

NISSIN REPORT 2022

Company Profile / Sustainability Report

NISSIN
ELECTRIC



NISSIN ISSIN

Adapt to Changes, Create Changes

Aiming to become a company creating a sustainable future through reliable technical capabilities where each of employees can realize the contribution to society in an environment that respects diverse values and encourages new challenges

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Group Slogan	Forge a Bright Future for Both People and Technology
Corporate Philosophy	Through corporate activities that support the foundations of society and industry, the Nissin Electric Group will harmonize with the environment and contribute toward realizing a vibrant society.
Principles of Activities	<p>Integrity, Trust and Long-term Relationships</p> <p>We take the following Five Trusts as the principles of our activities. (Customer Trust, Shareholder Trust, Societal Trust, Partner Trust, Employee Mutual Trust)</p>
Business Mindset	<p>“Venture Spirit” fostered since our founding</p> <p>—The spirit to develop a future with high ambitions and a passion for constantly taking up challenges</p> <p>The spirit of “New Each Day” embedded in our company name</p> <p>—The unwavering spirit to seek something new each day and make constant efforts toward one’s goals</p> <p>Open-mindedness and the ability to digest different cultures and technologies</p> <p>—The spirit to accept different things and eventually internalize them</p>

Company Outline (as of March 31, 2022)	
Company Name	Nissin Electric Co., Ltd.
Incorporated	April 11, 1917
Stated Capital	10,252,845,127 yen
Employees	5,382 (consolidated)
Issued Shares	107,832,445 shares
Stock Code	6641 (First Section of the Tokyo Stock Exchange)
Operations	Manufacture and sales of electrical equipment and instruments as well as ancillary construction works

The Nissin Electric Group contributes to the achievement of the SDGs around the core of the below goals through our five material issues (Materiality).



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 2021, following the plan and results indicated on pages 27 to 30.

Reporting Areas and Scope
 Page 25 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, 2021, to March 31, 2022

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

Supporting Society and Lifestyles with Electric Technology

The Nissin Electric Group provides products and services that support a sustainable society and industrial infrastructure, with an emphasis on power system and energy equipment. Our products play a key role everywhere to support society and everyone's lifestyles.

Power Transmission Flow

Renewable Energy

Power Plant

Renewable Energy



Power Conditioner for Photovoltaic System



Passive Filter for Harmonic Resonances Measures

Ultra-high Voltage Substation



550kV Capacitor Voltage Transformer

Primary Substation



154kV Gas Insulated Switchgear



Power Capacitor

Factory



66/77kV Ultra-compact Gas Insulated Switchgear



66/77kV Oil Filled Transformer



Captive Consumption Photovoltaic System

Electrical Railroad

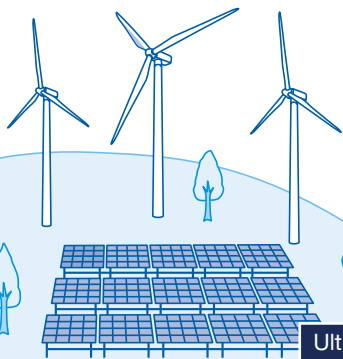


Harmonic Restraint Device



Special Switchgear for Railroad Facilities

Renewable Energy



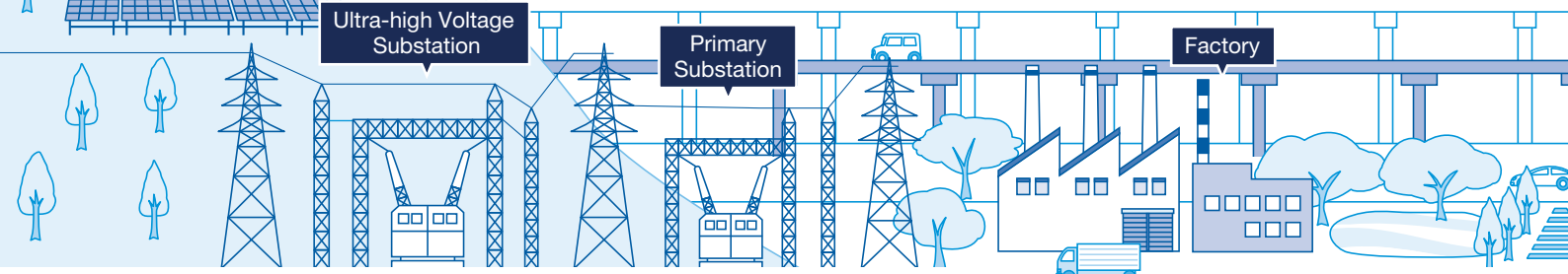
Electrical Railroad



Ultra-high Voltage Substation

Primary Substation

Factory



Power Supply and Environment System Business

Design, proposal, operation, and maintenance of environmentally friendly power and environmental systems such as power quality stabilization and distributed energy

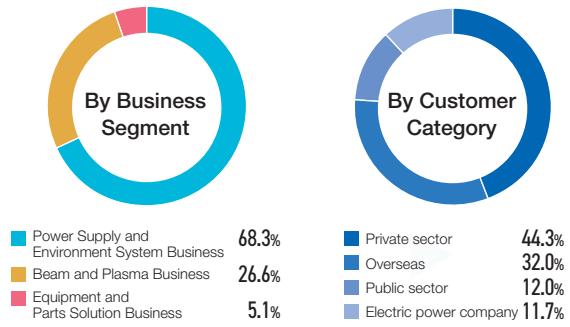
Beam and Plasma Business

Ion implanter, electron beam processing system, fine coating

Equipment and Parts Solution Business

Industrial equipment and parts contract manufacturing, market-oriented business

Share of Net Sales



Water and Sewerage



Supervisory Control System for Waterworks

Office Building Shopping Center



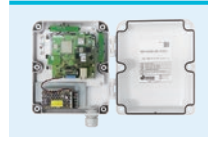
6.6kV Switchgear

Expressways



Vehicle Recognition System

Home



Outdoor Type IoT Gateway

Automobile



Fine Coating Service



77kV Extra-high Voltage Substation Equipment



Supervisory Control System for Expressways



Electron Beam Processing System

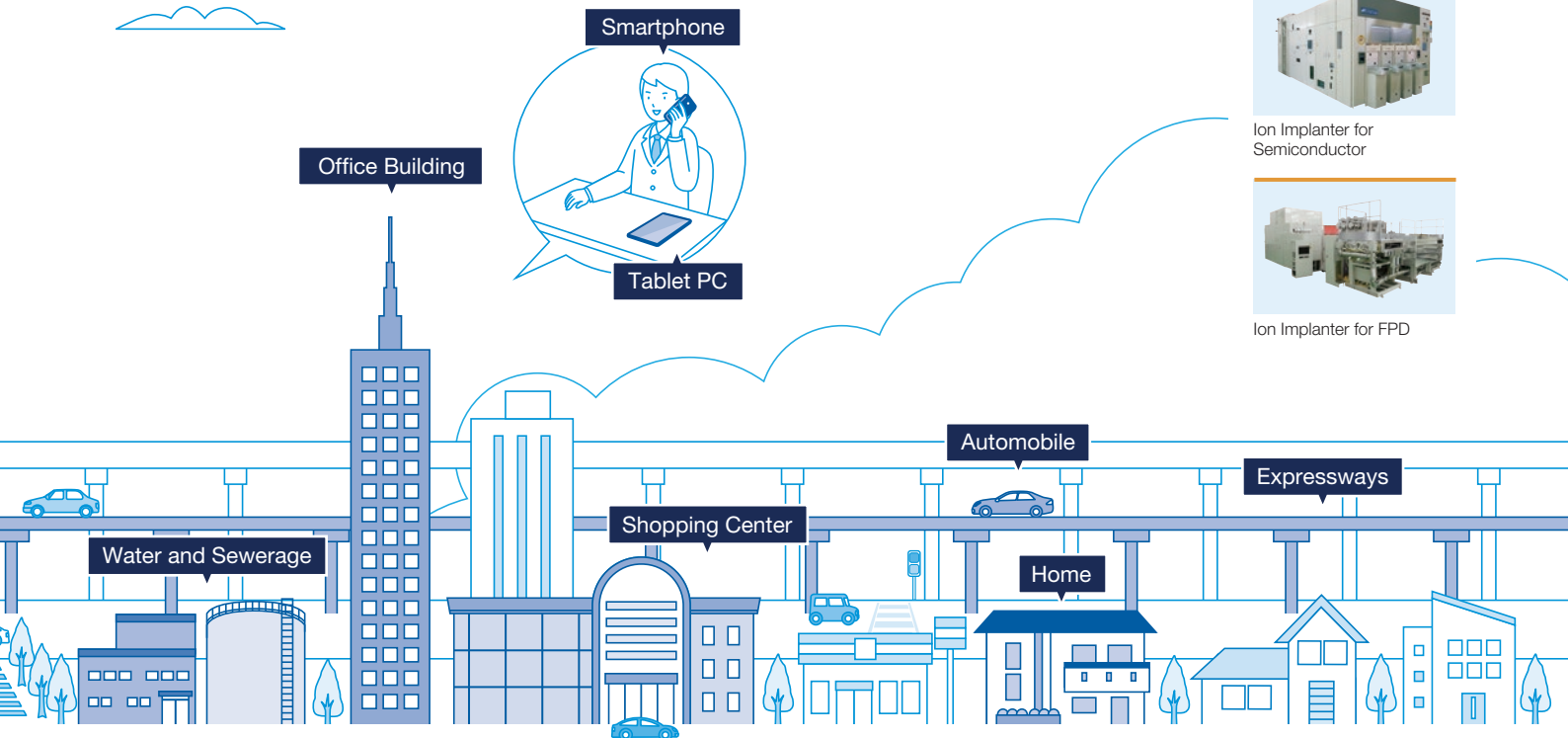
Smartphone Tablet PC



Ion Implanter for Semiconductor



Ion Implanter for FPD



Nissin Electric Continues to Evolve

We leverage our high voltage technology, vacuum application technology, and monitoring and control technology cultivated over our history of more than 100 years and continue to evolve and create indispensable products and technologies for the world every day.

The Nissin Electric Group has carried on the "Venture Spirit" fostered since our founding, and has been engaged in manufacturing while actively incorporating different cultures and different technologies from overseas. Our products bring together the finest technology resulting in them being widely used in Japan and abroad where they have top market share and feature one-of-a-kind unique technology. In recent years, we have demonstrated our reliable responsiveness with Smart Power Supply Systems "SPSS" that solves customer needs with solutions that leverage our technological capabilities. In addition to the development departments of our business divisions, we have a Research and Development Unit consisting of four departments for each of our specialized fields, where we advance new technology development every day as the core of our research and development.

Growing with the Japanese Electricity Business

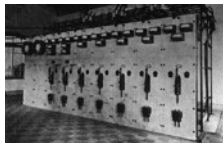
At the same time as the dawn of Japan's electric power era, Nissin Electric was born in Kyoto. Starting with the manufacture of electric meters and switchgears for electric power companies, we have expanded our business to develop electric integrating watt meters and circuit breakers, and have contributed to developing electric power networks throughout Japan, including Kyoto.

Supporting the Rapid Increase in the Demand for Electricity Due to Postwar Reconstruction

Following the turmoil at the end of the war, Japan's economy underwent a remarkable recovery. Nissin Electric entered the power capacitor business after taking over power capacitor production from Sumitomo Electric Industries, Ltd. We have a proven track record in innovative capacitors that has increased the trust of the market. Our new products with unique features, such as PD, have been rolled out one after another in other fields.

1912

Started manufacturing switchgears



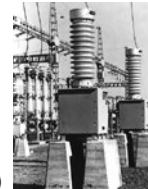
1945

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



1950

Developed capacitor voltage transformers (PD) (current CVTs)



1968

Developed gas insulated switchgears (GISs)

1970

Started business of charged particle accelerator business

1955

Developed remote monitoring and control system

1910

1910

Founded as Nissin Kogyosha

1917

Incorporated as Nissin Electric Co., Ltd.

1937

Constructed Head Office and Works in Ukyo-ku, Kyoto

1963

Built the Maebashi Works

1971

Built Ultra-high Voltage Testing Laboratory at Maebashi Works

1968

Built new works at Kuze and Kujo

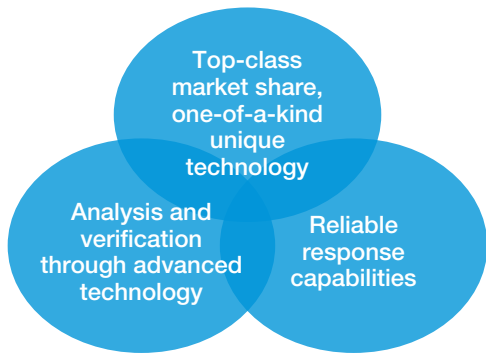
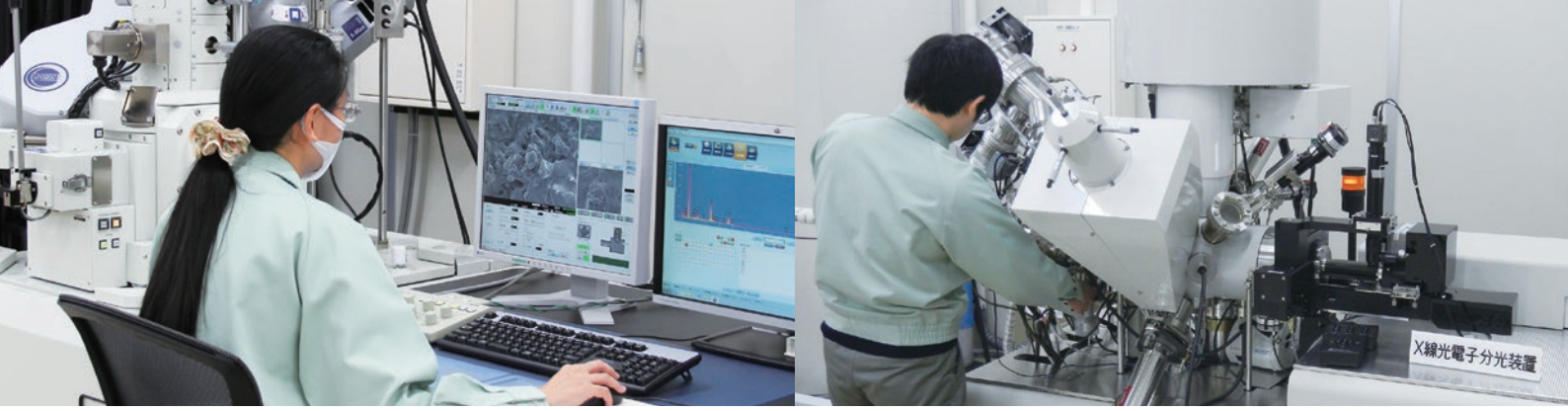
The Spirit of Technological Innovation Embedded in the Company Name Nissin

—Developing Original and Innovative Techniques Each Day to Forge a Bright 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



Research and Development Organization

Power Technology Laboratories	Equipment and control systems supporting power quality and a stable supply
Beam and Plasma Technology Laboratories	Development of beam and plasma application technology and business expansion, and development of fine coating application products
Material Technology Laboratories	Development of high reliability and low environmental burden insulating materials and functional materials
Technology Development Promotion Center	Development of new products, creation of new business, and development of maintenance technology employing CAE analysis technology, material analysis, AI technology, and more

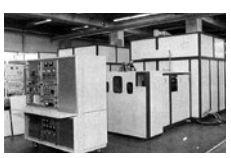
Responding to Diversifying Needs with the Latest Technology

As the times changed from an era of high-growth to stable growth, we pushed forward with international technology exchanges and technical alliances. In response to the diverse needs of electric power companies and industry, we have made our equipment more compact and automated it. We have also increased our number of overseas offices and have started the full-scale provision of products to the global market.

Contributing to Solve Social Challenges Through Products and Business Activities

As social challenges such as prevention of global warming and protecting the environment become more serious, the Nissin Electric Group focuses on developing and business expansion to achieve a sustainable society based on the SDGs. We are developing products with low environmental impacts, and providing renewable energy and energy-saving solutions.

