, and China (overseas)

Market expansion in ASEAN, India and other emerging countries, and China on the back of power infrastructure development

③ Life Cycle Engineering (LCE)

Rising demand for after-sales services following the increase in deliveries of our systems and the increase in systems with upcoming renewals



④ Next-generation semiconductors/ Flat Panel Displays (FPD)

Demand for new systems anticipated from expansion caused by innovation in semiconductor and FPD technologies

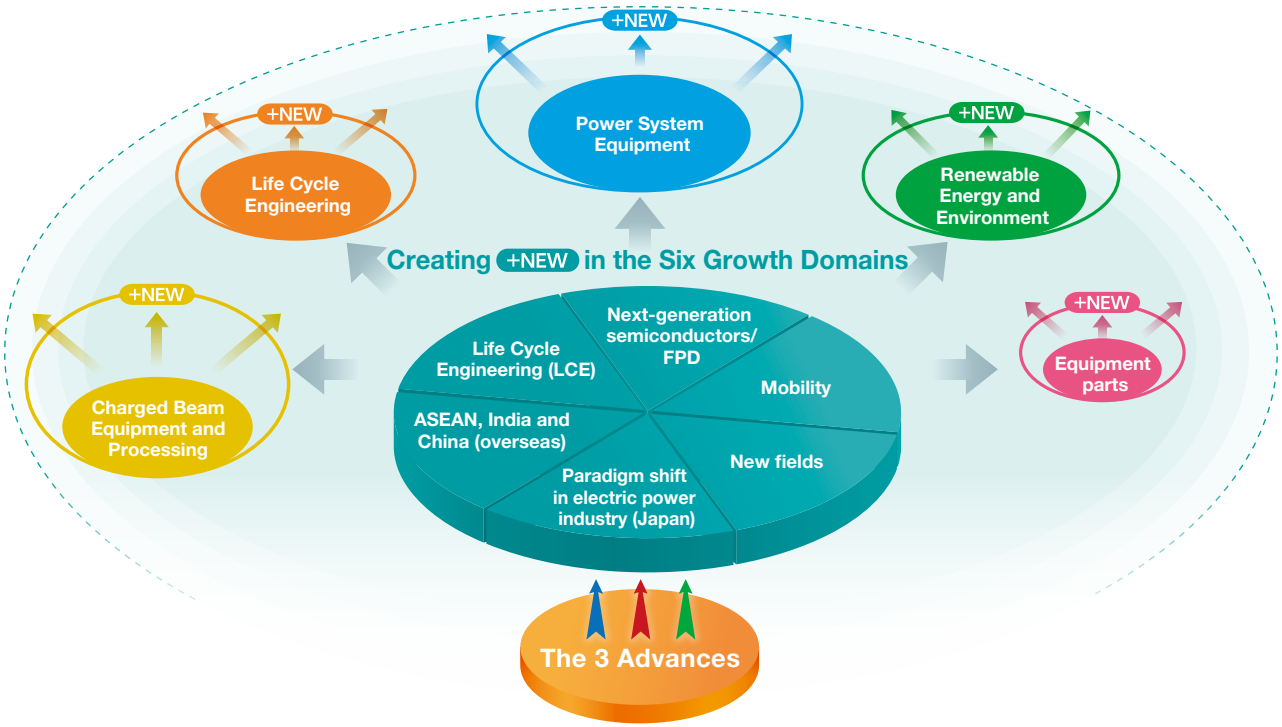
⑤ Mobility

Fields where the Nissin Electric Group's core technologies can be utilized, such as the greater use of electronics in automobiles, demand for energy saving railways, and the adoption of new materials and components

⑥ New fields

Expansion in the system components business utilizing power system equipment technologies for design, component proessing and assembly of and expansion in the sterilization and sterilization device business for food and medical applications using electron-beam processing technologies

Growth image using the Equation "4×Global+New"



Development/Introduction of the 3 Advances

The 3 Advances Paving the Way for Growth Domains

We will seek out business growth by developing and introducing the following 3 Advances within the Six Growth Domains.

Products

Development of innovative new products

Develop innovative new products to accommodate new customer needs in the "Compact + FACES" area

Features of new products: FACES

Flexible (addresses various needs)
Adjustable (easy to maintain)
Compact (more compact)
Environment (ecologically and environmentally friendly)
Smart (control functions for energy and cost savings)

Technology

Development of innovative technologies

Actively promote R&D and commercialization of new technologies that will be the driving force behind growth

Business Model

Establishment of innovative business models

Establish new business models for more sophisticated and complex customer needs

Structural Reforms and Untiring Cost Reduction Efforts

Creating a strong organizational structure for growth

- **Enhancing vertical, horizontal, and external collaborations**
  Promote external cooperation, including with industry, government, and academia
- **Strengthening human resources development**
  Develop and expand training systems and facilities
- **Reforming sales activities**
  Solutions proposals
- **Improving NPS productivity**
  Total efficiency from order to delivery

Investment plans

	VISION 2015 Results (5 years)	VISION 2020 (5 years)
Capital investment	19.0 billion yen	30.0 billion yen
Business alliance investment	—	5.0 billion yen
R&D investment	25.0 billion yen	38.0 billion yen

Reaffirming our responsibilities based on a newly created

Basic CSR Promotion Policy

The Nissin Electric Group was founded in 1910 by Nobu Tomizawa with the mission to contribute to the new development of the power system equipment industry. Since then, we have continued with our efforts to assist the development and expansion of power infrastructure, and as an extension the development of industry.

During this time, we have constantly upheld the Five Trusts with stakeholders embodied by our Company Code of Conduct which states “Integrity, Trust and Long-term Relationships.”

We define stakeholders as belonging to five groups: customers who we have done business with for many years through maintenance and other transactions, shareholders who support our capital base, society as a whole, partners who we do business with while aiming for coexistence and mutual prosperity, and our employees.

Going forward, we will pursue corporate management that is fair and transparent, with compliance with laws and social norms a core tenant, and by developing original technologies and coexisting with the environment, we will aim for sustained growth as a group of companies that underpins the foundations of society and industry.

It is based on this approach that we drew up the Basic CSR Promotion Policy in April 2016 as follows.

Basic CSR Promotion Policy

(established April 2016)

1) We will carry on the “new each day” business spirit and create original technologies to achieve sustained growth as a group of companies that underpins the foundations of society and industry.

2) We will further solidify the Five Trusts with Stakeholders embodied in our Company Code of Conduct which states “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.

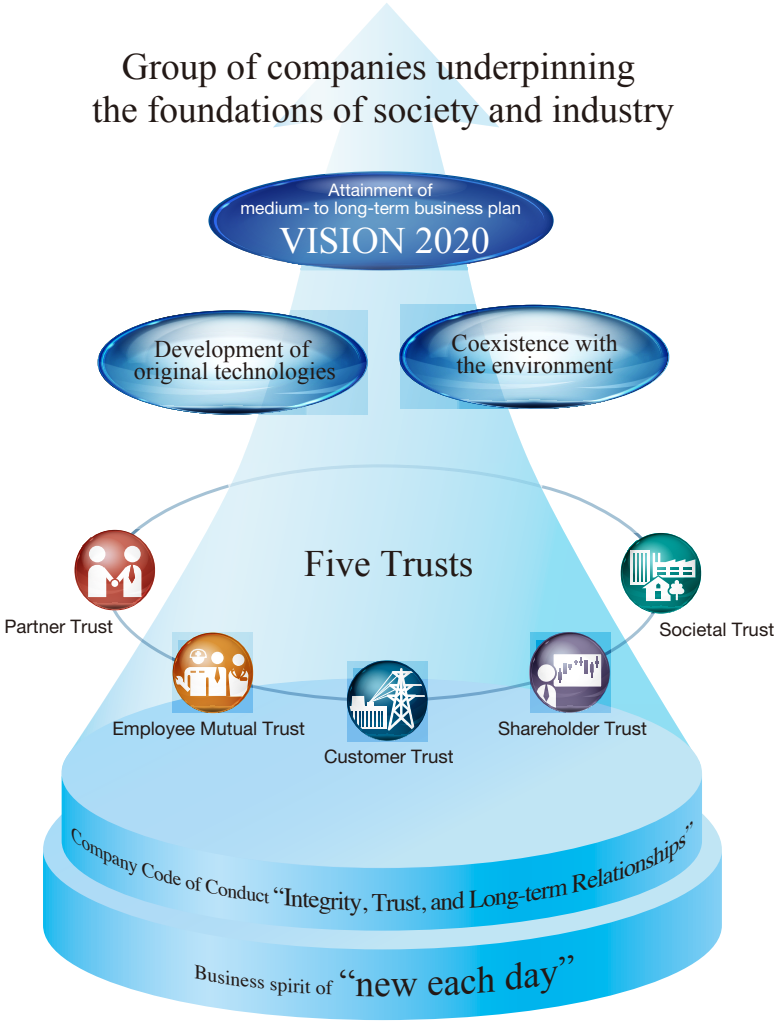
4) We will carry out fair and transparent corporate management grounded in compliance with laws and social norms.