1978
Developed ion implanters



1984
Developed photovoltaic system for grid connection

1986
Developed voltage dip compensator



2004
Developed ultra-compact gas insulated switchgears (XAE7)



2007
Developed large-scale water treatment system

2008
Developed power conditioner for photovoltaic system

2013
Developed SPSS

2016
Entered the grid connection equipment business for large-scale wind farms

2022

1987
Started business overseas and established Nissin Electric (Thailand) Co., Ltd.

1995
Started business in China

1985
Entered the fine coating service business

2000
Started industrial equipment and parts contract manufacturing business in Thailand





2007
Became a subsidiary of Sumitomo Electric Industries, Ltd.

2019
Opened the Nissin Academy Training Center

2017
100th anniversary of Nissin Electric Co., Ltd.





Nissin Electric Group Products and Services Are Active Around the World

Europe



-  **Germany**
Electron beam processing system
-  **Spain**
Electron beam processing system
-  **Switzerland**
Electron beam processing system
-  **Italy**
Electron beam processing system

We also deliver ion implanters for semiconductor to several countries.




Southeast Asia

-  **Thailand**
Power capacitor
Electron beam processing system
Fine coating system and other systems
-  **Singapore**
Gas insulated switchgear
Ion implanter for semiconductor
-  **Vietnam**
Gas insulated switchgear
Electron beam processing system
Fine coating system and other systems
-  **The Philippines**
Voltage dip compensator and other systems




Middle East

-  **Qatar**
Bus ducts
-  **Saudi Arabia**
Bus ducts

Africa

-  **Egypt**
Gas insulated switchgear
-  **Nigeria**
Voltage dip compensator
-  **Malawi**
Photovoltaic system

South Asia

-  **India**
Electron beam processing system
-  **Pakistan**
Power capacitor
-  **Maldives**
Energy supply and demand controller

Overseas Group Companies 18 offices: 15 in Asia (7 in China, 4 in ASEAN), 3 in the United States

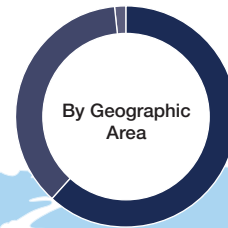
- ① Nissin Advanced Coating (Shenyang) Co., Ltd.
- ② Beijing Hongda Nissin Electric Co., Ltd.
- ③ Nissin Advanced Coating (Tianjin) Co., Ltd.
- ④ Nissin Electric (Wuxi) Co., Ltd.
- ⑤ Nissin Electric Wuxi Co., Ltd.
- ⑥ Nissin Allis Ion Equipment (Shanghai) Co., Ltd.
- ⑦ NHV Accelerator Technologies Shanghai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

Employees by Location
(Consolidated; as of March 31, 2022)



Japan	2,922	54.3%
Thailand	881	16.4%
China	827	15.4%
Vietnam	497	9.2%
Taiwan	111	2.1%
Others	144	2.7%

Share of Net Sales by Geographic Area
(Consolidated; as of March 31, 2022)



Japan	68.0%
Asia	30.4%
Others	1.6%

North America



United States

Instrument transformer
Electron beam processing system
Ion implanter for semiconductor
Fine coating system



Mexico

Fine coating system

Central America



Costa Rica

Photovoltaic system

South America



Guyana

Power capacitor



Uruguay

Photovoltaic system



Brazil

Electron beam processing system



Argentina

Electron beam processing system

East Asia



China

Instrument transformer
Power capacitor
Electron beam processing system
Ion implanter for FPD
Ion implanter for semiconductor
Fine coating system and other systems



Taiwan

Gas insulated switchgear
Ion implanter for FPD
Ion implanter for semiconductor and other systems



Korea

Gas instrument transformer
Ion implanter for FPD
Ion implanter for semiconductor

Group Companies in Japan

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

Manufacturing Sites in Japan

Head Office & Works (Ukyo-ku, Kyoto)
Nissin Electric Co., Ltd. and NHV Corporation

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

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

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

Major Sales Sites in Japan

Hokkaido Office
Tohoku Office
Tokyo Office
Kitakanto Sales Office
Minamikanto Sales Office
Yokohama Sales Office
Niigata Sales Office
Hokuriku Sales Office
Chubu Office
Kansai Office

Kyoto Environmental Sales Department
Keiji Sales Office
Wakayama Sales Office
Kobe Sales Office
Chugoku Office
Okayama Sales Office
Shikoku Office
Kyushu Office
Kumamoto Branch Office
Okinawa Office



Evolving into a company that creates a sustainable future through steady business growth based on a clear sustainability policy

Yoshihiro Matsushita
President

Fiscal 2021 Business Results

Increased Revenue and Profit Achieved through Record-High Sales

In fiscal 2021, as economic activity gradually recovered from the impact of the global coronavirus pandemic, we actively promoted measures to develop and introduce products and services that address market trends and customer needs, and the entire company worked to strengthen cost competitiveness. As a result, net sales in fiscal 2021 reached a record high of ¥132.1 billion. Operating income also reached ¥16.8 billion, allowing us to achieve an increase in both revenue and profit.

One factor was that in the Power Supply and Environment System Business, demand was strong in Japan, China and Taiwan, especially for infrastructure-related products. Meanwhile, due to the COVID-19 pandemic, some update and maintenance projects were delayed, and in Life Cycle Engineering, work including equipment installation, equipment diagnoses, maintenance and servicing was affected by restrictions on overseas travel and business travel. While we responded to this situation by, among other things, strengthening remote diagnoses, we feel it is necessary to continue to take measures to address this issue, including by improving the accuracy of remote diagnostics.

In the Beam and Plasma Business, inquiries from China and Korea for ion implanters used in the manufacture of flat panel displays (FPDs) have recovered.

Both orders and sales were strong in the Equipment and Parts Solution Business, primarily for semiconductor manufacturing

equipment. Sites in Thailand and Vietnam were temporarily affected by production adjustments and other factors due to the spread of COVID-19, a situation we were able to overcome through our company-wide approach. Myanmar, set up as our third production site, was affected by political instability caused by the military's seizure of power, and while we were unable to travel there, we did manage to launch production remotely and begin shipping our first products.

In addition, we minimized the impact of global price hikes and prolonged delivery times for materials such as copper and iron, semiconductors and electronic components by developing new suppliers, placing orders early and improving productivity, which also contributed to our strong performance.

Effects of Business Division Reorganization and Key Initiatives in Fiscal 2021

The fiscal 2021 reorganization into three segments—Power Supply and Environment System, Beam and Plasma, and Equipment and Parts Solution—has clarified the accountability and management structure of each business segment and better ensures consistency in strategy. This is particularly true of the transfer of the former Renewable Energy and Environment Business and Life Cycle Engineering Business to the various business units of the Power Supply and Environment System segment, which has allowed for quick deployment of information on customer needs and market and technological trends; centralized management of product development, designs and proposals, manufacturing, installation work and maintenance and servicing; and made it possible to

engage in activities more closely aligned with customers. In fact, we feel we are making rapid, steady progress in developing SF₆ gas-free and other environmentally friendly products, and in developing businesses in line with our growth strategy, including addressing distributed energy and renewable energy needs.

As before, the Beam and Plasma Business continues to focus on the three pillars of ion implanters, electron beam processing and fine coating. In ion implanters in particular, we worked to develop equipment and processing technologies to meet demand in growing new markets for larger, higher-resolution FPDs, power semiconductors and electric vehicles (EVs).

In the Equipment and Parts Solution Business, we are taking advantage of the characteristics of our sites in Thailand, Vietnam, Myanmar and Japan to strengthen production systems to meet the needs of our customers. By proposing solutions based on our accumulated experience and expertise, we are expanding contract production of equipment and parts for a variety of industrial fields, including semiconductor manufacturing equipment and power system equipment. With the establishment of a wide-ranging production and supply system incorporating the production sites of overseas group companies and our processing sites in Japan, we have also launched our first outside sales metalworking business.

Outlook for Fiscal 2022

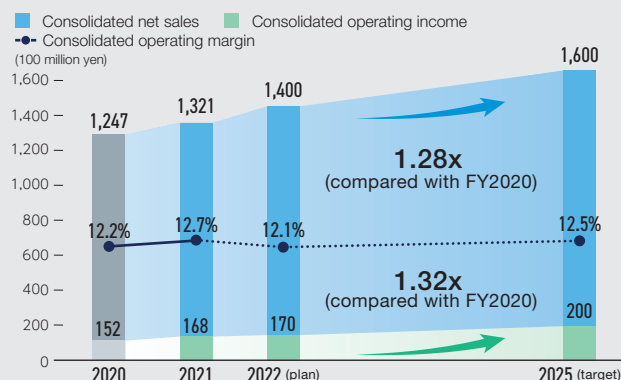
Focusing on Six Growth Strategies to Contribute to Realizing a Sustainable Society

Although the impact of the COVID-19 pandemic is expected to be relatively small in fiscal 2022, delivery and construction schedule delays are expected to continue due to customers' reduced operations and restrictions on on-site work. In addition, uncertainty is seen as increasing further as the shortage of semiconductors and electronic components is expected to lead to longer delivery times for parts and materials and disruptions in marine transport, also resulting in delays in delivery and construction schedules, and as a result of a decrease in business opportunities due to rising prices for overseas imports caused by a weakening yen, which has further driven soaring material prices.

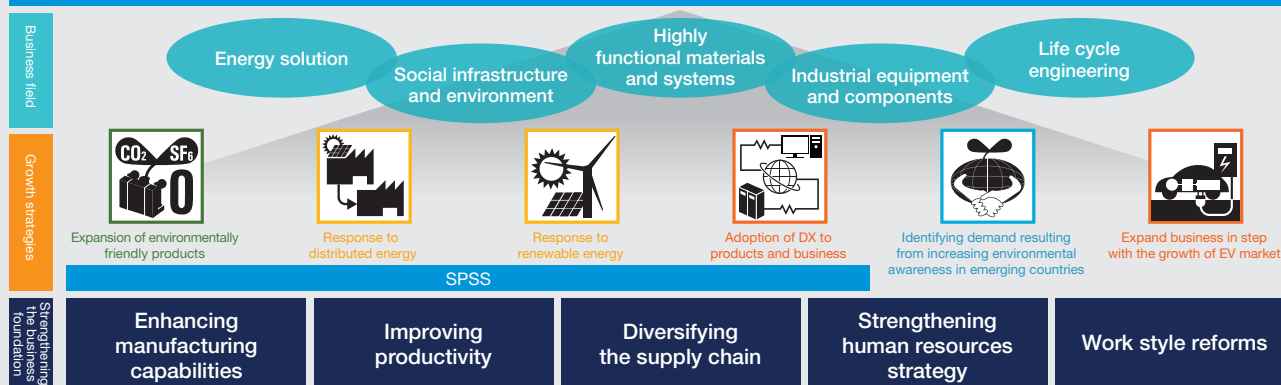
Given these circumstances, what we need to do is to stay in step with changes in society and customer needs through our six growth strategies as outlined in VISION2025, our medium-to-long-term business plan. We believe our mission is to contribute to achieving a sustainable global environment and a society where every person can play an active role, and we are working to do that through these six growth strategies.

Medium-To-Long-Term Business Plan "VISION2025"

	Target for FY2025	FY2021 Results
Consolidated net sales	160 billion yen	132.1 billion yen
Consolidated operating income	20 billion yen	16.8 billion yen
Consolidated operating margin	12.5%	12.7%
ROA	Over 10%	8.9%
ROE	Over 10%	9.4%
Payout ratio	40%	32.4%



Placing the SDGs as the core of VISION2025, contribute to achieving a sustainable global environment and a society where every person can play an active role based on the six growth strategies



Message from the President

● Power Supply and Environment System Business

Expanding Environmentally Friendly Products and Strengthening Address Distributed Energy and Renewable Energy

In the Power Supply and Environment System Business, we are making even greater efforts to expand our line of environmentally friendly products by, among others, developing SF₆ gas-free power system equipment and energy-saving equipment and by promoting adoption of biodegradable electrical insulating oils. At the same time, in addressing distributed energy, we will expand orders for smart power supply systems (SPSS) and work toward the early introduction of direct-current distribution system products to the market. In our addressing renewable energy, we are moving ahead to strengthen our efforts in large-scale wind farms and cross-regional power system interconnection projects. In particular, we intend to focus on leveraging our strengths in grid connection technology and extra-high voltage fields to further expand SPSS, an environmentally friendly energy solution equipped with AI and IoT functions. In the large-scale wind power generation projects that have ramped up in recent years, we will contribute to power quality stabilization by combining the top-class power transmission cable technology of our parent company, Sumitomo Electric Industries, Ltd., with our strength in grid connection technology. By taking advantage of Group synergies, we are further improving our systems in order to respond to an even greater expansion of demand going forward.

As the paradigm shift in electric power accelerates, new challenges and demands are emerging in diverse industries, including power companies, factories, water treatment plants and highways. In response to such demand, we will establish a structure that can provide a stable supply of the electric power essential for people's daily lives and industry by making maximum use of our on-site and sales capabilities as well as our technology strengths.



● Beam and Plasma Business

Full-Scale Entry into the Power Semiconductor Market and Strengthening of the Service Organization

In the Beam and Plasma Business, we will focus on developing and expanding sales of ion implanters for power semiconductors, cutting-edge semiconductors and large FPDs, all areas in which demand is expected to increase. At the same time, we will work to establish and strengthen our production structure.

In electron beam processing, in addition to expanding orders for equipment for tires, where demand has been strong, we will work to expand new sales through equipment development, processing services, etc. as interest in environmentally friendly materials has grown even greater than before. To strengthen our service organization overseas, we have established a network of customer service centers in China, Southeast Asia, the U.S., India and Europe under the aegis of our service and training center in Japan. These efforts will lead to improved customer satisfaction and further growth in orders.

In fine coatings, we will promote automation and labor-saving processes in addition to responding to the shift to EVs.

● Equipment and Parts Solution Business

Expanding Business Fields into Market-Oriented Businesses

In the Equipment and Parts Solution Business, we will continue to expand our contract manufacturing business as well as the outside sales metalworking business. We will also focus on expanding our business fields with market-oriented businesses that meet the needs of the environmental sector in the ASEAN region, including new aqueous cleaning and waste treatment solutions, with the goal of establishing this as a business.

Promoting a Shift to DX across All Businesses

A common challenge across all of our businesses is promoting the shift to DX. One of the ways to maximize the effects of our business division reorganization is to strengthen our structures and systems for promptly sharing within business divisions customer feedback obtained through our customer service departments and through maintenance and servicing, and utilizing that feedback in product development and solution proposals. First, in the manufacturing department, we are promoting the visualization of production and inspection history data; in the future we plan to make some of this data available to customers as well. Further, in fiscal 2022 we will begin building a system to enable the use of big data in the sales, customer service, procurement and other departments. Especially given the recent unstable international situation, it is essential that we diversify procurement sources to different areas. It is thus extremely important from a risk response perspective that we be able to constantly share the newest data with the relevant departments.

Further, we are moving ahead to consider strategic exchanges of personnel so that market-oriented business cultivated in the Equipment and Parts Solution Business can be expanded into other businesses, and expertise in areas such as remote maintenance and remote production start-up can be shared between developments.

Promoting Sustainability Management

Moving One Step at a Time Toward the Vision for 2050

Based on the perspective of the SDGs, in VISION2025 we redefined our business objective as “Creating a good company that will survive for the next 100 years in order to achieve a sustainable global environment and a society where every person can play an active role.” This is why we have set a long-term direction as our vision for 2050.

We are aiming to become a company creating a sustainable future through reliable technical capabilities where each of employees can realize the contribution to society in an environment that respects diverse values and encourages new challenges. To achieve this, I believe it essential that each and every one of our employees actively takes on the challenge of not only adapting to changes, but creating changes, by returning to the founder’s mindset and reinforcing an awareness of *NISSIN ISSIN*.