Core CSR Fields

1) Solidify the Five Trusts

2) Initiatives for global environmental conservation

3) Initiatives for fair and transparent corporate management



Basic CSR Promotion Policy

Responsibility to Stakeholders and Opportunities for Engagement

Overview of stakeholders	Main responsibilities	Main forms and opportunties of engagement
Customers We supply various products and services to customers in Japan and overseas in the four core segments of Power System Equipment, Charged Beam Equipment and Processing, Renewable Energy and the Environment, and Life Cycle Engineering.	Supply safe, high quality products and services that are useful to society	Engagement through daily sales and marketing activities
	Provide trustworthy customer services that turn into long-term relationships	24-hour acceptance of inquiries and notifications of defects and swift responses Dissemination of information to facility managers Customer training on product usage
	Provide accurate and appropriate information about products	Engagement through facility assessments and maitenance Engagement concerning the impact of products on the environment Exchange of informaton at exhibitions and trade fairs Information provision through product brochures and websites
Shareholders We have 3,578 shareholders and the total number of shares outstanding is around 100 million. The breakdown of shareholders includes 21% financial institutions, 58% domestic corporations, 12% foreign corporations, 7% individuals, and 2% other (as of March 31, 2016).	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
Society The Nissin Electric Group oeprates around 40 business sites in Japan and abroad (as of March 31, 2016).	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	Cooperation in the development of electrical engineers and other human resources Corporate citizenship activities through cooperation with various outside organizations
	Respect the local culture and customs Cooperation with local communities	Cooperation with historical and cultural asset preservation mainly in Kyoto Cooperation with local environmental conservation activities Participation in and sponsorship of local events
Partners A total of 67 partners participated in partner meetings held for suppliers (results for the second half of fiscal 2015; Nissin Electric Co., Ltd.). Additionally, 21 distributors participated in the nationwide meeting of distributors (results for fiscal 2015; Nissin Electric Co., Ltd.)	Engage in honest and fair relationships Cooperate for the coexistence and mutual prosperity of partners Cooperate for the coexistence and mutual prosperity of distributors	Engagement through daily procurement activities Partner meetings Engagement through partners surveys Information provision through websites Nationwide meeting of distributors and engineering seminars for sales personnel Integration of order targets
Employees The Nissin Electric Group employs a workforce of 4,829. This workforce is broken down into 53% in Japan and 47% overseas (as of March 31, 2016).	Respect for human rights, character, individuality and diversity	Human Rights Promotion Committee Administration of Help Line Desk
	Develop human resources	Education and training Personnel evaluations and interviews
	Create workplaces that are safe and employee friendly	Safety and Health Committee and labor-management meetings Employee satisfaction survey and meetings between the President and employees Dissemination of President's message via intranet and publication of company newsletter

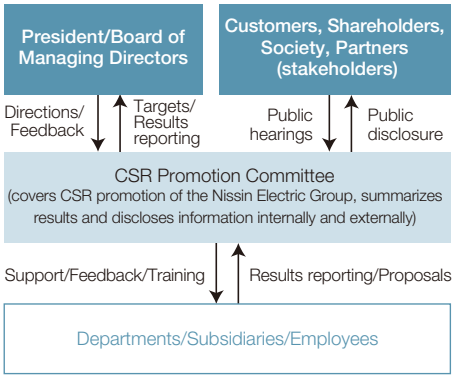
Pursuing a systematic approach to CSR activities with a focus

Promoting Activities through the CSR Promotion Committee

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

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

CSR Promotion Structure



Composition of the CSR Promotion Committee (June 2016)

Chairman	President
Deputy Chairman	Executive Officer in Charge of Corporate Administration
Executive Secretary	General Manager for Corporate Administration
Members (16)	General Manager for Corporate Planning
	General Manager for Legal
	General Manager for Human Resources and Safety
	General Manager for Human Resources Development
	General Manager for Financial&Accounting
	General Manager for Information Systems
	General Manager for Procurement
	General Manager for the Environment
	General Manager for Quality
	General Manager for Technology Development
	General Managers for Business (2)
	General Managers for Sales (2)
	General Manager, Maebashi Works
	Chief Senior Staff for CSR
Head of Secretariat	Senior Staff for CSR

CSR Activities – Results and Plans

	Domain	Page	Theme
Corporate management	Fair and Transparent Corporate Management	P.21	Thorough compliance
			Thorough risk management
			Thorough information security
Trust	Customers	P.23	Quality improvement activities
			Use customer feedback to make improvements
			Promotion of life cycle engineering
			Provide products and services that satisfy customers
	Shareholders	P.26	Enhance governance system and information disclosures in accordance with the Corporate Governance Code
			Enhance investor relations activities
	Society	P.27	Develop electrical engineers and other human resources
			Preserve historical and cultural assets mainly in Kyoto
			Cooperate with local environmental conservation activities
	Partners	P.29	Promotion of CSR procurement
			Partnerships with partners
	Employees	P.30	Promote educational and training opportunities that support personal and professional growth
			Optimize diverse workforce
			Encourage diverse work styles and work-life balance
			Promote safety and health awareness
			Strengthen communication
Environment	Global Environmental Conservation	P.33	Please see pages 35 and 36.

on the autonomous involvement of each and every employee

	Fiscal 2015 Results	Fiscal 2016 Plan
	Built, maintained, and implemented measures for ensuring thorough compliance, reinforced and expanded compliance at overseas group companies, and raised awareness about daily compliance through the company newsletter and intranet	Build and maintain implementation system Continue to plan and execute measures for legal compliance, including with social norms and Corporate Principles Promote thorough understanding of compliance and provide compliance directions to overseas group companies
	Built framework for managing risk and developed initial response system for disasters Expanded fire and disaster risk reduction drills to each division and group company Set aside emergency supply provisions at domestic production sites and set aside emergency food rations at domestic sales sites	Understand risk situations and determine management policy and measures Organize risks facing the Nissin Electric Group and determine response measures Further expand measures to prepare for large-scale disasters
	Reinforced management of confidential information and personal information (exit surveillance and USB connection controls, etc.)	Reinforce management of confidential information and personal information Implement measures at Nissin Electric and domestic group companies and measures aimed at overseas group companies
	Implemented the 3H (Hajimete, Henkou, Hisashiburi) activities and improved the quality of design reviews	Roll out the 3H (Hajimete, Henkou, Hisashiburi) activities in the Greater China Region Reinforce collaboration for quality assurance through the Nissin Electric Group QA Conference
	Identified areas of improvement from customer feedback and put them into practice/establish them (customer feedback: compliments, inquiries, trouble reports, etc.)	Identify areas of improvement using the customer feedback database
	Developed and proposed assessment items for preventing product accidents caused by aging degradation or other factors	Implement assessments and inspections for preventing product accidents caused by aging degradation or other factors (visits by engineers, on line inspections and facility assessments)
	Carried out R&D, implemented solutions proposal activities and identified needs in terms of Smart Power Supply Systems (SPSS)	Analyze customer needs and create concrete solutions for Smart Power Supply Systems (SPSS)
	Made disclosures using the corporate governance report and the company's website, as well as prepared responses to shareholder/investor inquiries	Comply with the two of the 17 Corporate Governance Code principles that were not explained last year
	Carried out face-to-face investor relations activities (company presentations for investors and response to requests for information from institutional investors, etc.) Carried out investor relations using publications (earnings reports, annual report, fact book, etc.)	Carry out face-to-face investor relations activities (company presentations for investors and response to requests for information from institutional investors, etc.) Carry out investor relations using publications (earnings reports, annual report, fact book, etc.)
	Established a scholarship program for electrical engineering graduate students and conducted onsite science classes for elementary school students Supported the Future Forum for Female High School Students organized by the City of Kyoto Supported a scholarship fund for junior high school students in Thailand and a scholarship fund for Hue Industrial College in Vietnam	Continue and expand scholarship program for electrical engineering graduate students and onsite science classes for elementary school students Support the Future Forum for Female High School Students organized by the City of Kyoto Support a scholarship fund for junior high school students in Thailand and a scholarship fund for Hue Industrial College in Vietnam
	Donated to the Historical Structure Systematic Repair Project for the Future implemented by the City of Kyoto Repaired the garden of Sekison-tei and restored the study	Donate to the Kyoto Prefectural Foundation: Preserving and Conveying Cultural Heritage Donate to the Historical Structure Systematic Repair Project for the Future implemented by the City of Kyoto Repair the garden of Sekison-tei, restore the study, and improve exhibits
	Cooperated with projects to eliminate trash at the Gion Festival and cleanup the Katsura River Cooperated with the Kyoto Model Forest Association	Cooperate with projects to eliminate garbage at the Gion Festival and cleanup the Katsura River Cooperate with the Kyoto Modelforest Association
	Reviewed questions from the CSR procurement survey Conducted survey and analyzed responses	Expand scope of CSR procurement survey Conduct survey and analyze responses
	Conducted partner meetings and partner meetings at the division level Held regular meetings with partners concerning transport	Conduct partner meetings and partner meetings at the division level Hold regular meetings with partners concerning transport
	Increased human resource development opportunities and strengthen development of mid-career hires Promoted development through job rotations and passed down/cultivated core technologies and skills Trained overseas trainees	Increase human resource development opportunities and strengthen development of mid-career hires Promote development through job rotations and pass down/cultivate core technologies and skills Train overseas trainees
	Established special subsidiary company to promote the employment of people with disabilities Formulated business action plan in accordance with the Act of Promotion of Women's Participation and Advancement in the Workplace	Increase employment at the special subsidiary company to promote the employment of people with disabilities and expand contract operations Increase the percentage of females hired and increase the percentage of female managers
	Promoted well-modulated work methods by holding a company-wide "leave work on time" day Raised the efficiency of the check system for employment conditions and introduced smart activities* *Smart activities: Activities aimed at using time more effectively	Encourage use of memorial holidays and planned holidays system Identify needs from the elderly care leave system and make changes to the system Share smart activity best practices through the company newsletter
	Safety and health activities Mental healthcare	Improve the workplace environment where chemical substances are handled, eliminate the three serious occupational accidents*, enhance safety training, make changes to safe work standards, promote mental health measures, and prevent second hand smoke *Three serious occupational accidents: electric shocks, falls, transport related injuries
	Held meetings between employees (newly appointed managers and newly appointed chiefs) and the president Established a Chief meeting for technology Conducted the employee satisfaction survey and utilized results	Hold meeting between employees and the President, hold the trilateral subsection chiefs networking session*, hold a networking session with the Maebashi and Kyoto manufacturing units, and conduct an employee satisfaction survey and utilize the results *Trilateral subsection chiefs networking session: Joint networking session involving subsection chiefs from the manufacturing unit and construction services unit as well as the Chief meeting for technology

Initiatives for Fair and Transparent

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

Corporate Governance

Strengthening governance with audits

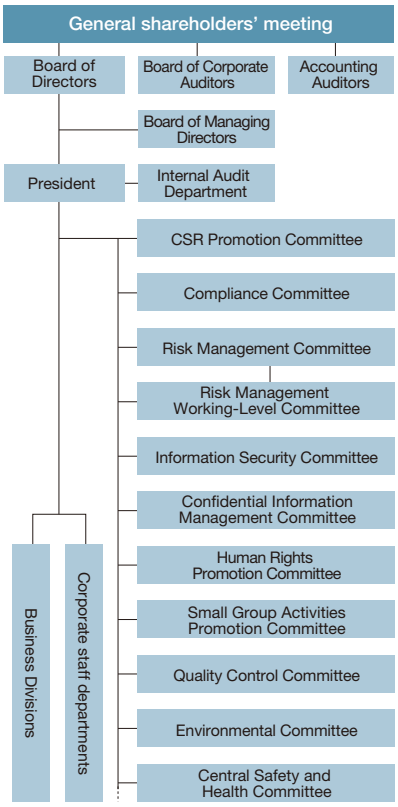
Nissin Electric is a company with an Audit & Supervisory Board, and, in addition to its three outside auditors, in June 2014, it elected one outside director and another in June 2016 for a total of two outside directors.

As the ultimate management decision-making body, the Board of Directors discusses and makes decisions on important matters, and supervises the execution of business operations. Working together with auditors and accounting auditors, the Internal Audit Department, which directly reports to the President, conducts internal audits on the entire Nissin Electric Group, including overseas units. We will make efforts to further improve corporate governance in line with Japan's Corporate Governance Code.

Compliance with Japan's Corporate Governance Code

Japan's Corporate Governance Code contains 73 principles that were established in June 2015. Companies are required to disclose their compliance status with each of these principles. In December 2015, Nissin Electric Co., Ltd. disclosed and explained its activities for 11 of the 17 required principles on the Tokyo Stock Exchange's website, with information about the remaining six principles disclosed on the Nissin Electric website. Currently, we have yet to implement two of these 17 principles, but we plan to implement all required information in the near future.

Corporate Governance Structure



Thorough Compliance

Compliance system and implementation system

The Nissin Electric Group Corporate Behavior Charter has been established as a set of guiding principles for practicing the Nissin Group Corporate Principles. Based on this, we created the Nissin Electric Group Guidelines for Corporate Behavior and made these guidelines known to all executive officers and employees. Furthermore, the Compliance Committee (chaired by the President) rolls out and promotes various measures related to the enhancement of legal and corporate ethics compliance and raising awareness about compliance.

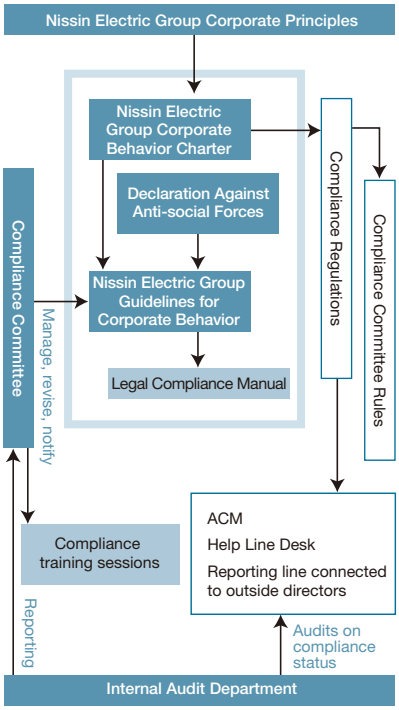
The Internal Audit Department audits the status of compliance and reports the results to the President and the Compliance Committee.

Systems are developed and various measures are promoted in unison with the Area Compliance Manager (ACM)* of each workplace and group companies and the Compliance Committee. Each ACM supports the implementation of compliance measures in their area of coverage and regularly monitors the status of compliance with laws and corporate ethics to prevent violations before they occur. Also, overseas group companies are responsible for reviewing and developing their own primary company rules.

The Nissin Electric Group did not have any legal violations during fiscal 2015 and was thus not subject to any punishment.

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

Compliance Structure



Corporate Management

Expansion of whistleblower reporting system

In 2004, the Nissin Electric Group launched a Help Line Desk for employee comments and consultations regarding compliance issues, including sexual and power harassment, in order to promote early detection and investigation as well as voluntary correction and resolution of compliance issues. We have strived to further augment this program by hiring female consultants in 2007 and making it easier for all group employees to use it. In 2014, we established the External Help Line Desk staffed by an external lawyer.

The number of consultations received through the Help Line Desk has steadily increased from 7 in fiscal 2010 to 10 in fiscal 2012, 12 in fiscal 2014, and 16 in fiscal 2015. This help desk is now widely used and forms a solid foundation for voluntary actions and solutions prior to issues becoming too large.

In 2015, we newly established the reporting line connected to four outside directors to receive reports and be consulted about compliance issues. Under the Help Line Desk, the company responds to investigations and determines solutions to problems, while the reporting line connected to outside directors is handled primarily by the four outside directors with the exception of measures determined to be appropriate responses by the company.

Compliance education

In fiscal 2015, the nationwide compliance training session was held for all employees of the group within Japan and focused on the themes of thorough compliance with the Anti-Monopoly Act as well as anti-bribery regulations in Japan. The compliance training session for executive officers used the theme of responding to corporate scandals. At compliance meetings for sales staff, we explained about thorough compliance with cartel* regulations and the Political Funds Control Act and held discussions on issues or questions about laws pertaining to daily sales and marketing activities.

*Cartel: An agreement between companies to protect prices in order to secure profits and avoid competition. Not only do they damage consumer interests, cartels can also delay technical innovation or cause economic stagnation.

Nationwide compliance training session

Respect for human rights

The company-wide and cross functional Human Rights Promotion Committee continually conducts human rights education and training aimed at the resolution of human rights issues. In fiscal 2015, we conducted training sessions for newly appointed managers and new hires, as well as a training session for all employees focused on power harassment and human rights.

Thorough Risk Management

We have established the Risk Management Committee, which stipulates basic policies and other matters, as a system for examining risk management and measures for the entire Nissin Electric Group, including business risk. We have the Risk Management Working-Level Committee in place to ensure the effectiveness of the Risk Management Committee.

Additionally, we conduct drills regularly to organize prompt responses in case a disaster or accident does occur.

Lifesaving drill

Thorough Information Security

The environment surrounding information security is changing at a rapid pace.

Nissin Electric Co., Ltd. has established the Information Security Committee, chaired by the executive officer in charge of information systems, in order to respond to this changing environment. We are now working to ensure rigorous information security practices are in place, including the timely revision of regulations and rules on information security based on the current social situation as well as the development of various measures for preventing information leakages and requiring employees to take part in security training.