We are a company founded on technology, and that technology runs on people. The establishment of new technologies that lead to solutions to social issues; the development of new products and services; and proposals for solutions that emerge when we approach customer issues as if they were our own—all of these start with people. That is why I believe it is important that employees be able to feel comfortable speaking their minds to anyone, and can challenge themselves in an environment in which they can achieve personal growth and feel they are contributing to the company and society through their work. We intend to engage in this effort based on the central “Leave no one behind” promise of the SDGs.

At the same time, we have derived our Group materiality^{*1} with an eye toward our vision for 2050. Under our KPIs, we will implement specific initiatives and steadily execute a PDCA cycle as we check our results against our targets. As part of that effort, we have expressed our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and will disclose information related to climate change. In June 2021, we also established a greenhouse gas emission reduction target, and received certification from the Science Based Targets Initiative (SBTi), an international environmental organization. We clearly defines and announces its environmental targets, which include reducing its own greenhouse gas emissions by 35% by fiscal 2030 from fiscal 2018 levels, and by 30% throughout its entire supply chain.



To Our Stakeholders

Achieving a Full-Participation “VISION2025”

With the SDGs at its core, VISION2025 clearly lays out our vision over a long-term span of 30 years. This represents the deeper development of the Five Trusts—customer, shareholder, society, partner and employee mutual trust—which the Company has adhered to since its founding as the principles of activities. With the establishment of these long-term guidelines, I feel that each of our employees is now prepared to confirm the distance between where they are now and our target destination, and to move in the direction they need to go.

Given that fiscal 2021 is the first year of VISION2025, we have focused especially on disseminating our policies, strategies and plans. This has allowed our Group companies and departments to get off to a strong start by getting activities on track under the new policies. In fiscal 2022, the second year of the plan, we will further promote VISION2025 with the full participation of all employees. We will work to further strengthen our SEQCDD^{*2} business structure; create products and services that meet the needs of customers, markets and society; and enhance our technical, on-site and sales capabilities to achieve these goals. I would like to see us move into a higher gear and accelerate our efforts to achieve a sustainable global environment and a society where every person can play an active role.

^{*1} See Feature (P.13-16)

^{*2} SEQCDD S: Safety E: Environment Q: Quality C: Cost
D: Distribution and delivery time D: Development

Yoshihiro Matsushita
President

Promoting Sustainability Management

Creating a good company that will survive for the next 100 years in order to achieve a sustainable global environment and a society where every person can play an active role

Yoshihiro Matsushita President



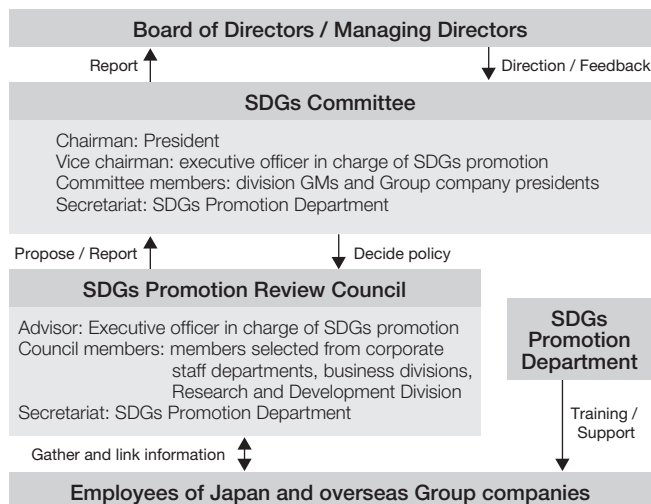
Over our more than 100 years in business since our founding in 1917, we at the Nissin Electric Group have remained dedicated to our principles of activities—namely, “integrity, trust and long-term relationships”—and to adhering to the Five Trusts when interacting with our customers, shareholders, society, partners, and mutually among employees. In addition, in 2021 we established VISION2025, a medium-to-long-term business plan organized around sustainable development goals (SDGs) that will survive our business for the next 100 years. We have also established a sustainability policy by building on the policies and strategies set forth in VISION2025. Based on our mission of continuously creating new value for our customers, VISION2025 will guide us in applying the SDGs philosophy of solving environmental problems and humanitarian and social issues to the business activities and the technology and products of the Nissin Electric Group.

Based on the perspective of the SDGs, we have also redefined our business objective as “Creating a good company that will survive for the next 100 years in order to achieve a sustainable global environment and a society where every person can play an active role.” Moreover, by 2050 we aim to transform the Nissin Electric Group into a company that creates a sustainable future through reliable technical capabilities, where each of employees can realize the contribution to society in an environment that respects diverse values and encourages new challenges. A “good company” values its employees, is needed by its customers and society, is trusted by its partners, and meets the expectations of its shareholders. Over the next 100 years, we intend to combine a long-term perspective with a near-term perspective as we move steadily and decisively forward.

Sustainability Promotion Framework and Promotion Activities

In July 2021, we launched the SDGs Promotion Department, an organization dedicated to promoting the SDGs activities of the Nissin Electric Group. In September 2021, we also launched the SDGs Promotion Review Council. With members selected from among our corporate staff departments, business units, and the Research and Development Division, the SDGs Promotion Review Council reviews the Group’s materiality and its KPIs for measuring progress. In addition, in November 2021, we established the SDGs Committee, which is chaired by the president. Consisting of division general managers and Group company presidents, the SDGs Committee deliberates on Group sustainability and the KPIs for measuring progress and is designed as a company-wide and cross-sectional promotion framework that reports to the Board of Directors and Managing Directors. The SDGs Promotion Review Council and SDGs Committee will continue to meet periodically in order to execute a PDCA cycle and ensure progress toward achieving Group targets.

In order to instill the importance of our SDGs activities throughout the company, we conduct an e-learning-based training program for Group employees both in Japan and overseas, and in fiscal 2022 we also initiated this training for new employees. Through such efforts as posting SDGs icons and hanging posters and banners bearing SDGs slogans submitted by our employees in the workplace, we are working to raise awareness of our SDGs activities within the company so that every Group employee will consider our SDGs efforts to be a part of their own work.



New employees receiving SDGs training

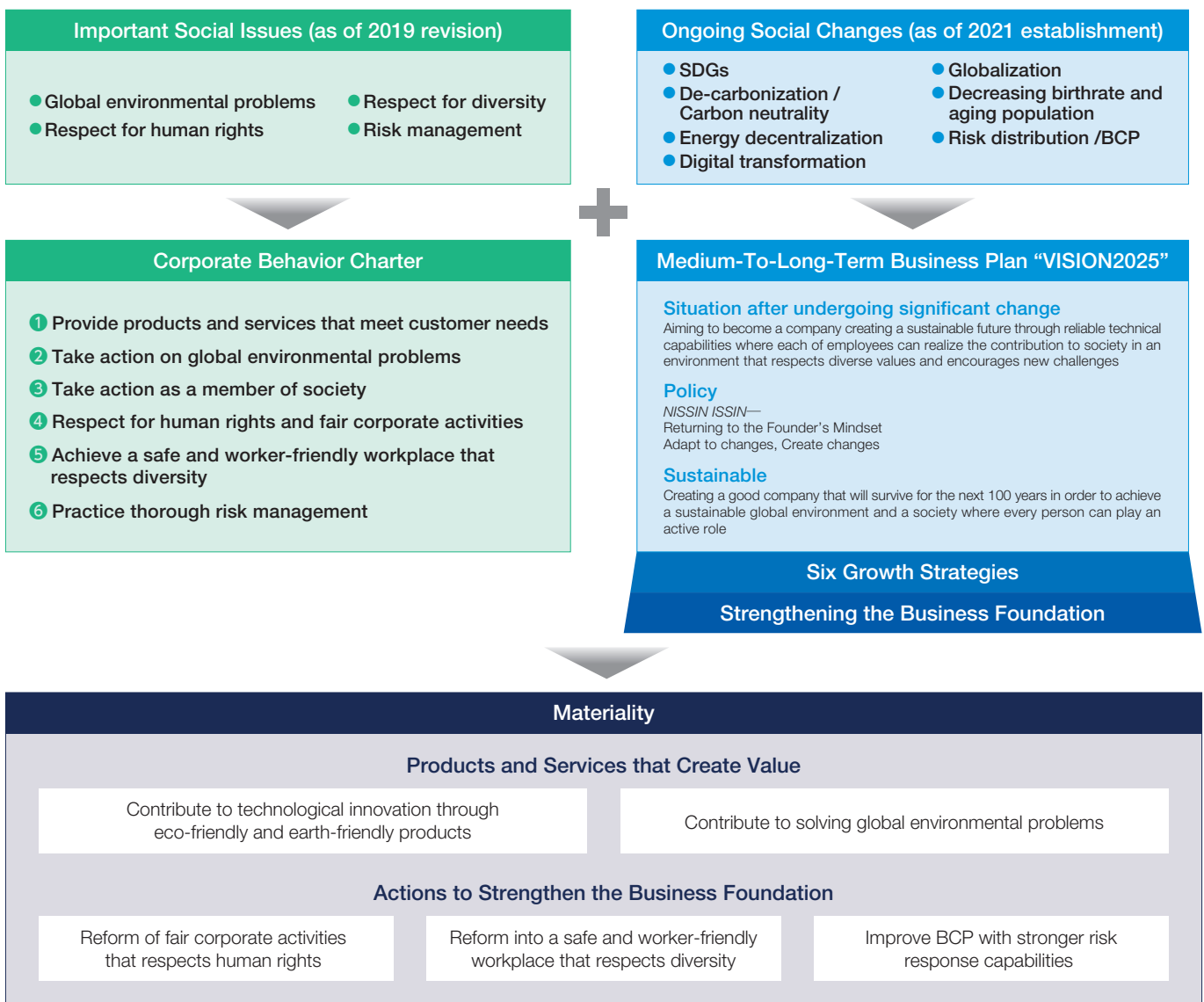
Specifying Materiality

Our SDGs policy is guided by the Nissin Electric Group corporate philosophy, which stresses “through corporate activities that support the foundations of society and industry, the Nissin Electric Group will harmonize with the environment and contribute toward realizing a vibrant society.” In order to achieve this corporate philosophy, in April 2019 we reevaluated our Corporate Behavior Charter to include the prominent social issues of “taking action on global environmental problems,” “respect for human rights and diversity,” and “thorough risk management.” Group materiality is guided by the addition to the Corporate Behavior Charter of the “situation after undergoing significant change” that we are determined to achieve by 2050 and which is part of VISION2025.

Materiality consists of two elements: “products and services that create value” and “actions to strengthen the business foundation.” In “products and services that create value,” the six

growth strategies set in VISION2025 aim to contribute to solving global environmental problems such as reducing greenhouse gas emissions and social issues as “contribute to technological innovation through eco-friendly and earth-friendly products” and “contribute to global environmental problems.” “Actions to strengthen the business foundation” refers to our efforts to strengthen Group business sustainability by “reform of fair corporate activities that respect human rights,” “reform into a safe and worker-friendly workplace that respects diversity,” and “improving BCP with stronger risk response capabilities.”


We have specified KPIs for the main activities behind each of these materiality factors, and we will move them forward by monitoring their progress and disclosing appropriate information both inside and outside the company.


















Materiality of Products and Services that Create Value

Contribute to Technological Innovation Through Eco-friendly and Earth-friendly Products

Contribute to building a foundation for technological innovation and achieving sustained growth by providing high-quality products that are safe and friendly for people and the environment.





Measures	KPI	Target SDGs
Six growth strategies contribute to solving social issues GLOBAL	Achieve a six growth strategies sales ratio of 40% by FY2025	 8.1

Six Growth Strategies	Main Activities	Contribute to Solving Social Issues	Related SDGs
 Expansion of environmentally friendly products	Develop and introduce to market SF ₆ gas-free, environmentally friendly electron beam processing systems	Reduce SF ₆ gas emissions (in-house, product users)	 13.1
	Develop and introduce to market SF ₆ gas-free, environmentally friendly market equipment (gas insulated switchgears, etc.) S		
 Response to distributed energy	Distributed energy resource control system uses energy efficiently and expands renewable energy and energy conservation S	Reduce CO ₂ emissions (product users)	 7.2, 7.3
	Promote renewable energy as a main power source through electrical power grid stabilization system and area aggregation system S		
 Response to renewable energy	Expand the introduction of wind power by providing safe and reliable wind power generation package systems (grid connection equipment) S	Achieve robust social infrastructure	 9.4
	Implement smart maintenance utilizing AI and IoT to improve safety, reliability, and BCP capability of social infrastructure S		
 Adoption of DX to products and business	Provide communication services linked to the community using easy-to-operate ICT devices	Achieve an elderly-friendly society	 12.8
	Identifying demand resulting from increasing environmental awareness in emerging countries	Business growth in the core ASEAN industry of manufacturing	Sustained economic growth in developing countries
 Expand business in step with the growth of EV market	Develop and introduce to market environmentally responsive products that meet local needs	Improve the environment and living standards in the ASEAN region	 3.9
	Expand DLC for eco-friendly cars	Expand sales of ion implanter for SiC power semiconductor	 6.3
		Reduce CO ₂ emissions (product users)	 14.1
			 15.1
			 7.3
			 13.1

■ Power Supply and Environment System Business (● SPSS) ■ Beam and Plasma Business ■ Equipment and Parts Solution Business

Contribute to Global Environmental Problems

We are contributing to preventing global warming and making every effort to avoid a climate crisis by working energetically to prevent environmental pollution and use resources efficiently.

Measures	KPI	Target SDGs
Reduce greenhouse gas emissions (SBTi certification reduction plan) GLOBAL	Scope 1+2: reduce 35% compared with FY2018 by FY2030 Scope 3: reduce 30% compared with FY2018 by FY2030	 13.1
Promote resource conservation and reduce and reuse waste materials GLOBAL	Reduce waste volume per unit by 7% compared with FY2018 by FY2025 Reduce water consumption per unit by 7% compared with FY2018 by FY2025	 12.5
Prevent environmental pollution due to chemical substance discharge, leaks, and the like GLOBAL	Reduce volatile organic compound (VOC) emissions per unit by 7% compared with FY2018 by FY2025	 3.9
		 12.4

Scope 1: Direct emissions from in-house fuel combustion and manufacturing processes Scope 2: Indirect emissions produced by electricity and heat purchased by the Group
Scope 3: Indirect emissions not included in Scope 1 and Scope 2 (raw materials procurement, product use, employee commuting, etc.)

Materiality of Actions to Strengthen the Business Foundation

Reform of Fair Corporate Activities That Respect Human Rights









Our corporate activities worldwide strive to build an equal society that respect the human rights of every person, that observe national laws, including international law, and that respect cultures and values.

Measures	KPI	Target SDGs	
Thorough global compliance GLOBAL	Periodically and continuously conduct effective training at every Group company site in Japan and overseas, strive for thorough compliance, and keep occurrence of major violations (antitrust and competition law violations, violations accompanying suspension of business procedures) at zero	 16.3, 16.5	
Apply a thorough human rights policy within the Group (apply human rights due diligence*) GLOBAL	Build a mechanism capable of periodic self-assessment of the risk of human rights violations and establish the practice of human rights due diligence	 8.7, 8.8	 10.2

* Human rights due diligence: the ongoing process of companies to implement appropriate measures to prevent and address the risk of adverse impacts on human rights





Reform into a Worker-Friendly Workplace That Respects Diversity

We will build a workplace environment in which each individual's characteristics, personality, and potential are respected and everyone, as a main actor, can fully display their abilities regardless of differences in nationality and gender and the existence of disabilities.