Customer Trust

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

Supplying Products and Services that Satisfy Customers

Helping the Kizugawa Wastewater Treatment Plant save energy

Sewage treatment plants produce sewage sludge and methane gas (digestion gas) during the treatment process. Sewage sludge is further processed using dehydration or incineration so that it can be reused in cement and other materials. Digestion gas is effectively used in power generation and to increase the temperature of the sludge digestion process.

Kyoto Prefectural Government initiated improvements to its facilities at the Kizugawa Wastewater Treatment Plant located in Seika Town in fiscal 2013 in order to utilize increasing digestion gas volumes from an increase in inflows for power generation. This work was completed in September 2015 and power generation has already begun. All of the roughly 700,000kWh of electricity generated each year is used onsite. This amount of electricity corresponds to the same amount used to power around 200 households for one year. This electricity generation is expected to lower the plant's greenhouse gas emissions by around 365 tons each year, helping to prevent global warming in the process.

Nissin Electric has proactively implemented environmental measures over the years. Our goal is to always be a trusted company that provides customers with the proposal, design, fabrication, and installation work that meets their various needs, including in terms of energy savings and environmental conservation.

VOICE

Using careful simulations to fulfill customer expectations

Kyoto Prefectural Government expected us to help lower the plant's greenhouse gas emissions through the installation of a power generation system fed by digestion gas.

Given this expectation, we conducted several simulations on how to allocate generated electricity onsite and the extent of power loss from distribution and transformation based on the plant's past data on electricity usage. The results indicated that the expected effects could be achieved using the grid connection method ordered. I explained this to the customer and then we installed the equipment. Kyoto Prefectural Government has been very satisfied with the result.

Kenjiro Mori
Water Environment Division

Digestion gas power generation system

Customer training in progress

Technical training on substation equipment maintenance for customers

We conduct comprehensive and practical training on substation equipment maintenance for customers to ensure they are able to use Nissin Electric Group products safely for many years to come. The other aim of this training is to support customers' efforts to train and develop their own engineers.

The training held in fiscal 2015 included a plant tour and technology sharing session where one of our highly experienced engineers answered questions provided by participants in advance. A total of eight training were held with 58 people in attendance.

Feedback from participants

- I reaffirmed the importance of maintenance after viewing the inside of circuit breakers, which I don't normally see, and receiving an explanation on the spot.
- I learned about case studies in accidents and maintenance, which provided a good opportunity for me to look back on our own maintenance practices.
- I was really impressed as the engineer answered every question carefully and thoughtfully.
- There were only a few slots available, so I hope Nissin Electric will increase the size of the training class.

Details of customer training (sample itinerary)

Substation equipment maintenance course (2.5 days)	
Day 1	Basic theory on substation equipment (classroom)
Day 2	Structure of main equipment and directions on use (classroom and onsite) Safety work (classroom and onsite) Case studies in electrical equipment accidents and proper maintenance practices (classroom and onsite)
Day 3	Visit to equipment manufacturing process Key points of electrical equipment maintenance work (onsite) Case studies in electrical equipment accidents and explanation of ways to investigate troubles (classroom and onsite) Technology sharing session

Promotion of Life Cycle Engineering

Facility assessments carried out while operations still underway using on line inspections

The life cycle engineering business involves providing support throughout the life cycle of Nissin Electric Group products delivered to customers, from onsite installation to maintenance and facility assessments. We have focused efforts on bolstering equipment diagnosis items aimed at preventing accidents due to aging degradation, which has been of particularly high concern among customers in recent years.

For example, we use on line inspections that can detect abnormality signs in equipment without power interuption. With the latest sensor technologies, we can catch the slightest changes in the partial discharge caused by insulation deterioration of the equipment, overheating caused by bad electrical contact, and the environment, etc. causing deterioration. This has made it possible for us to detect accident and failure risks and implement measures at an early stage.

Going forward, we will continue to develop new types of sensors and use ICT/IoT* to connect wirelessly to equipment onsite, enabling even higher levels of condition monitoring and diagnosis, which in turn will contribute to greater customer peace of mind and trust.

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

On line inspection

Customer Trust

Quality Policy

Understanding the importance of satisfying legal and regulatory requirements as well as customer requirements, we work to provide customers with products, installation work and other 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.

Pre-shipment onsite inspections of our products by our customers

Quality Improvement Activities

Pulling together customer feedback in various situations

We have established opportunities for customers to provide feedback so that we can take steps to make our products and services even better.

The CS Center[*1] was established to serve as the Nissin Electric Group's[*2] contact point for customers wishing to submit a trouble report or make an inquiry. All customer feedback is centrally channeled through the CS Center where it is analyzed and provided as feedback to each department.

Also, pre-shipment onsite inspections of our products by our customers present an important opportunity to listen directly to customer feedback in person. These inspections also provide an opportunity to communicate more actively with customers.

Based on this feedback, we make changes to our systems and structures and work toward daily improvements to further enhance customer satisfaction.

*1 CS Center: Department in charge of initial responses to customer trouble reports or inquiries.

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

Initiatives to improve quality

■ Nissin Electric Group QA* Conference

The Nissin Electric Group QA Conference is a new initiative begun from the first half of fiscal 2015. It provides an opportunity for the entire Nissin Electric Group to discuss ways to continuously implement measures for preventing past troubles from reoccuring and to conduct measures needed to prevent troubles from happening, all in an effort to continually improve quality.

*QA: Quality Assurance.

Nissin Electric Group QA Conference

■ Company-wide Quality Presentation

The Company-wide Quality Presentation was initiated in May 2012 in order to mitigate failure costs caused by the failure to ensure quality. Sessions are held biannually, with a total of eight taking place as of the end of fiscal 2015.

The Company-wide Quality Presentation serves as an opportunity for everyone to learn about quality improvement initiatives and improve as well as augment their awareness about quality. More than 200 employees take part in each session by connecting via the Internet, which results in active question and answer sessions.

■ 3H Activities

The acronym 3H stands for Hajimete [first time], Henkou [change], and Hisashiburi [long interval]. These activities involve identifying issues from the perspective of the 3H when mistakes are more prone to occur, and then carrying out work while checking to make sure problems will not arise in an effort to prevent accidents and troubles from ever happening. We continue to make efforts toward sharing this approach across the entire Nissin Electric Group around the world.

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

Enhancing Corporate Governance System and Information Disclosures in Accordance with the Corporate Governance Code

Expanding opportunities for shareholder engagement

With the goal of expanding our investor relations activities, we held our first-ever earnings presentation for institutional investors in June 2015 which was attended by more than 40 investors and analysts. The President of Nissin Electric Co., Ltd. gave a presentation about our fiscal 2014 results and fiscal 2015 forecast, initiatives of each business segment, dividend, and our plans for preparing the next medium-to-long-term business plan. The President of Nissin Ion Equipment Co., Ltd. talked about the ion implanters for Flat Panel Displays (FPDs) business. During the question and answer session that followed, many participants posed questions, resulting in meaningful discussions. Going forward, we plan on holding earnings presentations for institutional investors on a regular basis.

We are working to provide ample opportunities for shareholder engagement in accordance with the stipulations from the basic principle of "Dialogue with Shareholders" from Japan's Corporate Governance Code. In addition to holding an earnings presentation for institutional investors, we conducted company briefings for individual investors on two occasions in fiscal 2015. Under the leadership of the director in charge of investor relations, the Corporate Planning Department, Financial & Accounting Department, Legal Department and other investor relations related departments work together to address various inquiries from shareholders in a timely and easy to understand manner.

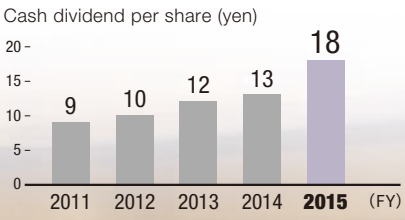
Timely, appropriate and transparent information disclosures

In accordance with the stipulations from the basic principle of "Ensuring Appropriate Information Disclosure and Transparency" from Japan's Corporate Governance Code, we disseminate information that is useful for fostering understanding about Nissin Electric as well as information required by laws and regulations, with timely and appropriate information disclosure a key tenant. Going forward, we will continue to strive to disseminate information that is easy to understand and that has a high degree of added value.

Dividend policy

The dividend is determined based on a comprehensive examination of the future management situation, 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



VOICE

Using feedback for the future growth of the company

The Nissin Electric Group has continually worked to become a company that is trusted by shareholders based on the Company Code of Conduct that states "Integrity, Trust and Long-term Relationships."

As the director in charge of investor relations, I work with related departments to ensure equality and carefully manage information while also promoting constructive communication and enhanced information disclosures for the future. In turn, I share the important views and feedback received from our shareholders and investors with the Board of Directors and other organs.

Tadashi Ueno
Managing Director

Earnings presentation for institutional investors

Societal Trust

Leveraging our expertise as an electrical equipment provider, taking part in a host of community fellowship activities inside and outside of Japan to help develop the next generation and co-exist with the local community

Support for Science Education of the Next Generation

Expanded onsite science classes for elementary school students by three locations

Nissin Electric has organized science classes at elementary schools since fiscal 2010 with the goal of increasing the number of elementary school students who enjoy science by utilizing Nissin Electric's technologies. In fiscal 2015, we held these science classes at a total of 20 elementary schools: 14 in the Kyoto area where our head office is located, five in the Maebashi area where the Maebashi Works is located, and one in Noda City, Chiba Prefecture (our first science class at this location), site of Nissin Pulse Electronics Co., Ltd.

Science classes are offered to fourth graders. The curriculum included outdoor experiences riding in solar cars as well as indoor classes where students conducted experiments using a hand generator and also took part in a quiz on electricity. Every year participant feedback often includes remarks such as "I learned to like science" and "I'm now interested in electricity."

In fiscal 2015, we organized a solar car class for elementary school students taking part in hands on learning about natural energy with the help of the Renewable Energy Winter School organized jointly by the City of Minamisoma and the Minamisoma Solar Agri Park in Fukushima Prefecture. Our hope is for students who experienced these classes to become familiar with science and grow interested in natural energy.

In addition to science classes, we also worked on the following activities in an effort to expand the number of people working in the field of science.

- **Supported the Future Forum for Female High School Students organized by the City of Kyoto**
- **Hosted high school inters at Nippon ITF Inc.**

Hands on learning at a factory

GLOBAL

- **Supported a scholarship fund for Hue Industrial College in Vietnam**

Scholarship presentation ceremony

VOICE

Our science classes were a huge hit in Chiba Prefecture too

In September 2015, Nissin Pulse Electronics Co., Ltd. held its first ever onsite science class for elementary school students in Noda City, Chiba Prefecture.

I'll never forget the smiles of the children who happily took part in the car ride and classroom learning. The survey conducted about their experience contained remarks such as "It was interesting to learn about electricity. I'm now interested in the field," and "The solar car was faster than I thought and it was easy to drive." For me, this class turned out to be a very valuable experience.

Kazumi Kuwata
Corporate Administration Department
Nissin Pulse Electronics Co., Ltd.

Science class in the Maebashi area

Basic Policy on Corporate Citizenship Activities

We consider it only natural to give back to society through our core businesses as part of our efforts to achieve the mission of “Forge a bright future for both people and technology” cited in our corporate principles. As a member of society, Nissin Electric is actively involved in corporate citizenship activities with the aim of creating a better society.

Focus areas of initiatives

1) Develop electrical engineers and other human resources
2) Preserve historical and cultural assets mainly in Kyoto
3) Cooperate with local environmental conservation activities

In addition to the three focus areas, we proactively engage in corporate citizenship activities closely rooted in the local community, including a children’s kendo class held in the gymnasium at our head office and led by the company’s kendo club.

Children’s kendo class

Cooperatoion with Local Environmental Conservation Activities

Involvement in local neighborhood clean-up activities

Our head office in Kyoto takes part in the Katsura River Clean-up Campaign every February along with local governments, companies, schools and various organizations. We take also part in community environmental conservation efforts in other parts of Japan, too, including the Yashima Clean-up Campaign in Takamatsu City, where our Shikoku Branch is located, Clean Campaign Nagoya in Nagoya, where our Chubu Branch is located, and Love Earth Clean-up in Fukuoka, where our Kyushu Branch is located.

In 2015, we sponsored the 2nd Gion Festival zero trash campaign, which seeks to reduce trash produced by food vendors during the Gion Festival by switching from disposable to reusable plates and utensils. A total of 25 volunteers from Nissin Electric took part in this campaign.

Katsura River clean-up campaign

2nd Gion Festival zero trash campaign

Supporting Cultural Asset Preservation Activities

Cooperating with historical and cultural asset preservation in Kyoto

Nissin Electric donated one million yen to the Historical Structure Systematic Repair Project for the Future implemented by the City of Kyoto. As a company that was established in Kyoto, we are committed to helping preserve historical and cultural assets mainly in Kyoto for many years to come.

Presentation of the donation

Repair of Sekison-tei, the heritage residence of a literary legend

Nissin Electric owns Sekison-tei (Sakyo-ku, Kyoto), which is the former residence of literary legend Junichiro Tanizaki located close to the Shimogamo Shrine. We continue to meet the promise made at the time Sekison-tei was donated to us to maintain and preserve this heritage residence. Following the repair of the main house in fiscal 2014 to mark the residence’s 100th anniversary, we repaired the garden area in fiscal 2015.

Sekison-tei’s garden

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

Partnerships with Partners

Working together for transportation safety

The Transportation Section at the head office holds meetings regularly once every three months to encourage and solicit feedback from partners in order to foster relationships grounded in collaboration and trust for the mutual prosperity of all parties involved.

At each regular meeting, case examples on packaging, transportation incidents, and trouble reports are shared horizontally across all companies. Moreover, we invite our partners to discuss specific examples of troubles they have experienced in striving to develop preventive measures. As a result, we have mitigated troubles attributable to partners. Going forward, we will continue to strengthen our collaboration with partners.

Communicating with distributors

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

Smart Power Supply Systems seminar was held at the Maebashi Works in November 2015, with a total of 24 participants representing 11 offices in attendance.

Seminar at Maebashi Works

Promotion of CSR Procurement

CSR Survey

We developed the Nissin Electric Group CSR Procurement Guidelines in July 2013.

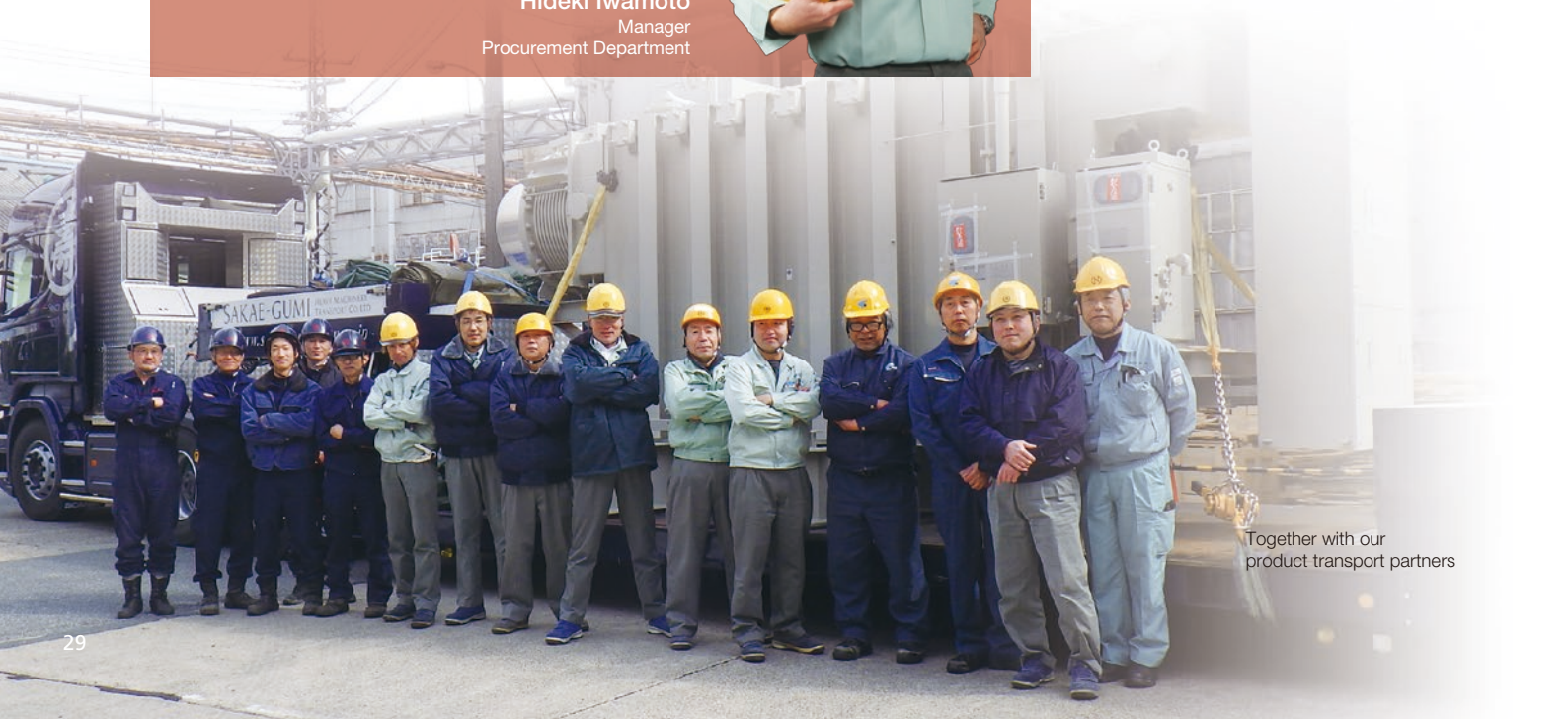
In fiscal 2015, we continued to implement activities in order to promote these Guidelines. In addition, we have conducted a survey targeting 75 of our main partner companies to assess their current CSR practices in monitoring the implementation status of the Guidelines. Next, we aim to share the survey results with our partners in hopes of further promoting CSR initiatives.