Measures	KPI	Target SDGs		
Promote diversity & inclusion	Regardless of differences in nationality and gender and the existence of disabilities, support the potential and growth of every person and build a workplace culture in which everyone thrives ●FY2030 Rate of female managers (Japan) over 10% Rate of female employees hired (Japan) over 30%	 5.5		
Safe and healthy workplace	Safety targets GLOBAL ●FY2025 Workplace accidents: Japan: 3 or fewer / Overseas: 6 or fewer Zero serious accidents and residual disability accidents	 3.6	 8.8	
	Health targets The Nissin Electric Group has issued a declaration stating its commitment to a workplace where every employee can work in conditions that safeguard their physical and mental health ●Health Management Declaration issued FY2022 (Japan)	 3.4		
A worker-friendly and fulfilling workplace	In an environment that enables everyone to safely express their opinion, respects diversity, and encourages taking on challenges, create a workplace (workplace that contributes to well-being) where individuals can feel their self-growth and their contribution to the company and society through their work and aim to enhance the degree of employee satisfaction	 8.5		
Promoting Smart Factory	●Focus on worker-friendly factories that produce safe and high-quality products ●In FY2022, establish objective evaluation methods and set performance targets	 8.2	 9.4	 13.1

Improve BCP with Stronger Risk Response Capabilities

Ensure that we endure for the next 100 years by maintaining supply chains even when sudden risks—including natural disasters and conflict—occur.

Measures	KPI	Target SDGs		
Strengthen sustainability of entire supply chain	Strengthen partner sustainability GLOBAL	 10.2	 12.4, 12.5	 17.16
	Strengthen Group risk response capability	Build a natural disaster rapid recovery support framework for our customers	 13.1	

* Overseas, includes main partners that are subject to this policy

Power Supply and Environment System Business

This Business focuses on developing and manufacturing electric power equipment, which converts power voltages to a level suitable for the equipment and monitors and controls the voltage level to ensure a safe and efficient energy supply. We are also addressing social needs which are increasing on a global scale, such as the use of renewable energy sources, the subsequent need for more stable power grids, electricity infrastructure improvement and the prevention of environmental pollution. We also provide comprehensive support service over the entire life cycle from on-site installation work and on-site testing to maintenance, facility assessment, and replacement.

Business Description

Proposals for Various Systems

Energy-saving and space-saving environmentally friendly substation system, power grids stabilization systems for next-generation electric networks, distributed energy resource control systems for the local generation and local consumption of energy, and renewable energy systems



Gas Insulated Switchgear (GIS)

Contribution to Stabilizing Power Quality

SPSS wind power generation package systems using our power system analysis engineering



Captive Consumption Photovoltaic System

Initiatives for the Replacement of Existing Electric Power Equipment

Developing a recurring revenue models using DX

Toward a Sustainable Future

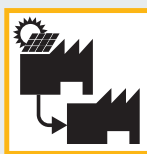
A reliable supply of electricity is essential for stable economic activities and maintaining a comfortable lifestyle. Improving energy efficiency also helps reduce greenhouse gas emissions and leads to energy security. Nissin Electric's products and systems not only ensure a safe and stable supply of electricity, but also improve efficiency, which aids in the maintenance of energy infrastructure in Japan and abroad. In the environmental field, we also assist in the stable operation of water treatment facilities with a highly accurate control system and contribute to the comprehensive management of water resources by supporting.

Medium-to-Long-Term Business Plan "VISION2025"

Our Growth Strategy



Expansion of environmentally friendly products



Response to distributed energy



Response to renewable energy



Adoption of DX to products and business

- Further expand SPSS (Smart Power Supply Systems)
- Expand the market in our strength in power infrastructure (cross-regional power system grid connection and power interchange)
- Challenge to enter the market for introduction of private sector vitality
- Expand water treatment business abroad
- Develop recurring revenue business for replacement demand

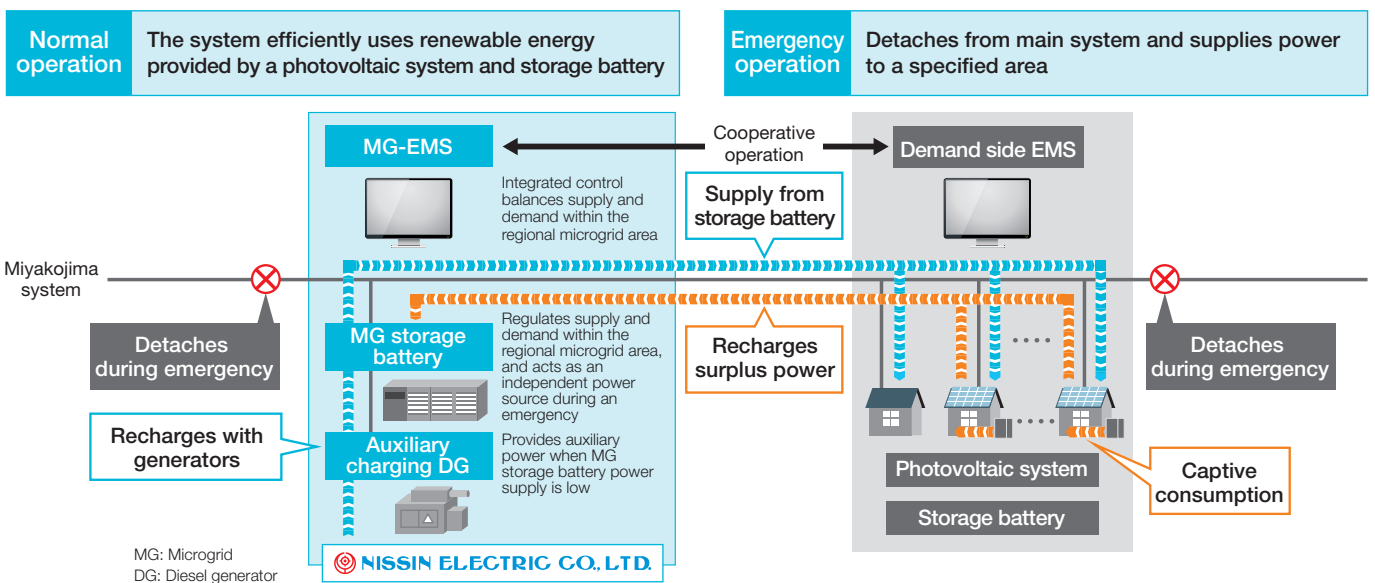
Regional Microgrid Systems Contribute to De-carbonization, Electric Power Resilience, and a Sustainable Society



As efforts gain momentum worldwide to de-carbonize and build a sustainable society, attention is turning to building regional microgrids that enhance electric power resilience by providing renewable energy locally generated and consumed, reduced energy costs, and a stable energy supply during emergencies. Regional microgrids are a new kind of energy system that efficiently supply energy using photovoltaic system and storage battery distributed throughout the microgrid region during normal times. Moreover, during a natural disaster or other emergency that causes a large-scale power outage regional microgrids are able to detach from the surrounding power system and independently supply power to the area using storage battery as the primary power source. Nissin Electric has delivered the Miyakojima City Kurima Island regional microgrid system consisting of substation equipment, EMS, storage batteries, and DG for auxiliary charging to the Okinawa Electric Power Company.

Efficient energy usage and a stable energy supply help us achieve a sustainable society.

Miyakojima City Kurima Island Regional Microgrid System Diagram



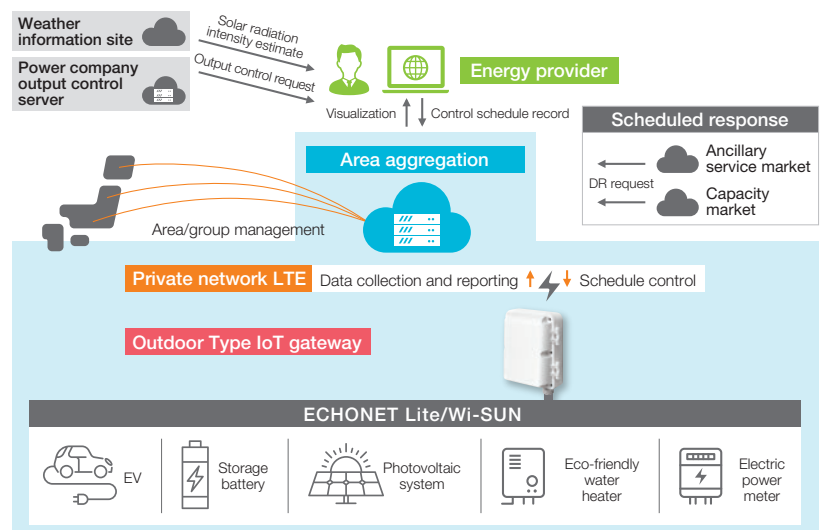
Launching an Area Aggregation System to Effectively Use Energy Resources and Efficiently Control Surplus Power



Our group company Nissin Systems has started providing area aggregation system services in response to the great changes to the energy business brought about by the growth of renewable energy. Area aggregation is a power supply and demand control system designed to effectively use storage battery, eco-friendly water heaters, EV rechargers, and other energy resources owned by multiple consumers in a region and efficiently control surplus power. Introducing this service increases photovoltaic system captive consumption rate and gains entry into the capacity market and ancillary service market.

Efficient energy usage and a stable energy supply help us achieve a sustainable society.

Area Aggregation System Diagram



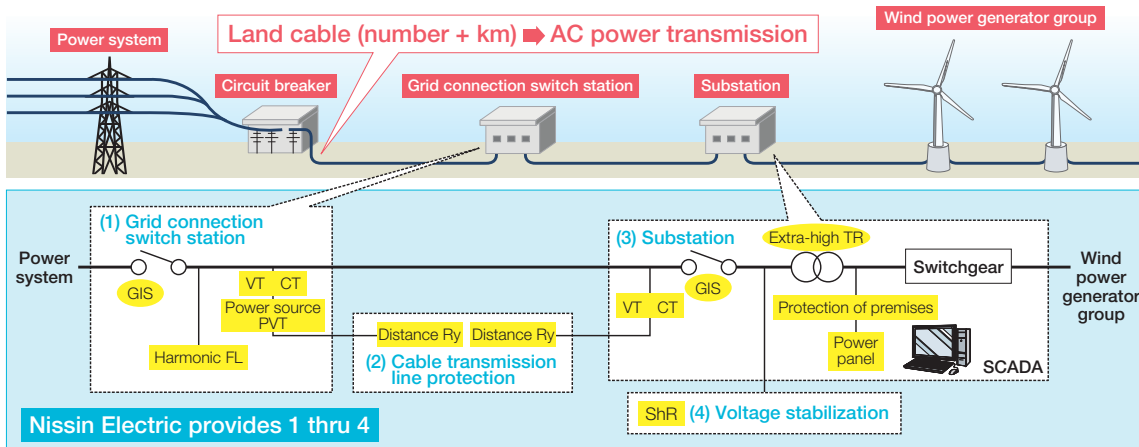


SPSS Wind Power Generation Package Systems Provide Reliable Wind Power Generation System Operation

Progress on adopting renewable energy over the last few years has made it necessary to address issues related to grid interconnectivity associated with large-scale systems and large-volume, long-distance power transmission. Based on our substation system technology and power system analysis engineering built up over many decades by our Power System Equipment Business, Nissin Electric provides SPSS wind power generation package systems. These integrated systems supply transformer equipment for interconnections and provide system phenomenon analysis, prepare countermeasures, and provide the equipment to implement them. Besides supporting the expanded installation of large-scale wind power generation systems, our SPSS wind power generation package systems contribute to reducing CO₂ emissions.

Our Strengths

The ability to make system proposals The ability to design and propose optimal systems for grid connection equipment, including monitoring	A wealth of experience A wealth of experience delivering wind power, solar power, and other distributed energy resource grid connection equipment	Responding to the challenge of power quality in long-distance cable power transmission <ul style="list-style-type: none"> Voltage fluctuation when a cable is charged/stopped Overheated equipment and voltage distortion due to harmonic wave resonance Malfunction of circuit breakers when a cable fails
Power quality management equipment A full lineup of power quality management equipment for wind power generation	Power system analysis engineering A wealth of knowledge and power system analysis engineering on power quality management	



GIS: Gas insulated switchgear
 VT: Voltage transformer
 CT: Current transformer
 PVT: Power voltage transformer
 FL: Filter
 Ry: Protection relay
 TR: Transformer
 ShR: Shunt reactor
 SCADA: Supervisory control and data acquisition

System diagram

Expanding Environmentally Friendly Products That Leverage Our Technological Capabilities



As social environmental measures increasingly become a priority, environmentally friendly product needs are increasing. To meet these needs, we have been applying the technology and expertise we have built up over decades to developing environmentally friendly products.

We can supply all oil-filled equipment with Eco-Mark certified biodegradable electrical insulating oil. Moreover, in fiscal 2021, the adoption by a railroad company of environmentally compatible transformers using palm fatty acid insulating oil was among the variety of environmentally friendly products that we delivered to our customers.

We will continue to work hard both on reducing environmental burden by developing, adopting, and popularizing even more efficient, environmentally friendly materials and on contributing to our BCP readiness and fulfilling our SDGs with safe and durable products.

	Pastell LI-B1		Plant oils	
	Instrument transformers	Capacitors	Unit type capacitor equipment	Transformer
	Pastell LI-B1	Pastell LI-B1	Capacitor: Pastell LI-B1 Reactor: Rapeseed oil	Palm fatty acid ester oil

Oil type	Pastell LI-B1	[Former] Capacitor insulation oil	Rapeseed oil	Palm fatty acid ester oil	[Former] Mineral oil
Electrical properties	○	○	○	○	○
Cooling performance	○	○	△	○	○
Biodegradable	○	×	○	○	△
Ichthyotoxicity	○	×	○	○	×
Eco-Mark certified	○	×	○	○	×

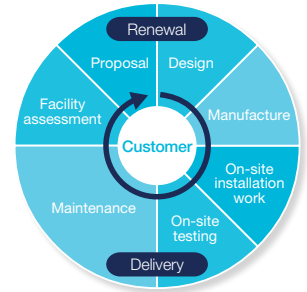
Providing Safety and Security Throughout the Life Cycle with a Variety of Sensors and Remote Monitoring Systems That Feature IoT



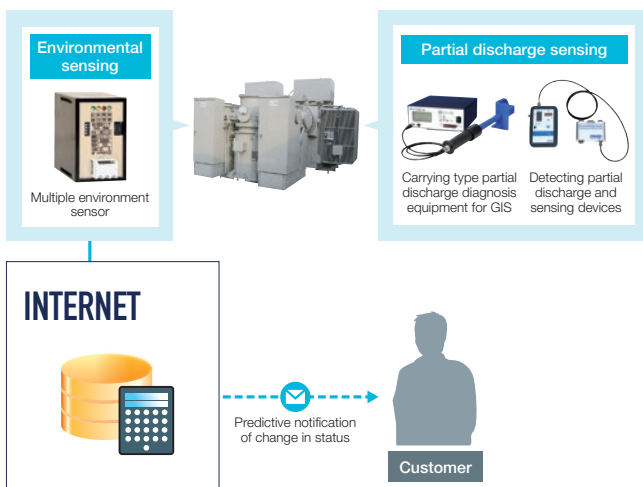
Maintenance and repairs can be performed at the right time, and equipment failures can be prevented with our unique assessment equipment and various sensors that use IoT to visualize the state of electrical equipment. We are currently developing an equipment assessment system that leverages AI.

In addition, we use a visualization service with remote monitoring system to perform remote maintenance on supported photovoltaic systems. These technologies provide our customers with safety and security through reliable support throughout the life cycle, even after delivery.

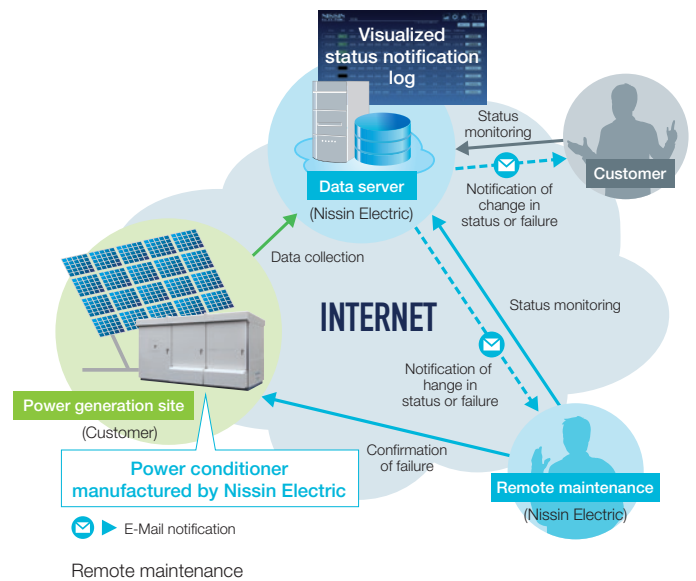
In fiscal 2021, we began the sale of a new series of multiple environment sensors that detect breakdown risk from corrosive hydrogen sulfide gases. We also enhanced the precision and bolstered the lineup of our all-purpose models.



Understanding the status of equipment through assessment equipment



Facility assessment system



Remote maintenance

Maebashi Works Completes Smart Factory Featuring Automation, IoT, and Other State-of-the-Art Technology



In response to rising demand accompanying the increasingly rapid growth of renewable energy use and the demand for updating equipment installed during the era of high economic growth, Nissin Electric has automated the production shop for gas insulated switchgear in the Maebashi Works and updated the facility into a smart factory featuring state-of-the-art IoT and other technology.

Circulation flow has been reorganized to improve logistical efficiency in the factory, and optimized production lines and installation of up-to-date equipment has boosted production capacity up to 1.5 times compared to fiscal 2018, reduced power consumption by around 30% per unit, and reduced SF₆ gas emissions. Moreover, the smart factory's active use of smart cameras, automated equipment, and other IoT technologies achieves higher productivity and shorter lead times.

Achieving not only production innovation but work style reform, environmentally friendly operation, and better quality, the Maebashi Works is a model factory that has the potential to maintain our market competitiveness for many years to come. Looking ahead, we intend to extend the methods put into use at this new factory throughout the Group.



Beam and Plasma Business



In the Beam and Plasma 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 for improving the quality of automobile tires and electric wires, and fine coating services designed to improve the performance of tools and automobile parts. This business segment offers potential for future growth.

Business Description

Ion Implanters

Ion implanter for semiconductor, ion implanter for FPD



Ion Implanter for FPD

Electron Beam Processing

Electron beam processing system, electron beam processing service



Electron Beam Processing System

Fine Coating

Fine coating system, fine coating service

Toward a Sustainable Future

In the development of equipment critical for the manufacture of a wide variety of semiconductors that support social infrastructure, we are working to create equipment with a low environmental impact by eliminating harmful substances and promoting energy conservation.

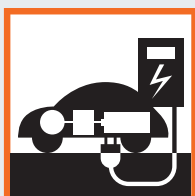
We also contribute to improving the environmental performance of finished products by supporting the manufacture of power semiconductors, which are attracting attention for their use in electric vehicles (EVs), hybrid electric vehicles (HEVs) and in energy-saving home appliances.

Medium-to-Long-Term Business Plan “VISION2025”

Our Growth Strategy



Expansion of environmentally friendly products



Business expansion in association with the expansion of EVs

Ion implanter

- Developing and expanding sales of equipment for manufacturing power semiconductors, state-of-the-art semiconductors and large FPDs
- Strengthen earnings base by coordinating customer service (CS) with overseas subsidiaries

Electron beam processing

- Expanding the existing business in the fields of tires, electric wire, foaming, CS, etc.
- Establishing new businesses for the printing market, CR-type electron beam processing systems, etc.

Fine coating

- Introducing films, in which we have a great deal of expertise, into the existing market and expanding sites
- Entering the non-engine parts market and new markets through new films, new products, and new services



Expanding Sales of High-Temperature Ion Implanters for Manufacturing SiC Power Semiconductors

Demand for ion implanter for semiconductor has risen along with the steady, robust demand for semiconductors of recent years.

With superior characteristics such as efficiency, pressure resistance, and heat resistance, SiC (silicon carbide) power semiconductors are a growing market because of their role as a key device in photovoltaic systems and electric vehicles and in smart power grids and the electrification of mobility in general. Nissin Electric Group markets the world's only high-temperature ion implanter system capable of mass producing SiC power semiconductors, the IMPHEAT-II. Looking ahead, we intend to grow our beam and plasma business for the SiC power semiconductor market and expand sales to major SiC power semiconductor manufacturers not only in Japan but around the world. We are also proud to note that IMPHEAT-II received the Semiconductor of the Year 2021 Grand Prix in the Semiconductor Manufacturing Equipment category sponsored by Electronic Device Industry News.



Ion Implanter for SiC Power semiconductor "IMPHEAT-II"

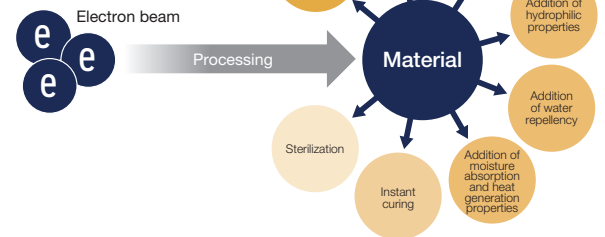
Electron Beam Processing Technology Contributes to Society and the Environment

Electron beam processing can improve the characteristics of materials and add new functions to them. It contributes to society and the environment by saving energy in inverters by improving the characteristics of semiconductors and by extending expiration dates of food with high functional food packaging.

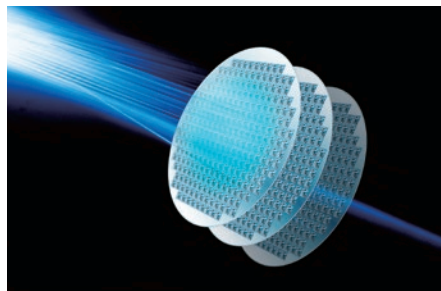
The Nissin Electric Group will leverage the know-how cultivated through our equipment development, sales, and electron beam processing service to provide support for growing environmentally conscious material needs, such as for fulfill SDGs.



Effects of Electron Beam Processing



Achieves reduction of organic solvents and CO₂ emissions in printing and curing of coating films



Realizes energy savings in inverters by improving semiconductor characteristics



Used in the manufacture of high functional food packaging and contributes to extending the expiration date of food

Developing MF720, a New DLC Coating System Improving Performance and Service Life of Various Tools and Machine Parts



DLC (diamond-like carbon) film is known as a low-frictional resistance film widely used in the tool, die, machine parts, and automobile parts fields.

The new DLC coating system MF720 uses arc discharge. Compared to past coatings, this new coating system helps improve coated part performance and service life by reducing film surface roughness and by forming a precise yet hard coating.



DLC film coating system MF720

Equipment and Parts Solution Business

This business solves customer issues with solutions centered on the equipment and parts contract manufacturing in all industries, leveraging the power system equipment manufacturing technology we have cultivated. In our contract manufacturing, we provide Japanese quality from Thailand, Vietnam, and Myanmar at local cost using sophisticated technologies and state-of-the-art machining equipment. In addition, we expect that business will develop to meet new needs by capturing market changes in the rapidly growing ASEAN region.

Business Description

Contract Manufacturing of Equipment and Parts

Sheet metal welding, cut processing, welding, surface treatments (painting and coating), assembly, design contract, etc.

Market-Oriented Business in the ASEAN Countries

Development and sales of products that meet new local needs



Large machining center



Fiber laser cutter

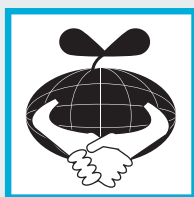
Toward a Sustainable Future

We develop our business by leveraging the characteristics of our hubs in Thailand, Vietnam, and Myanmar, and contribute to the economic growth of the ASEAN region through job creation and training engineers.

In addition, we contribute to the creation of a sustainable society by proposing solutions that use manufacturing technology to meet new needs for building local social foundations, such as infrastructure development.

Medium-to-Long-Term Business Plan “VISION2025”

Our Growth Strategy



Identifying demand resulting from increasing environmental awareness in emerging countries

Strengthen Global Competitiveness by Leveraging the Characteristics of Each Production Hub

- Contract manufacturing of equipment and parts (semiconductor equipment, power system equipment, general machinery, printing machines, automobile industry machinery, etc.)

Propose Solutions Focused on Metalworking Technologies

- Equipment and parts contract manufacturing (machine tools and FA equipment, agricultural machinery, construction equipment, electrical equipment, etc.)

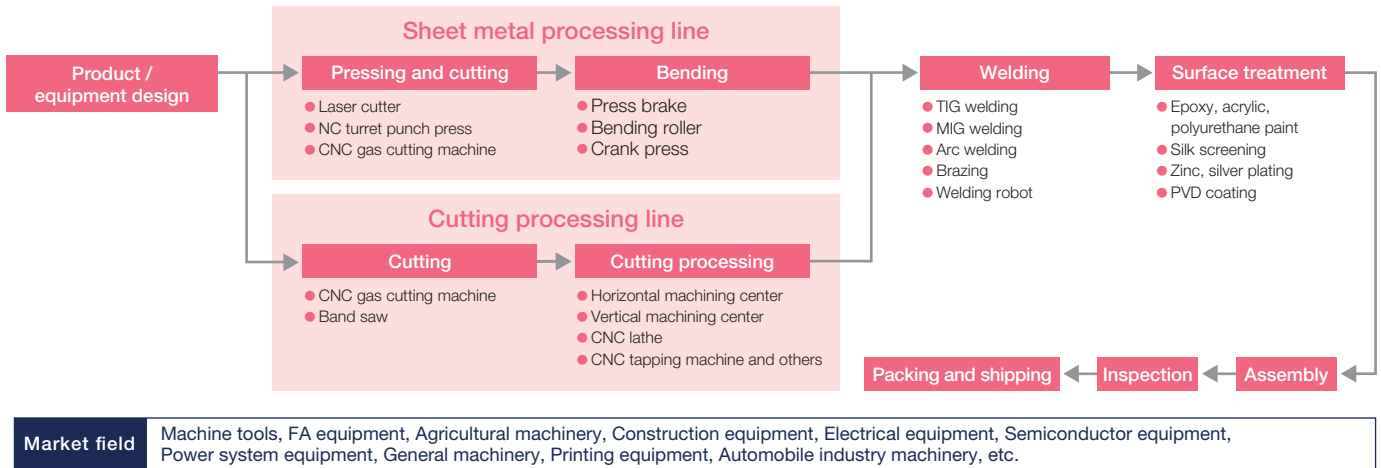
Commercialization of Market-Oriented Business in the ASEAN Countries Based on New Demand

- Environmental field (waste disposal, wastewater treatment, etc.)
- Labor saving/production efficiency improvement (improvement of distribution efficiency, labor saving in distribution)

Contract Manufacturing of Equipment and Parts

From sheet metal welding, cut processing, surface treatment to assembly, we provide equipment and parts contract manufacturing for all industries through our in-house integrated manufacturing. We provide Japanese quality at local cost using sophisticated technologies and state-of-the-art machining equipment based on Nissin Electric's power systems equipment manufacturing technology and know-how.

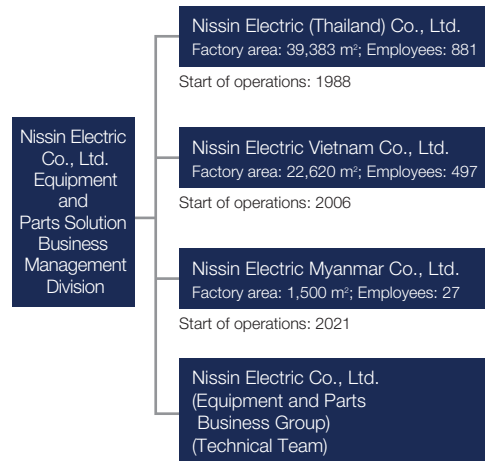
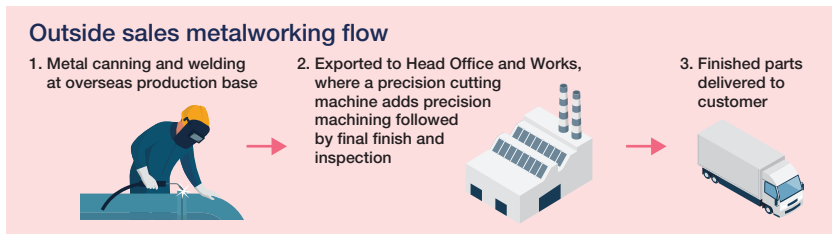
With newly added Myanmar joining Thailand and Vietnam, we now conduct our contract businesses from three bases. Each of these bases contribute not only to the steady development of the ASEAN region both in their home country and in neighboring countries, they also contribute to economic growth by creating jobs and training technicians.



In Partnership with Overseas Production Bases, Launching Outside Sales Metalworking Business to Produce High Value-Added Parts

A partnership between overseas Group company production bases in Thailand, Vietnam, and Myanmar and Nissin Electric machining base has launched our first outside sales metalworking business. The business exports parts produced at Group overseas bases to our machining base in Japan, where high-precision finishing work is added to the parts.

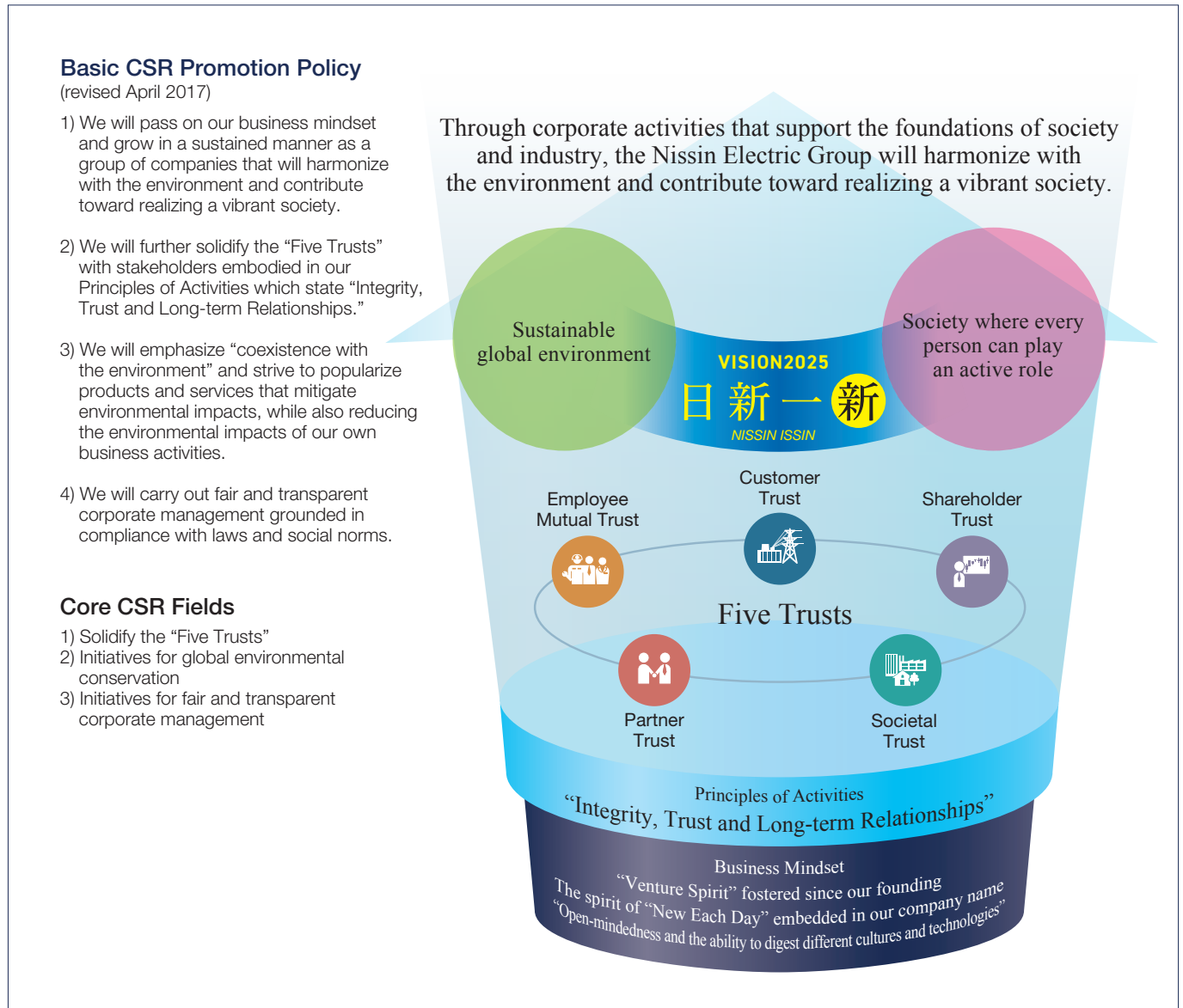
The business makes it possible to do contract metalworking for manufacturers in Japan requiring a high degree of technical expertise and also achieves better cost performance compared to doing all of the processing in Japan. In addition, by refining currently held technology and skills and deploying it at our overseas bases, the business contributes to the training of local technicians.