VOICE

Strengthening collaboration through proactive communication

Our shipment operations are carried out daily in cooperation with our partners, which makes it critical to work together seamlessly. We ensure a proactive stance in communicating with our partners in sharing expertise and labor to ensure product delivery to our customers. We firmly believe human connections and open communication are what enhance safety and quality.

Hideki Iwamoto
Manager
Procurement Department



Together with our product transport partners

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

Optimize Diverse Workforce

Promoted employment of people with disabilities

We are committed to fulfilling our corporate social responsibilities by promoting employment of people with disabilities. We established Nissin Heartful Friend Co., Ltd. in September 2015 as a channel that enables people with disabilities to achieve social independence and realize job satisfaction through assuming a lead role in developing and conducting work duties. The company began operations in January 2016 and was designated as a special subsidiary in March. While its current business operations are mainly the digitization of documents, we plan to expand its business functions to other areas through several phases.

In addition to promoting employment of diverse disabled people, including people with intellectual disabilities, through creating a work environment that fosters independence, we also aim to support social independence through by developing each employee's capacity.

Supporting women in the workplace

We are promoting more opportunities for female employees to take part in external conferences as part of the effort to support women in the workplace. Specifically, our female employees have attended "SWING," the women's association of Sumitomo Electric Industries, Ltd, "Team Spring!," an association of diversity promotion personnel in the manufacturing industry in Kyoto, and the Women's Association of Kyoto Industrial Association, to engage in dialogue and exchange of opinions. Attendants have positive feedback on the opportunity to meet women from other companies and to gain new insight.

In addition, WING-NET, an internal volunteer network founded by female employees, hosts many tours of our equipment delivered to customers. Many felt the opportunity to see our company's own products on a customer's site gives them a boost in confidence in their work. Given this positive response, we hope to provide more avenues for our employees to interact with outside parties regardless of their gender.

VOICE

Focusing efforts into creating a workplace that fosters success

Since the start of operations on January 5, we have been working with six employees on the digitization of various in-house documents. As instructors, our role is to set up an environment that will foster the employees' success in delivering results. We hope to contribute to the new company's growth and business expansion through creative solutions.

Junko Nishimoto (on right)
Maki Yamashita (on left)
Nissin Heartful Friend Co., Ltd.

Employees of Nissin Heartful Friend Co., Ltd. at work

Employee Mutual Trust

Family members of employees visiting Nissin Electric (Wuxi) Co., Ltd.

Strengthen Communication

GLOBAL

Tours for employees' families in China

Nissin Electric (Wuxi) Co., Ltd., one of our subsidiaries in China, hosted its first tour for the employees' family members including their children. Visiting family members were briefed on the company's overview and guided on a factory tour, which not only aimed to enhance families' understanding of the company, but also provide an opportunity for them to get to know more about one another through group sports and Japanese food tasting, fostering a closer relationship between the employees and the company.

We plan to continue hosting similar events to further promote unity and a sense of solidarity.

Meetings between the President and employees to discuss the future of Nissin

We have held meetings between the President and executive officers, young managers, chiefs, and other employees who will lead the company tomorrow regularly since fiscal 2013 so that both sides can share their views about the future of the Nissin Electric Group. As fiscal 2015 was the final fiscal year of VISION 2015, the themes of these meetings centered on a review of VISION 2015, the direction of VISION 2020, the greater involvement of women in the workplace, and changing the way we think about work styles.

VISION 2015 was created through dialogue between senior management and employees at the chief and assistant manager level. Similarly, VISION 2020 was prepared through dialogue so that all employees shares the common awareness of the issues at hand and so that efforts will be made to attain the targets with the plan inclusive of all.

Going forward, we will continue with this dialogue in order to increase the sense of unity from senior management to the front lines and to build closer connections between employees.

Meeting with female employees

Promote Educational and Training Opportunities that Support Personal and Professional Growth

Expanded training through Nissin Academy

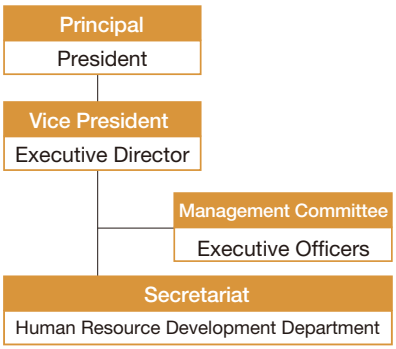
Nissin Electric has established Nissin Academy, which serves to provide educational and training opportunities that support personal and professional growth, contributing to an increased sense of job satisfaction and social contribution.

The Academy offers four main training courses including General Training, Business Skills Course, Technology and Skills Course, and Departmental and Group Company Internal Training. In addition, CS College (a specialized course for customer service) has been newly offered as another area of training.

The Academy aims to share our principles, vision, and goals with the attending employees, encourage the identification of issues and challenges from a global perspective and cultivate human resources with a resolute problem solving attitude that emphasizes collaboration. In order to achieve the aim, the Academy designed its training of human resource development in a way that captures the three themes of education and training for self-improvement, on-the-job training, and job rotation.

The Academy is headed by the President as the Principal of the Academy, while the Human Resources Development Department serves as the secretariat and board members act as advisors to the education and training of personnel who form the pillars of our business growth.

Management Structure of Nissin Academy



Promote Safety and Health Awareness

Identifying near-misses and incident prevention measures

The fundamental approach of safety measures is to have a clear understanding of the factors that cause accidents and implement targeted measures to address these factors. Therefore, in addition to activities to thoroughly analyze accidents and identify countermeasures, since fiscal 2012 we have identified near misses and close calls in an effort to shed as much light on the cause of accidents as possible and then focus on removing these causes.

We consider electric shock, falls, and transport related injuries to be the three serious occupational accidents, and as such we focus on safety training to completely eliminate all the three from our workplaces. In addition to classroom learning and videos, we initiated practical safety training in fiscal 2012 as a way to appeal directly to the senses of participants. This training involves simulations of threats including the handling of electricity, transporting items, and working in high places. In turn, this develops participant's sensitivity to safety. As a result of these initiatives, we have reduced the number of accidents caused by employees with less than five years of experience on the job who in the past tended to be a source of accidents.

Health Management of Employees and Families

The Nissin Electric Group carries out various measures to advance the safety and health of all employees, including a very generous and original cafeteria plan program. Health exams offered to employees and their family members are taken by 97% of employees and 86% of their family members. Health instruction is also offered and received by 83% of employees and 21% of their family members. We also implement a broad range of initiatives for employee health, including encouraging employees with abnormalities found during a health exam to seek additional testing at a medical institution, and providing health instructions to prevent serious ailments such as diabetes and brain or heart disease.

Health instruction

Practical safety training

Encourage Diverse Work Styles and Work-Life Balance

Seminar on work and elderly care balance

The Nissin Electric Group is carrying out initiatives aimed at fostering a culture of work-life balance given the expected rise in the number of employees who will need to provide elderly care to their family members.

In fiscal 2015, we held a seminar on work and elderly care balance for the first time at our head office. This seminar talked about the public programs and company's work-life balance programs that will help employees to strike a balance between elderly care obligations and work in the event the need arises. Participant feedback includes "I feel mentally prepared knowing that programs are out there to help me" and "I will cooperate as much as possible if someone in my workplace needed to provide elderly care to a family member."

Going forward, we plan on holding similar seminars at other locations outside of the head office.

We are also committed to helping employees with work-life balance in terms of childcare. In August 2012, we earned the Kurumin Mark, a certification provided by the Ministry of Health, Labour and Welfare in recognition of company efforts to support the childcare needs of employees in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children.

Seminar on work and elderly care balance

Initiatives for Global Environmental

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

Conservation of Biodiversity

Kyoto Biodiversity and Culture Joint Restoration Project

The City of Kyoto established the Kyoto Biodiversity and Cultural Joint Restoration Project in 2014. This project certifies the initiatives of groups working to preserve and restore biodiversity that has long supported Kyoto's festivals and culture in accordance with the Kyoto City's Biodiversity Project and also dispatches experts to provide technical assistance when needed. Nissin Electric received certification under this project during the redevelopment of its greenery located onsite at the Head Office & Works.

Experts with the Kyoto City Greenery Association visited the site and then came up with a greenery plan, and Nissin Electric completed the work in June 2015. A number of vegetation varieties with a unique connection to Kyoto's culture, including Japanese wild ginger* and blackberry lily, are now being grown here. Going forward, we will continue with our biodiversity conservation efforts, including the protection of ecosystems unique to Kyoto.