Creating a Viable Market-in Business in the ASEAN Countries

In preparation for commercializing a market-in business based on new demand in the ASEAN countries, we are assessing local needs with the aim of launching a business in fiscal 2022 focused on environmental fields such as garbage processing and water for daily use. Looking ahead, we will be sensitive to the emergence of new needs across the ASEAN countries so that we can apply our decades of manufacturing expertise to enriching the lives of the people who live there.

Fulfilling Our Responsibilities to Stakeholders Based on Our Basic CSR Promotion Policy

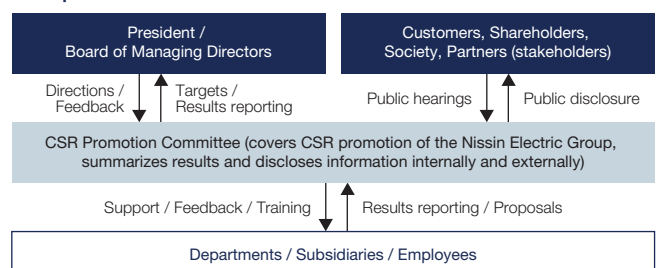


Promoting Activities Through the CSR Promotion Committee

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

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

CSR promotion structure



Responsibility to Stakeholders and Opportunities for Engagement

Overview of stakeholders	Main responsibilities	Main forms and opportunities of engagement
 Customers We supply various products and services to customers in Japan and overseas in the three core segments of Power Supply and Environment System Business, Beam and Plasma Business, Equipment and Parts Solution Business.	Supply safe, high quality products and services that are useful to society	Engagement through daily sales and marketing activities
	Provide trustworthy customer services that turn into long-term relationships	24-hour acceptance of inquiries and notifications of defects and swift responses Dissemination of information to facility managers Customer training on product usage
	Provide accurate and appropriate information about products	Engagement through facility assessments and maintenance Engagement concerning the impact of products on the environment Exchange of information at exhibitions and trade fairs Information provision through product brochures and websites
 Shareholders We have 4,991 shareholders and the total number of shares outstanding is around 100 million. The breakdown of shareholders includes 19% financial institutions, 58% domestic corporations, 16% foreign corporations, 6% individuals, and 1% other (as of March 31, 2022).	Sustained enhancement of shareholder value Appropriate level of dividends Timely and appropriate disclosure of corporate information	Annual shareholder meetings and earnings presentations <i>Brochure To Our Shareholders</i> Information provision through websites Response to shareholder inquiries Investor presentations and response to interview requests
 Society The Nissin Electric Group operates around 40 business sites in Japan and abroad (as of March 31, 2022).	Compliance with social norms such as laws	Compliance with various laws and regulations
	Achieve harmony with the environment	Engagement concerning the impacts of products on the environment Compliance with investigations by the mass media and governments Information provision through websites
	Act as a member of society	Support the development of engineers Corporate citizenship activities through cooperation with various outside organizations
	Respect the local culture and customs Cooperation with local communities	Cooperation with historical and cultural asset preservation mainly in Kyoto Cooperation with local environmental conservation activities Participation in and sponsorship of local events
 Partners A total of 66 partners participated in partner meetings held for suppliers (results for the second half of fiscal 2021; Nissin Electric Co., Ltd.). Additionally, 40 distributors participated in Business Partner Gatherings (results for fiscal 2021; Nissin Electric Co., Ltd.).	Engage in honest and fair relationships Cooperate for the coexistence and mutual prosperity of partners Cooperate for the coexistence and mutual prosperity of distributors	Engagement through daily procurement activities Partner meetings Engagement through partners surveys Information provision through websites Business Partner Gatherings and engineering seminars for sales personnel Integration of order targets
 Employees The Nissin Electric Group employs a workforce of 5,382. This workforce is broken down into 54% in Japan and 46% overseas (as of March 31, 2022).	Respect for human rights, character, individuality and diversity	Human Rights Promotion Committee Administration of Help Line Desk
	Develop human resources	Education and training Personnel evaluations and interviews
	Create workplaces that are safe and employee friendly	Central Safety and Health Committee and labor-management meetings Employee satisfaction survey and meetings between the President and employees Dissemination of President's message on the internal company website and publication of company newsletter

Our Commitment to CSR

CSR Activities—Plan/Results for Fiscal 2021 and Policy for Fiscal 2022

Environment		Main related SDGs	3	7	12	13
Initiatives for Global Environmental Conservation		P.31-38	ESG: <u>E</u> Environmental <u>S</u> Social <u>G</u> Governance			
Initiative Theme	PLAN	DO (Fiscal 2021 Results)				
Prevention of global warming	<ul style="list-style-type: none"> ● Acquire SBT initiative certification ● Achieve greenhouse gas (GHG) emissions (Scope 3) reduction target with environmentally friendly products and services ● Achieve GHG emissions (Scope 1 + 2) reduction target by reducing energy use and SF₆ gas atmospheric emissions ● Achieve office GHG emissions reduction target ● Achieve transport-related GHG emissions reduction target 	<ul style="list-style-type: none"> ● Applied for SBT initiative certification ● Established evaluation standards for products in development in order to reduce GHG emissions (Scope 3) ● Launched Nissin Electric Group Environmental Promotion Committee ● Developed small group activities in divisions with high energy use and high SF₆ gas emissions ● Strengthened management of reducing office energy use ● Strengthened management of reducing transport-related fuel consumption 				
Emission reductions	<ul style="list-style-type: none"> ● Achieve target for total waste volume reduction ● Achieve reduction target for volatile organic compounds (VOC) emissions into the atmosphere ● Achieve water use reduction target 	<ul style="list-style-type: none"> ● Developed small group activities in divisions with high waste emissions ● Strengthened efforts to sort and collect waste and promotion of recycling waste ● Strengthened efforts and management of reducing VOC emissions ● Developed small group activities in divisions with high water use 				

Trust		Main related SDGs	3	4	5	6	7	8	10	12	13	16	17
Customer Trust		P.39-41	ESG: <u>E</u> Environmental <u>S</u> Social <u>G</u> Governance										
Initiative Theme	PLAN	DO (Fiscal 2021 Results)											
Quality improvement activities	<ul style="list-style-type: none"> ● Roll out quality improvement measures as entire Nissin Electric Group by sharing recurrence prevention measures and preventive measures, along with management of changes made to each 	<ul style="list-style-type: none"> ● Thoroughly reviewed and reinforced implementation of measures by using the QC method for the group ● Held Nissin Electric Group QA Conference monthly ● Conducted study of failure lessons and workshops 											
Use customer feedback to make improvements	<ul style="list-style-type: none"> ● Make improvements by collecting and analyzing customer feedback 	<ul style="list-style-type: none"> ● Conducted a customer survey to collect customer opinions and provided feedback and improvement proposals to divisions 											
Promotion of life cycle engineering (LCE)	<ul style="list-style-type: none"> ● Use customer charts (CS charts) to propose maintenance cycles and replacement times for parts with a limited life to customers ● Conduct LCE activities to prevent product accidents due to aging degradation and improve the reliability of maintenance work by introducing new technologies 	<ul style="list-style-type: none"> ● Provided maintenance proposal after customer visits (regular replacement chart of parts with a limited life, etc.) ● Performed customer equipment operation "life cycle" proposals (service life extension maintenance proposal, etc.) ● Proposed maintenance and upgrade plan through line inspections without interrupting power and facility assessments ● Improved efficiency of inspections and reliability by automating protection relay tests during inspections 											
Provide products and services that resolve customer issues	<ul style="list-style-type: none"> ● Expand business to solve energy management problems, and build and expand win-win relationships with customers ● Identify issues in public water treatment and propose solutions 	<ul style="list-style-type: none"> ● Identified customer needs and rolled out solutions that made effective use of distributed energy resources and renewable energy ● Proposed solutions such as nitrification control and energy conservation ● Proposed upgrade plan based on the current state of aging equipment ● Proposed management functions for technology succession and maintenance efficiency improvement in DBO projects 											

Shareholder Trust		P.42, 51	ESG: <u>E</u> Environmental <u>S</u> Social <u>G</u> Governance		
Initiative Theme	PLAN	DO (Fiscal 2021 Results)			
Enhance governance system and information disclosures in accordance with the Corporate Governance Code	<ul style="list-style-type: none"> ● Conduct measures necessary (hold Nomination and Compensation Committee, analyze and evaluate effectiveness of Board of Directors, etc.) for sustaining compliance (implemented) ● Check the details of the Corporate Governance Code revisions (June 2021) in response to changes to stock exchange listing requirements to verify that they are in compliance 	<ul style="list-style-type: none"> ● Held Nomination and Compensation Committee ● Establish and held Parent-Child Transaction Deliberation Committee ● Release Corporate Governance Report 			
Enhance investor relations activities	<ul style="list-style-type: none"> ● Conduct face-to-face IR activities ● Conduct IR activities using publications and other materials 	<ul style="list-style-type: none"> ● Held individual meetings and conference calls (web meetings, etc.) ● Held earning presentation to institutional investors by webinar and did not hold company presentation for individual investors due to the COVID-19 pandemic ● Published earnings reports, annual report, fact book, and other materials 			

Societal Trust		P.43-44	ESG: <u>E</u> Environmental <u>S</u> Social <u>G</u> Governance		
Initiative Theme	PLAN	DO (Fiscal 2021 Results)			
Support the development of engineers	<ul style="list-style-type: none"> ● Conduct initiatives for expanding the horizons of engineers and support their school attendance in Japan and overseas 	<ul style="list-style-type: none"> ● Continued to operate full grant-based scholarship program ● Held on-site science classes for elementary school students corresponding to the new normal ● Provided assistance to expand the horizons of engineers 			
Preservation of historical and cultural assets mainly in Kyoto	<ul style="list-style-type: none"> ● Expand monetary donations to projects and organizations who agree with our mission ● Maintain, preserve, and use Sekison-tei 	<ul style="list-style-type: none"> ● Continued assistance by coordinating with governments ● Coordinated with government on new grant recipients ● Continued to preserve the Sekison-tei building and garden 			
Cooperate with local environmental conservation activities	<ul style="list-style-type: none"> ● Cooperate with forest preservation ● Participate in waste reduction activities 	<ul style="list-style-type: none"> ● Studied forest preservation activities in the new normal 			

○: Results, *: Issues

CHECK	ACTION (Fiscal 2022 Policies)
<ul style="list-style-type: none"> ○ Acquired SBT initiative certification ○ Achieved GHG emissions (Scope 3) reduction target 	<ul style="list-style-type: none"> ● Establish and support measures for achieving SBT initiative certification target ● Strengthen management of the Nissin Electric Group Environmental Promotion Committee for promoting the development of environmentally friendly products and services ● Disclose information addressing TCFD recommendations
<ul style="list-style-type: none"> ○ Achieved GHG emissions (Scope 1 + 2) reduction targets ○ Achieved office GHG emissions reduction target ○ Achieved transport-related GHG emissions reduction target 	<ul style="list-style-type: none"> ● Strengthen promotion of and control over energy conservation activities, including energy conservation checkups for divisions with high energy use ● Strengthen promotion of and control over energy conservation activities, including energy conservation checkups for divisions with high SF₆ gas emission ● Promote upgrading to low-GHG emission equipment through the introduction of a corporate internal carbon pricing system
<ul style="list-style-type: none"> ○ Achieved total waste volume reduction target ○ Achieved reduction target for VOC emissions into the atmosphere * Did not achieve target for water use reduction 	<ul style="list-style-type: none"> ● Promote waste 3R activities, strengthen waste volume management ● Strengthen management of VOC emissions ● Strengthen promotion of and management of water conservation activities (including recycling and reuse) in divisions with high water use

○: Results, *: Issues

CHECK	ACTION (Fiscal 2022 Policies)
<ul style="list-style-type: none"> ○ Conducted root cause analysis course with the Human Resources Development Department ○ Regularly held monthly Nissin Electric Group QA Conference ○ Held 2 lessons and 1 workshop on lessons learned about the study of failure 	<ul style="list-style-type: none"> ● Improve quality by applying the "degree of quality assurance" concept to failure case examples ● Make a routine of learning about the study of failure in-house (hold basic education and practical sessions) ● Roll out quality improvements through design inspections in Safety and Quality Enhancement Project activities
<ul style="list-style-type: none"> ○ Developed improvement measures based on concrete opinions in descriptive-form surveys: 285 survey responses collected and posted on the internal company website 	<ul style="list-style-type: none"> ● Continue to make further improvements using customer opinions
<ul style="list-style-type: none"> ○ Inquired about customer equipment use plans and prepared appropriate "life cycle" proposals ○ Delivered "maintenance cycle chart" and "regular replacement chart of parts with a limited life" from CS charts * Performed more than 100 proposals per fiscal year 	<ul style="list-style-type: none"> ● Deliver "regular replacement chart of parts with a limited life" and "maintenance cycle chart" to customers in order to ensure that "trust" and "long-term relationship" with customers continue ● Improve work efficiency by promoting IT in the workplace
<ul style="list-style-type: none"> ○ Implemented many solution proposals incorporating distributed energy resources centered on ENERGMATE ○ Implemented technical proposals for wind power generation making use of power system analysis engineering to secure stable power quality 	<ul style="list-style-type: none"> ● Strengthen proposals for energy-saving, distributed energy resource, and environmentally friendly products to realize carbon neutrality ● Strengthen technology proposals addressing an operation plan to generate 24GW of wind power in FY2030 through de-carbonization and deregulation
<ul style="list-style-type: none"> ○ Expanded proposals for promoting energy conservation by upgrading equipment, promoted nitrification control proposals ○ Drafted upgrade plan from the current state of aging equipment ○ Applied DBO to realizing proposals for solutions for making technology succession and maintenance efficiency improvement * Continued solution proposals for achieving more efficient maintenance management 	<ul style="list-style-type: none"> ● Expand solution proposals, such as reducing CO₂ emissions, energy conservation, operational efficiency improvements, and reducing lifecycle costs (LCC) to deepen customer trust ● Promote solution proposals and expand solution items aimed at finding solutions for the customer issues of technology succession and maintenance efficiency improvement ● Promote solutions to local government needs, such as ensuring sustainable energy

○: Results, *: Issues


CHECK	ACTION (Fiscal 2022 Policies)
<ul style="list-style-type: none"> ○ Held Nomination and Compensation Committees (May, November, March) ○ Established (November) and held (November and January) Parent-Child Transaction Deliberation Committees ○ Released Corporate Governance Report (December), full compliance (implemented) 	<ul style="list-style-type: none"> ● Conduct measures necessary (hold Nomination and Compensation Committee, hold Parent-Child Transaction Deliberation Committee, and analyze and evaluate effectiveness of Board of Directors, etc.) for sustaining compliance (implemented)
<ul style="list-style-type: none"> ○ Held 108 individual meetings and conference calls * Held earning presentation to institutional investors by webinar and did not hold company presentation for individual investors due to the COVID-19 pandemic * Conducted explanations that enable investors to deepen their understanding 	<ul style="list-style-type: none"> ● Improve communication with investors that deepens their understanding


○: Results, *: Issues


CHECK	ACTION (Fiscal 2022 Policies)
<ul style="list-style-type: none"> ○ Provided scholarships to 28 technical graduate students * Standardized teaching materials for on-site science classes for elementary school students corresponding to the new normal ○ Provided assistance to expand the horizons of engineers 	<ul style="list-style-type: none"> ● Continue to operate full grant-based scholarship program ● Increase the number of elementary schools conducting on-site science classes corresponding to the new normal ● Provide assistance to expand the horizons of engineers
<ul style="list-style-type: none"> ○ Provided assistance by coordinating with governments ○ Expanded support in the field of preservation and restoration of cultural properties ○ Displayed expertise for the maintenance and preservation of Sekison-tei 	<ul style="list-style-type: none"> ● Continue assistance by coordinating with governments and consider new grant recipients ● Continue support for human resource development related to the preservation and restoration of cultural properties ● Continue preservation of the Sekison-tei building and garden
<ul style="list-style-type: none"> ○ Planned and trial run for forest conservation activities in the new normal * Continued cooperation with Gion Festival Zero-Waste Project in the new normal 	<ul style="list-style-type: none"> ● Prepare 5-year forest preservation activities plan ● Provide aid for carbon-free lifestyle promotion projects ● Study employee participation type program

Our Commitment to CSR

CSR Activities—Plan/Results for Fiscal 2021 and Policy for Fiscal 2022

 Partner Trust		P.45-46	ESG: <u>E</u> Environmental <u>S</u> Social <u>G</u> Governance
Initiative Theme	PLAN	DO (Fiscal 2021 Results)	
Promotion of CSR procurement	<ul style="list-style-type: none"> Enhance CSR activities throughout the supply chain by conducting CSR procurement surveys and other efforts 	<ul style="list-style-type: none"> In addition to survey in the headquarters region and Maebashi region, started doing surveys at group companies in Japan 	
Partnerships with partners	<ul style="list-style-type: none"> Strengthen cooperation with partners and build win-win relationships 	<ul style="list-style-type: none"> Held partner meetings to further strengthen cooperation with partners Visited business partners to further strengthen cooperation with transportation business partners 	

 Employee Mutual Trust		P.47-50	ESG: <u>E</u> Environmental <u>S</u> Social <u>G</u> Governance
Initiative Theme	PLAN	DO (Fiscal 2021 Results)	
Promote safety and health awareness	<ul style="list-style-type: none"> Take measures aimed at "zero serious accidents and residual disability accidents" Take measures to eliminate the three serious occupational accidents (transport-related injuries, electric shock and falls) Promote people and systems that are conscious of safety 	<ul style="list-style-type: none"> Continued to conduct comprehension tests of e-learning related laws and regulations and safety work and hands-on training Implemented improvements to unsafe behavior and unsafe conditions through factory inspections and safety patrols Took measures to strengthen extracting cases of "near misses" and "concerns" 	
Promote educational and training opportunities that support personal and professional growth	<ul style="list-style-type: none"> Conduct stress checks Increase opportunities for human resource development (target: 6,800 or more participants/year) Promote career development for young employees and enhance global education Enhance training of each technology and skill and enhance the necessary education for work to develop the necessary personnel for business at an early stage 	<ul style="list-style-type: none"> Conducted stress checks, including group companies Systematically held education and training for the eligible employees at the necessary time (increased the training curriculum, introduced trainer/mentor system and career design training) 	
Utilize diverse workforce	<ul style="list-style-type: none"> Expand the employment of people with disabilities and achieve the statutory employment rate revised in 2021 (target: 2.3% employment rate of people with disabilities in the group) Encourage use of the career support system (more than 5 persons/year) Use work from home for childcare, elderly care, and treatment of illness (60% of female employees who are balancing work and family) 	<ul style="list-style-type: none"> To establish a stable business operation and grow the business of Nissin Heartful Friend, expanded range of contract business (manufacturing support, etc.) and increased volume of business (digitization, flower bed management, etc.) Enhanced Nissin Heartful Friend employee training (established monthly targets, enhanced training, etc.) 	
Encourage diverse work styles and work-life balance	<ul style="list-style-type: none"> Encourage male employees to take childcare leave (8 or more persons/year) Encourage employees to take annual paid leave (67% or more) 	<ul style="list-style-type: none"> Implemented career support for female employees who leave work due to childbirth or childcare Implemented trial work from a place other than home for childcare, elderly care, and treatment of illness Promoted the use of the planned paid leave system and the memorial paid leave system Held seminar on balancing work and elderly care 	
Strengthen communication	<ul style="list-style-type: none"> Continue to hold discussions with newly appointed managers and chiefs in fiscal 2020 Continue to hold the quadrilateral subsection chiefs networking session Conduct an employee satisfaction survey and analyze the results 	<ul style="list-style-type: none"> Did not hold meetings between employees due to COVID-19 pandemic Did not hold quadrilateral subsection chiefs networking sessions due to COVID-19 pandemic Provided analysis results to division general managers/had interviews with executive officers Standardized analysis format by division general managers Analyzed high evaluation divisions and sorted initiative case examples 	

Corporate Management		Main related SDGs	8	10	12	13	16
 Fair and Transparent Corporate Management		P.51-53	ESG: <u>E</u> Environmental <u>S</u> Social <u>G</u> Governance				
Initiative Theme	PLAN	DO (Fiscal 2021 Results)					
Thorough compliance	<ul style="list-style-type: none"> Continue to maintain the compliance system Continue to hold compliance training sessions Continue compliance awareness activities 	<ul style="list-style-type: none"> Held Compliance Committee 4 times a year Conducted training sessions for group employees and training sessions for executives Disseminated compliance messages on the internal company website and published articles about compliance in company newsletter 					
Thorough risk management	<ul style="list-style-type: none"> Understand risk situations and determine management policy and measures Identify risks facing the Nissin Electric Group and determine response measures Roll out various measures to address a large-scale disaster 	<ul style="list-style-type: none"> Held Risk Management Committee meeting once a year Held Risk Management Working-Level Committee meetings 4 times a year Held disaster prevention drills as planned, changed method for personal safety confirmation drill 					
Utilizing ICT and thorough information security	<ul style="list-style-type: none"> Update information management system in response to the revision of the Act on the Protection of Personal Information Rolled out application to group company Implement various measures at Nissin Electric and domestic group companies Implement various measures aimed at overseas group companies 	<ul style="list-style-type: none"> Reviewed related company rules and regulations, raised awareness within company Supported group company establishment and revision of information management rules and regulations Continued measures to prevent malware infections (delete zip files, e-learning, email training, etc.) Enhanced measures against infections and intrusions (attack detection and containment) Applied security guidelines and thorough essential measures for overseas group companies: countermeasures against malware infections (update OS, virus scans, install EDR, etc.), countermeasures to prevent important data loss (server installation, offline backup, etc.) 					

○: Results, *: Issues

CHECK	ACTION (Fiscal 2022 Policies)
<ul style="list-style-type: none"> ○ Conducted CSR procurement surveys to all business partners with 90% of total transaction amount * Spread CSR procurement guidelines to partners 	<ul style="list-style-type: none"> ● Advance educational activities through daily business dealings and workshops ● Facilitate thorough understanding of CSR procurement guidelines by partner ● Conduct third CSR procurement survey in the headquarters region, expand surveys at group companies in Japan, and begin doing surveys at group companies overseas ● Strengthen partnerships by continuing meetings focusing on visits to business partners
<ul style="list-style-type: none"> ○ Held partner meetings ○ Visited major business partners and exchanged opinions focusing on safety and quality * Further strengthened relations with business partners 	

○: Results, *: Issues

CHECK	ACTION (Fiscal 2022 Policies)
<ul style="list-style-type: none"> ○ Zero cases of "serious accidents and residual disability accidents" ○ Conducted priority management and safety measures according to a weighted evaluation of workplace accidents * Eliminated accidents caused by falls and transport operations (thorough basic work and operation) 	<ul style="list-style-type: none"> ● Take measures aimed at "zero serious accidents and residual disability accidents" ● Take measures to eliminate the three serious occupational accidents ● Create people and systems that are conscious of safety
<ul style="list-style-type: none"> ○ Maintained a high stress check implementation rate of 92%, interviewed with high stress individuals and conducted group analysis, and formulated improvement plan for high-stress workplaces 	
<ul style="list-style-type: none"> ○ Based on results of after-training questionnaire and division specific needs, completed enhanced training content and promoted education and training planned at start of business year (Participants for year: 4,962) 	<ul style="list-style-type: none"> ● Increase opportunities for human resource development (target: 6,500 or more participants/year) ● Promote career development among young employees, expand global education including overseas group companies ● Enhance training of each technology and skill and enhance the necessary education for work to develop the necessary personnel for business at an early stage
<ul style="list-style-type: none"> ○ Achieved target: employment rate of 2.54% for the group (as of the end of March 31, 2022) * Prepared a stable office operation environment and organization ○ Built periodic education system 	
<ul style="list-style-type: none"> ○ Users of career support system (15/year) ○ Trial work from a place other than home for childcare, elderly care, and treatment of illness (2 people) 	<ul style="list-style-type: none"> ● Use of career support system for female employees who leave work due to childbirth or childcare (100%) ● Use work from home for childcare, elderly care, and treatment of illness (60% of female employees who are balancing work and family) ● Identify issues and set concrete policy and milestones for achieving FY2030 targets (10% or more for female managers, 30% or more for female employees hired)
<ul style="list-style-type: none"> ○ Male employees taking childcare leave (13 persons/year, 25%) * Improved percentage taking annual paid leave: FY2019: 73.0% (16.4 days); FY2020: 68.2% (15.3 days); FY2021: 71.0% (16.2 days) 	
<ul style="list-style-type: none"> * Did not hold meetings between employees due to COVID-19 pandemic * Did not hold quadrilateral subsection chiefs networking sessions due to COVID-19 pandemic 	<ul style="list-style-type: none"> ● Hold online meetings for newly appointed managers and chiefs who have not been able to take part in meetings since the COVID-19 pandemic ● Hold the quadrilateral subsection chiefs networking session in the new normal
<ul style="list-style-type: none"> ○ Conducted interviews by rank and developed more specific measures by department in addition to overall measures * Did not present and promote initiative case examples 	

○: Results, *: Issues

CHECK	ACTION (Fiscal 2022 Policies)
<ul style="list-style-type: none"> ○ Prepared and implemented compliance priority governing laws and verified progress by the Compliance Committee (meets 4 times a year) ○ Held training sessions for group employees in Japan, training sessions for overseas group employees, and training sessions for company executives ○ Disseminated compliance message on the internal company website (monthly), published articles about compliance in company newsletter (every issue) 	<ul style="list-style-type: none"> ● Continue to maintain the compliance system ● Continue to hold compliance training sessions ● Continue compliance awareness activities ● Establish and publicize in-house rules for human rights due diligence
<ul style="list-style-type: none"> ○ Reported FY2020 summary and FY2021 activity policy ○ Shared risk cases and solved problems for 16 themes ○ Held disaster prevention drills at 11 business sites * Solved issues discovered during disaster prevention drills and deployed them at all business sites, improved transmission safety confirmation accuracy by conducting monthly personal safety confirmation email tests 	
<ul style="list-style-type: none"> ○ Revised company personal information protection rules in response to the revision of personal information-related laws ○ Prepared company information management rules and regulations (established, revised: 2 companies; revision in progress: 1 company) and personal information protection rules (revised: 2 companies) at group companies in Japan 	<ul style="list-style-type: none"> ● Review measures in response to large-scale natural disasters and epidemics with medium-term plan ● Identify business risk, and study and implement measures ● Implement disaster prevention drills with an eye toward the new normal and further improve firefighting and emergency technology ● Scheduled for revision to raise effectiveness of company information management rules and regulations ● Conduct training of group employees based on revised company information management rules and regulations ● Continue to raise awareness through company newsletter and internal company website to inform group employees of the importance of information management
<ul style="list-style-type: none"> ○ Continued measures because they were effective to some extent for Nissin Electric and domestic group companies ○ Completed action through the application of essential measures based on security guidelines for overseas group companies and planned to raise the management level according to the risk level of each overseas company 	



Initiatives for Global Environmental Conservation

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

The Nissin Electric Group Environmental Policy

Environmental policy

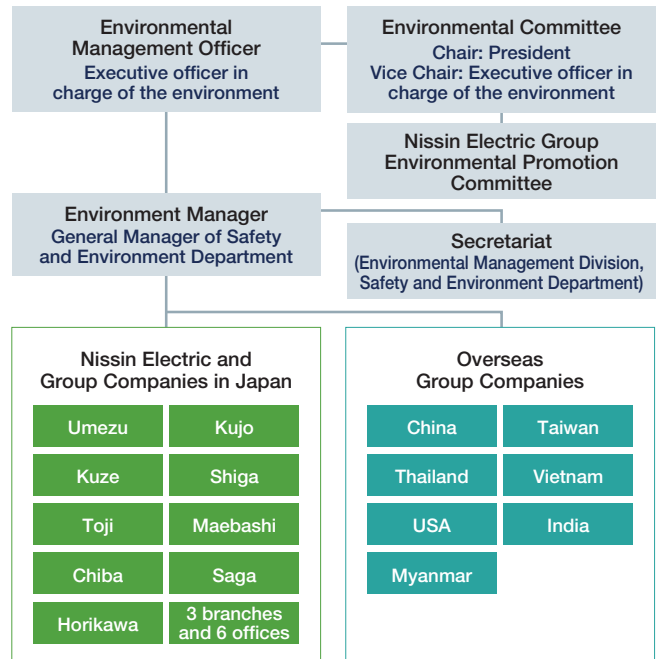
We strive to prevent environmental pollution, use resources sustainably and respond to climate change. We comply with environmental laws and regulations and strive to continually improve our environmental activities.