*Japanese wild ginger: A native flower that is becoming rarer to see. It is used in the Aoi festival of Kamo Shrine in Kyoto. We received roots from the Afuhi Project for growing, and we donate parts of these grown plants to the Aoi festival.

Japanese wild ginger

CO_2 Emission Reduction

Increasing efficiency using gas cogeneration

In February 2014, we installed a new gas cogeneration system (CGS) powered by city gas at the Maebashi Works.

CGS is a form of power generation that produces both heat and electricity simultaneously. At the same time as generating electricity using a gas engine, exhaust gas is fed to an exhaust gas boiler which produces steam that is then used in manufacturing processes. The warm water produced during the cooling of the gas engine is also used in manufacturing processes.

As a result, Maebashi Works has been able to lower its utility power by 1,600MWh per year, while the effective use of waste heat helps to lower CO_2 emissions by 54t-CO_2 per year.

VOICE

We will take good care of this vegetation closely rooted in Kyoto

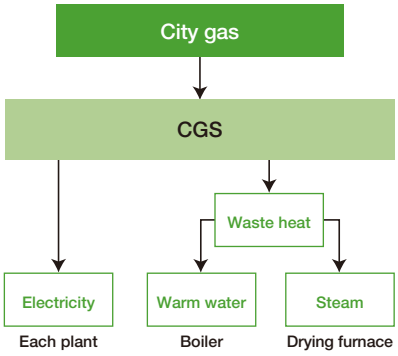
In June 2015, we made improvements to our greenery as part of our environmental conservation efforts, ensuring our premises are mindful of biodiversity. During this process, we received support and instructions from the City of Kyoto and the Kyoto City Greenery Association in order to plant vegetation ideal for the growing environment and biodiversity conservation, based on the theme of the four seasons. This greenery blooms with many flowers, providing a fun and exciting sight for customers and employees. In the future, we will plant vegetation in other locations in an effort to protect rare plant species that are hardly seen in the recent fields.

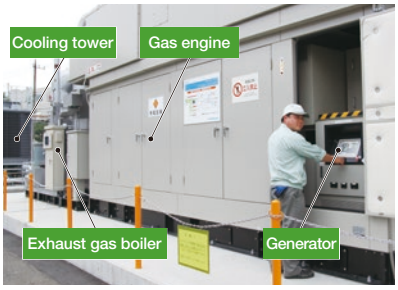
Kazunori Nakano
Chief
Production Engineering Department

Greenery restoration onsite

Conservation

CGS Mechanism





CGS of Maebashi Works

Energy saving initiatives

We have systematically switched flourescent lighting at our business sites to energy saving and high efficiency LED lighting. Over the past three years, we updated some 1,296 lights at our Head Office & Works. As a result, we have reduced CO_2 emissions by 44 tons per year.

Going forward, we will continue to change over to energy saving equipment and devices in other locations and regions.

GLOBAL

Introduced an electric bus for employee commuting in China

In January 2016, our subsidiary in China, Nissin Electric (Wuxi) Co., Ltd., began operating an electric bus for its employees' commute on a trial basis, and it set up four charging stations. This represents the first case in Wuxi City of a company using an electric bus to transport employees to and from work. Similar schemes will likely increase going forward because of the environmental measures being implemented by the City of Wuxi. This program serves to lower environmental impacts through the use of an electric bus and also contributes to the local community, by possibly opening up charging stations to the general public in the future.

Newly purchased electric bus

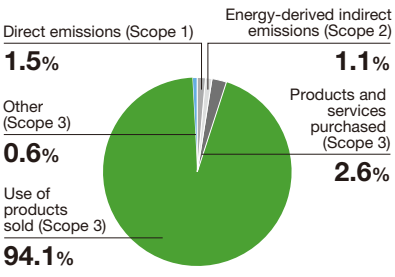
Lowering greenhouse gas emissions in the supply chain

We have calculated indirect greenhouse gas emissions for the entire Nissin Electric Group in Japan since fiscal 2013 using the Basic Guidelines on Calculating Greenhouse Gas Emissions in the Supply Chain Ver. 2.1 by Ministry of Economy, Trade and Industry and the Ministry of the Environment.

Nissin Electric's products typically produce the largest greenhouse gas emissions during consumer use, so we are working to develop energy saving solutions and to promote the use of products that produce fewer greenhouse gases.

CO_2 emission results for the entire supply chain

Total: 1.05 million t-CO_2
(fiscal 2015; Nissin Electric Group in Japan)



Environmental Education

Encouraging employees to take the eco certification test

We encourage our employees to take the Certification Test for Environmental Specialists (Eco Test)* organized by the Tokyo Chamber of Commerce and Industry in order to develop human resources who can acquire basic knowledge of environmental issues and use this knowledge to take action. By assisting employees who take this exam through study sessions and other means, to date, a total of 158 employees has earned this certification. Employees are using their knowledge to heighten environmental awareness at the company and among their family members as well as in dialogue with customers and understanding of environmental issues.

*Certification Test for Environmental Specialists (Eco Test): This certification exam is held twice annually. It aims to foster greater practical understanding of the correlation between corporate activities and environmental issues through broad systematic knowledge of complex and diverse environmental issues.

VOICE

Utilizing my knowledge for environmental conservation during work

I understood that renewable energy benefits the environment, but I wanted to learn more about the environment and sustainable societies, so I studied for and passed the Eco Test. Going forward, I will be more mindful of the environment in my daily life, while at work I will strive to explain products to customer from an environmental perspective given my background in sales and engineering.

Hiroyuki Takao
Renewable Energy Development Division

Initiatives for Global Environmental Conservation

Environmentally Friendly Products

Certification of super-eco products

Nissin Electric has certified products that reduce greenhouse gas emissions throughout the life cycle by 20% or more compared to fiscal 2000 and that fulfill at least one of our proprietary environmental friendly items. Products that reduce greenhouse gas emissions by at least 50% are certified as super-eco products and have a special label displayed.

Super-eco designated product for fiscal 2015:
J-type SC protection relay

Environmental Policy

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

We will prioritize the next activities that aim to reduce environmental impacts.

1. Create Environmentally Conscious Products

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

2. Mitigation of Climate Change

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

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

3. Discharge Limitation

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

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

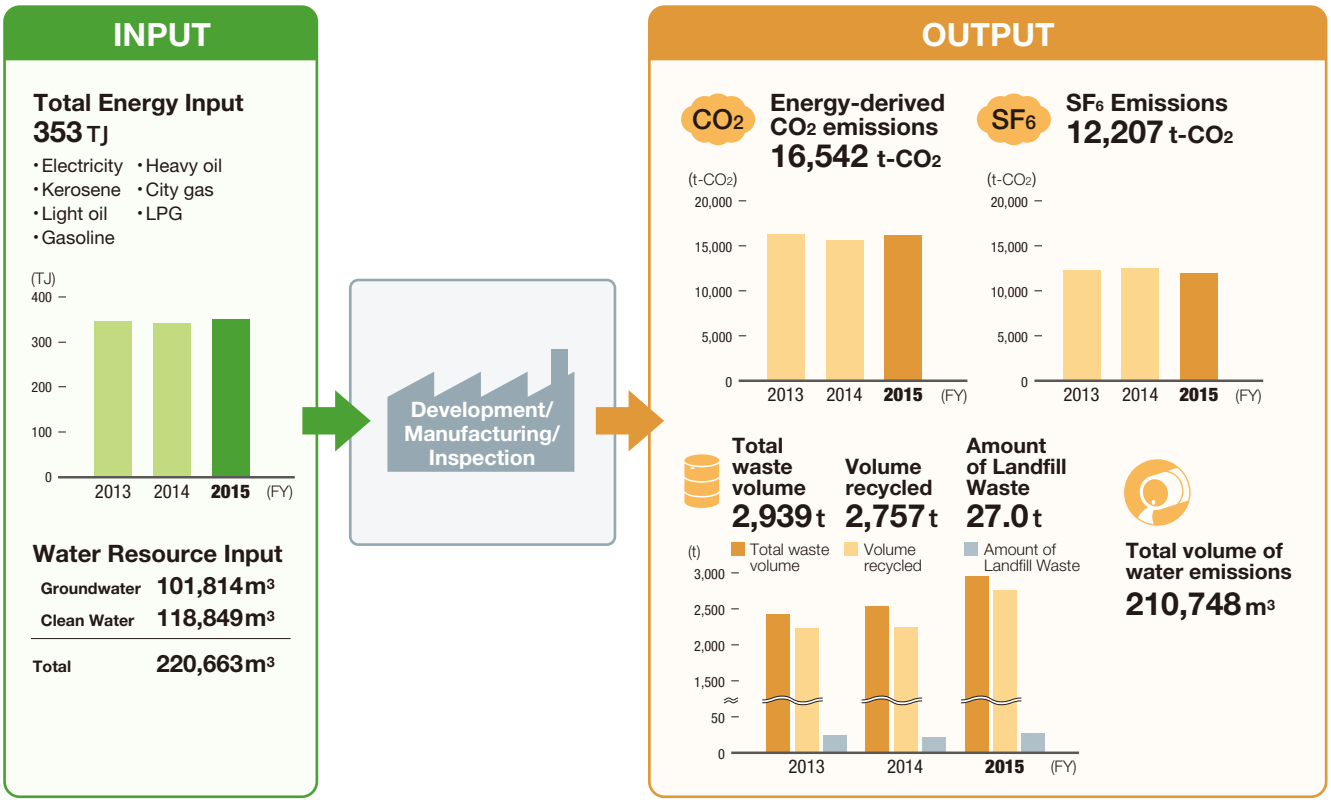
Targets and Results

Targets of Activities		Fiscal 2016 to Fiscal 2020 Mid- to Long-Term Environmental Target	Fiscal 2011 to Fiscal 2015 Mid- to Long-Term Environmental Target
Prevention of Global Warming	Populize environmentally friendly products	(Reduction of indirect emissions) Contribute to reduction in greenhouse gas emissions for society through products and services (amount of indirect emissions) CO_2 emissions: 7% reduction compared to fiscal 2015	Contribute to reduction in greenhouse gas emissions for society through products and services (amount of indirect emissions) CO_2 emissions: Reduce by 30% from fiscal 2000
			Maintain the green procurement system
	Energy conservation	(Reduction of direct emissions) Reduce CO_2 emissions through energy conservation from business activities Energy-derived CO_2 emissions per unit : 5% reduction compared to fiscal 2015	Reduce greenhouse gas emissions from business activities (amount of direct emissions) Energy-derived CO_2 emissions per unit 27% reduction compared to fiscal 2010
	Sulfur hexafluoride (SF_6) Emission Reduction into the atmosphere	(Reduction of direct emissions) SF_6 gas emission rate : 1.0% or less	Reduce greenhouse gas emissions from business activities (amount of direct emissions) SF_6 gas emission rate: 2.0% or less every year
Emission Reduction	Resource conservation and Recycling	Total waste volume per unit : 5% reduction compared to fiscal 2015	Total waste volume per unit: 5% reduction compared to fiscal 2010
		Waste recycling ratio: 95.5% or higher	
		Landfill waste ratio: Less than 1.0% every year	Landfill waste ratio: Less than 1.0% every year
	Prevent environmental pollution	Reduce volatile organic compounds (VOC) emissions into the atmosphere Maintain the fiscal 2015 level	Reduce VOC emissions into the atmosphere 42% reduction compared to fiscal 2010 (maintain results for fiscal 2014)
		Water usage: 5% reduction compared to fiscal 2015	Water usage: 5% reduction compared to fiscal 2010
Environmental Management		Environmental education based on national targets Expand use of Forest Stewardship Council (FSC®) certified paper	Planting vegetation for biodiversity conservation Use FSC® –certified paper for printed material

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

INPUT-OUTPUT (FY2015)

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



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

	Results	Evaluation	Example of Activities
	53% reduction compared to fiscal 2000	○	● Popularized power conditioners for photovoltaic systems ● Popularized energy saving products (high efficiency transformers and ion implanters) ● Popularized of environmentally friendly products (Capacitor Voltage Transformer) ● Developed energy saving equipment and products (protection relay)
	Maintain the green procurement system	○	● Supported the establishment of environmental management systems
	42% reduction compared to fiscal 2010	○	● Improved average fuel efficiency of company vehicles ● Changed over to LED lighting ● Strictly managed temperature of heating and cooling ● Achieved eco-driving practices (turn off engine when stopped and prevented sudden starts and acceleration) ● Renewed aging facilities
	emission rate: 1.2%	○	● Reviewed the set value for negative pressure SF_6 recovery through introduction of new equipment ● Inspected and maintained SF_6 recovery equipment
	5% reduction compared to fiscal 2010	○	● Returned wood pallets to vendors ● Reused waste plastics as fuel ● Reduced packaging waste when importing from China
	Landfill waste ratio: 0.9%	○	● Thoroughly sorted cured plastics (pouring gate with metallic) ● Recycled window glass of equipment
	50% reduction compared to fiscal 2010	○	● Reduced thickness of coating film ● Reduced paint usage by introducing painting robots ● Reduced and reused solvents
	6% reduction compared to fiscal 2010	○	● Systematically updated buried piping
	Selected planting friendly to the area's environment Use FSC® –certified paper for printed material	○	● Participated in Kyoto City's biodiversity project ● Used FSC-certified paper for the Nissin Report, etc.

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

Awards and Certifications

2015

April

Nissin Electric Co., Ltd.
Incentive Award for “Development of 500 kW Power Conditioner for Photovoltaic Systems”
2015 Award for Outstanding Electrical Engineers, Heavy Electrical Sector
Japan Electrical Manufacturers’ Association (JEMA)

May

Nissin Electric Co., Ltd.
Kyoto Branch Chairman Prize
Outstanding Slinging Engineer Award
Japan Crane Association

June

Nissin Electric Co., Ltd.
Tohoku Regional Home Power Generation Equipment Construction
Outstanding Construction Contractor Award
Tohoku Regional Head Office Fukushima Operation Office Construction Safety Council
East Nippon Expressway Co. Ltd.

July

Umezu Factory of Nippon ITF Inc.
Director General Honorable Mention
Kyoto Safety and Health Convention
Kyoto Labor Bureau

Nissin Electric Co., Ltd.
Letter of Appreciation for Sponsorship of Gion Festival Clean Campaign
Gion Festival Yamahoko Association

August

Nissin Electric Co., Ltd.
Performance Estimation of LVRT Operation in the Power Conditioner for PV
2014 Excellent Presentation Award
The Institute of Electrical Engineers of Japan

September

Nissin Electric Co., Ltd.
Merit Award in the Outdoor Fire Extinguisher Handling Category
Ukyo Fire Brigade Drill
Kyoto City Fire Department

October

Nissin Electric Co., Ltd.
2015 Award for Long Service for Persons with Disabilities
Kyoto Diverse Employment Support Organization

Nissin Electric Co., Ltd., and Nippon ITF Inc.
Award for Promotion of Urban Design for Future Kyoto
(Over 5 years in running internships for Kyoto high school students)
City of Kyoto

Nissin Ion Equipment Co., Ltd.
Rectangular solid shaped ion source which filaments are inserted from the edges
Invention Merit Prize for Kinki Region Invention and Innovation Award
Japan Institute of Invention and Innovation

Nissin Electric (Wuxi) Co., Ltd. GLOBAL
(Recognized as the highest class of capacitor in China that has 6 modalities and 15 specifications)
New Product and Technology Appraisal Approval Certificate
China Machinery Industry Federation

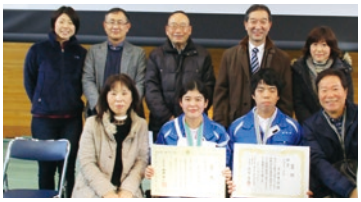
November

Nissin Electric Co., Ltd.
Higashi Uji Purification Center Electrical Equipment Work No. 24
Excellent Construction Award
Japan Sewage Works Agency

2016

January

Nissin Heartful Friend Co., Ltd.
13th Abilympics Kyoto Competition
Gold Medal and Silver Medal
Kyoto Diverse Employment Support Organization
Kyoto Prefecture



February

Nissin Electric Wuxi Co., Ltd. GLOBAL
Tax Contribution Award
New District, Wuxi City, the Village Street Working Committee

External Evaluations

CSR Rankings

The CSR survey conducted every year by Toyo Keizai Inc. evaluates companies from the four perspectives of human resource utilization, the environment, corporate governance, and social contributions. Toyo Keizai Inc. also uses its corporate financial database to quantify financial ranking (profitability, soundness, and size), which in turn is also reflected in the rankings that are announced to the public.

Nissin Electric ranked 106th (120th the previous year) in the 10th CSR rankings compiled for 2015. Nissin Electric received an AAA score for all four categories of human resource utilization, the environment, corporate governance, and social contributions.

The information required to respond to this survey represents themes of great interest to society and stakeholders. For this reason, we refer to this information in drawing up our CSR activity plans.

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 2015, following the targets and results indicated on pages 19 and 20. The website includes information and data that could not be introduced in the published report due to space limitations. We kindly ask for your honest feedback using the survey made available via our corporate website.

Reporting Areas and Scope

Page 17 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, 2015, to March 31, 2016
Published: June 2016
Previous edition: June 2015
Next edition: June 2017

Reference Guidelines

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

NISSIN ELECTRIC CO., LTD.

Address: 47, Umezu-Takase-cho, Ukyo-ku, Kyoto 615-8686 Japan
Tel. +81-75-861-3151 Fax. +81-75-864-8312
Web. http://nissin.jp/e

Sekison-tei

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

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

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

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