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

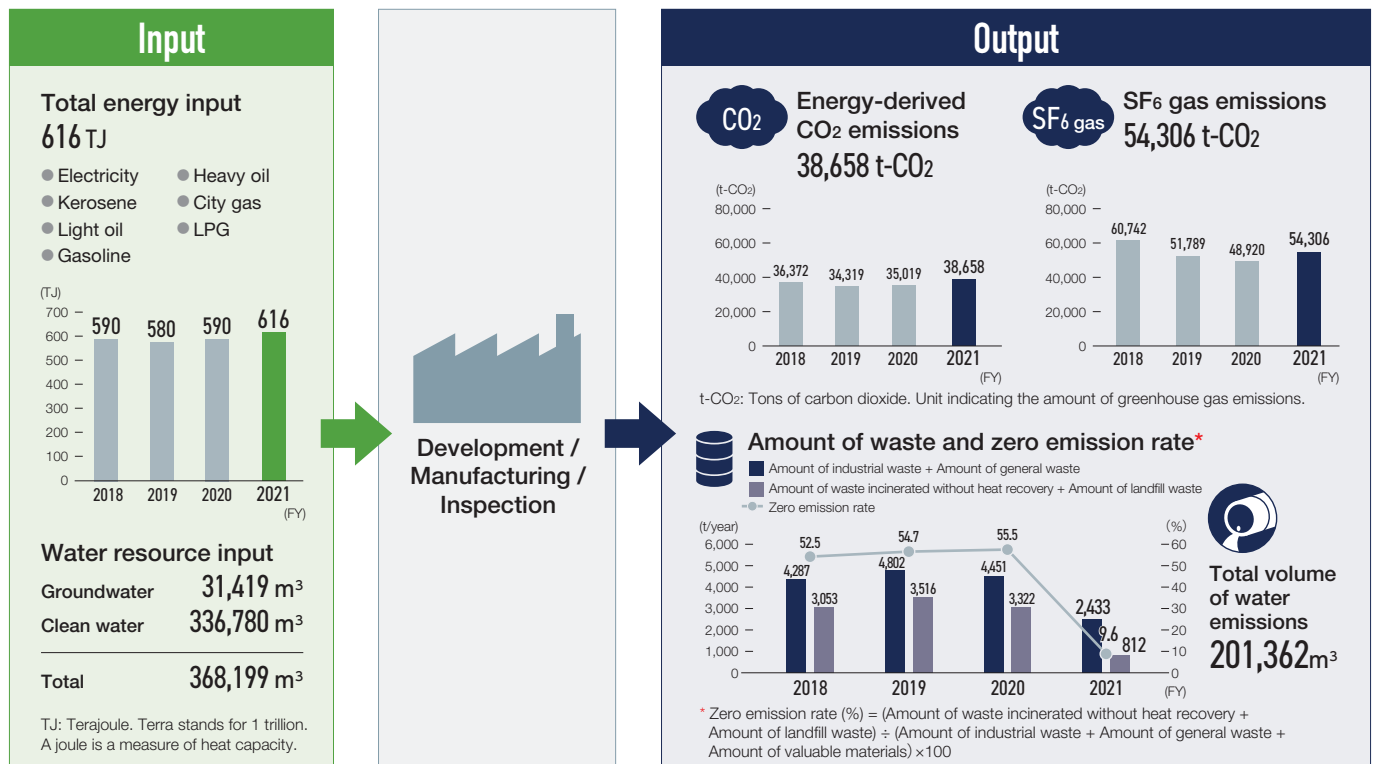
Focus environmental activities

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

Environmental Management Structure



Input-Output (FY2021)



Scope of data: For FY2021 Nissin Electric Co., Ltd. and the nine Japanese group companies of NHV Corporation, Nissin Business Promote Co., Ltd., Nissin Denki Shouji Co., Ltd., Nissin Systems Co., Ltd., Nissin Ion Equipment Co., Ltd., Nippon ITF Inc., Nissin Pulse Electronics Co., Ltd., Nissin Heartful Friend Co., Ltd., Auland Co., Ltd., and the 12 overseas group companies of Nissin Electric (Thailand) Co., Ltd., NHV America Inc., Nissin Allis Electric Co., Ltd., Nissin Electric (Wuxi) Co., Ltd., Beijing Hongda Nissin Electric Co., Ltd., Nissin Electric Wuxi Co., Ltd., Nissin Electric Vietnam Co., Ltd., Nissin Advanced Coating (Shenyang) Co., Ltd., Nissin Advanced Coating (Tianjin) Co., Ltd., Nissin Advanced Coating Indo Co., Private Ltd., NHV Accelerator Technologies Shanghai, Nissin Electric Myanmar Co., Ltd. (until FY2020 including Nissin Ion Hightech (Yangzhou) Co., Ltd.)

Status of ISO14001 Environmental Management System Certification

ISO14001 certified companies and works in Japan

	Has production site	Umezui site	Kujo site	Kuze site	Shiga site	Toji site	Maebashi site	Chiba site	Saga site	Horikawa site	Branches and offices
Nissin Electric Co., Ltd.	Yes	●	●				●				●
NHV Corporation	Yes	●					●		●		
Nissin Ion Equipment Co., Ltd.	Yes			●	●	●					
Nissin Business Promote Co., Ltd.	No	●					●				
Nippon ITF Inc.	Yes			●			●				
Nissin Pulse Electronics Co., Ltd.	Yes							●			
Auland Co., Ltd.	Yes	●									
Nissin Systems Co., Ltd.	Yes									●	

ISO14001 certified overseas group companies

- Nissin Electric (Thailand) Co., Ltd. (Thailand)
[Certified on January 24, 2007]
- Beijing Hongda Nissin Electric Co., Ltd. (China)
[Certified on September 27, 2009]
- Nissin Electric (Wuxi) Co., Ltd. (China)
[Certified on November 3, 2010]

Targets and Results

○ ... Targets achieved △ ... Targets not achieved

Item	Initiatives and Targets for FY2022	Targets for FY2021	Performance for FY2021	Evaluation	Example of Activities	
Reduction of environmental impacts from business activities	Global warming prevention / Promotion of energy saving / Reduction of SF ₆ gas emissions	(1) Reduce greenhouse gas emissions from production sites by 6% compare with FY2018	Reduce by 3%	Reduced by 4.3%	○	<ul style="list-style-type: none"> ● Promoted installation of equipment to reduce SF₆ gas emissions ● Promoted small group activities
		(2) Reduce energy consumption per unit at production sites by 4% compare with FY2018	Reduce by 3%	Increased by 10.4%	△	<ul style="list-style-type: none"> ● Implemented once-monthly Eco Work Day (leaving work on time and switching lights off at workplaces) ● Established Energy Conservation Promotion Office
		(3) Reduce energy consumption per unit at offices by 4% compare with FY2018	Reduce by 3%	Reduced by 23.0%	○	<ul style="list-style-type: none"> ● Controlled temperature of air conditioning systems ● Implemented once-weekly Leave Work on Time Day and once-monthly Eco Work Day (leaving work on time and switching lights off at workplaces)
		(4) Reduce CO ₂ emissions per unit from transportation by 4% compare with FY2018	Reduce by 3%	Reduced by 3.7%	○	<ul style="list-style-type: none"> ● Improved efficiency of truck cargo loading ● Reduced number of take-home from construction sites
		(5) Reduce greenhouse gas emissions from SPSS	Achieve 100% target	Achieved 100%	○	<ul style="list-style-type: none"> ● Expanded sales of control systems for distributed energy resources
	Promotion of resource conservation and recycling	(1) Reduce waste volume per unit by 4% compare with FY2018	Reduce by 3%	Reduced by 42.4%	○	<ul style="list-style-type: none"> ● Improved yield and make design changes ● Thoroughly separated industrial waste and valuable materials
		(2) Reduce water usage per unit by 4% compare with FY2018	Reduce by 3%	Increased by 14.6%	△	<ul style="list-style-type: none"> ● Promoted renewal of water pipes
	Reduction of substances of environmental concern	(1) Reduce volatile organic compounds (VOC) emissions per unit by 4% compare with FY2018	Reduce by 3%	Reduced by 24.1%	○	<ul style="list-style-type: none"> ● Promote solvent recovery
	Conservation of biodiversity	(1) Promote the conservation of biodiversity	Investigate endemic species	Investigated endemic species	○	<ul style="list-style-type: none"> ● Planting based on survey results ● Specified endemic species at overseas locations
	Reduction of environmental impact from products	Expansion of environmentally friendly products	(1) Achieve the registration of 25% of new products as "Eco Mind" products	Construct a mechanism	Constructed a mechanism	○
(2) Increase the ratio of Eco-products in sales to 35%			Construct a mechanism	Constructed a mechanism	○	<ul style="list-style-type: none"> ● Launched a mechanism
(3) Reduce greenhouse gas emissions from shipped products by 6% compare with FY2018			Reduce by 3%	Reduced by 18.8%	○	<ul style="list-style-type: none"> ● Expanded sales of environmentally friendly products
Management of chemical substances in products		(1) Strengthening the management of chemical substances in products	Gathering information	Gathered information on applicable products	○	<ul style="list-style-type: none"> ● Gathering information on relevant regulations and products conformity

Scope of data: Nissin Electric Co., Ltd. and the nine Japanese group companies of NHV Corporation, Nissin Business Promote Co., Ltd., Nissin Denki Shouji Co., Ltd., Nissin Systems Co., Ltd., Nissin Ion Equipment Co., Ltd., Nippon ITF Inc., Nissin Pulse Electronics Co., Ltd., Nissin Heartful Friend Co., Ltd., Auland Co., Ltd., and the 12 overseas group companies of Nissin Electric (Thailand) Co., Ltd., NHV America Inc., Nissin Allis Electric Co., Ltd., Nissin Electric (Wuxi) Co., Ltd., Beijing Hongda Nissin Electric Co., Ltd., Nissin Electric Wuxi Co., Ltd., Nissin Electric Vietnam Co., Ltd., Nissin Advanced Coating (Shenyang) Co., Ltd., Nissin Advanced Coating (Tianjin) Co., Ltd., Nissin Advanced Coating Indo Co., Private Ltd., NHV Accelerator Technologies Shanghai, Nissin Electric Myanmar Co., Ltd.



Initiatives for Global Environmental Conservation

Addressing Climate Change

Information Disclosure Based on TCFD Recommendations

On March 5, 2021, Nissin Electric announced its intention to follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).^{*} We disclose information relating to climate change in line with the requirements of the TCFD recommendations (governance, strategy, risk management, metrics and targets).



^{*} The Task Force on Climate-related Financial Disclosures (TCFD): A special team established by the Financial Stability Board (FSB). Viewing climate change as both a risk and an opportunity, the TCFD recommends disclosing the impact of rising temperatures due to greenhouse gases on corporate finance and calls on government organizations, financial institutions, and companies for their agreement.

Governance

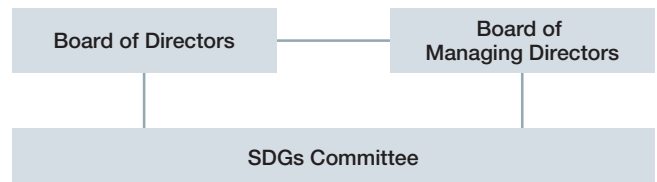
The Nissin Electric Group considers addressing climate change to be a most important issue. Our aim is to reduce greenhouse

gas emissions, which exert a significant impact on climate change. Regarding such initiatives as the development of environmentally friendly products and in-house energy-saving measures, we hold regular meetings of the SDGs Committee, which is chaired by the president, to positively promote them.

Upon deciding the Nissin Electric Group's materiality (important issues) relating to sustainability, including climate change, the SDGs Committee oversees initiatives and reports on the state of progress and related matters to the Board of Directors and Board of Managing Directors. These two boards deliberate on the reports and exercise appropriate supervision by giving instructions and guidance to the committee.

Note: Refer to the Corporate Governance Report on our website regarding corporate governance structure.

System diagram



	Key drivers		Overview of specific key climate-change risks
Transition risks	Policy and legal regulations	Strengthening of regulations on greenhouse gas emissions and taxation of energy consumption, such as carbon taxes	<ul style="list-style-type: none"> Decline in sales of products using greenhouse gases and solution products Increase of business cost burden
	Technology	Progress of technical innovation relating to environmentally friendly products	<ul style="list-style-type: none"> Decline in competitiveness and loss of opportunities due to delayed development of environmentally friendly products Increase of R&D investment costs
	Market assessment	Stance on initiatives to address climate change and rising resource prices	<ul style="list-style-type: none"> Lower evaluation of investors and market Increased product cost due to rising price of materials and difficulty of obtaining them
Physical risks	Acute	Increasing severity of typhoons and floods	<ul style="list-style-type: none"> Suspended operations or reduced production due to disaster-hit plants Suspended operations or reduced production due to disaster-hit supply chain or difficulty of procuring materials

	Opportunity factors		Overview of opportunities
Opportunities	Energy sources	Increased number of companies boosting their renewable-energy ratios	Rise in demand for related products and services due to increased number of companies introducing renewable energy
		Transition to a decentralized society	Rise in demand for related products and services due to expanding smart-grid market
	Products and services	Expansion of electrification in industrial and automotive fields	Expansion of related business due to electrification
		Increase of abnormal weather conditions	Increased demand for BCP-related equipment and services
		Increased demand for higher efficiency of products due to promotion of decarbonization	Increased demand for highly efficient products

Strategy/risk management

We have integrated our response (policy) to climate-change risks and opportunities into the growth strategy of our medium-to-long-term business plan “VISION2025,” and we will strengthen our regime to actively minimize risks and maximize opportunities on a Group-wide basis.

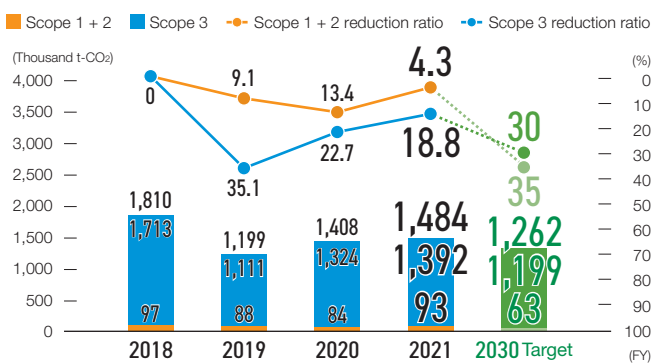
Assessment of the impact of future climate-change risks and opportunities

At present, in light of perceived risks, we are studying how various climate-change risks (transition risks, physical risks) could have an impact on our businesses and qualitatively assessing how important risks and opportunities could have a significant financial impact on our businesses.

This year, which marks the first fiscal year of VISION2025, we identified the risks and opportunities that were qualitatively assessed as having a significant financial impact in the Power Supply and Environment System Business, which is the Nissin Electric Group’s core business. These potential risks and opportunities are shown in the table on page 33.

Metrics & targets

CO₂ emissions and reduction ratio across the entire supply chain (Nissin Electric Group in Japan + Overseas group companies)



Calculation method: Based on the “Greenhouse Gas Emissions Accounting and Reporting Manual (Ver. 4.8)” (2022) by the Japanese Ministry of the Environment and Ministry of Economy, Trade and Industry (except the emission factors, which are mentioned below)

Basic policy on the emission factors:

The latest available emission factors at the time of the calculation are used for purchased electricity while fixed emission factors are used for other than purchased electricity.

CO₂ emission factor for purchased electricity:

[In Japan] Adjusted emission factor of each electric power supplier published in “Disclosure of Basic emission factor, adjusted emission factor, etc. of each electric power supplier for fiscal 2020” (2022) by the Japanese Ministry of the Environment

[Overseas] Emission factor in each country for 2019 mentioned in “IEA Emission Factors 2021” (2021) CO₂ emission factor for other than purchased electricity:

[Both in Japan and overseas] Emission factor in “Greenhouse Gas Emission Accounting and Reporting Manual (Ver. 4.8)” (2022) by the Japanese Ministry of the Environment and Ministry of Economy, Trade and Industry

Scope of data:

For FY2021 Nissin Electric Co., Ltd. and the nine Japanese group companies of NHV Corporation, Nissin Business Promote Co., Ltd., Nissin Denki Shouji Co., Ltd., Nissin Systems Co., Ltd., Nissin Ion Equipment Co., Ltd., Nippon ITF Inc., Nissin Pulse Electronics Co., Ltd., Nissin Heartful Friend Co., Ltd., Auland Co., Ltd., and the 12 overseas group companies of Nissin Electric (Thailand) Co., Ltd., NHV America Inc., Nissin Allis Electric Co., Ltd., Nissin Electric (Wuxi) Co., Ltd., Beijing Hongda Nissin Electric Co., Ltd., Nissin Electric Wuxi Co., Ltd., Nissin Electric Vietnam Co., Ltd., Nissin Advanced Coating (Shenyang) Co., Ltd., Nissin Advanced Coating (Tianjin) Co., Ltd., Nissin Advanced Coating Indo Co., Private Ltd., NHV Accelerator Technologies Shanghai, Nissin Electric Myanmar Co., Ltd. (until FY2020 including Nissin Ion Hightech (Yangzhou) Co., Ltd.)

The Nissin Electric Group has set the long-term targets of a 35% reduction (Scope 1 + 2) and a 30% reduction (Scope 3) in greenhouse gas emissions by fiscal 2030 compared with fiscal 2018, and has been certified by an international environmental organization, the Science Based Targets initiative (SBTI)* as a target based on scientific evidence.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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

Major initiatives for achieving our targets

We implement initiatives in various fields by developing environmentally friendly products and building production setups that take the environment into consideration.

Development and increased sale of environmentally friendly products

- 1 Smart Power Supply Systems (SPSS)
Using electrical equipment and grid connection technology, we will build energy-saving systems at customer plants. We will realize both energy saving and stable supplies by combining such equipment as gas insulated switchgear (GIS, one of our key products) and transformers with distributed energy resources and energy management systems.
- 2 Transformers
We will expand sales of a super high efficiency transformer, which loses less electricity than conventional transformers.
- 3 Gas insulated switchgears (GISs)
Aiming to realize even greater compactness, which is one of our strengths, we will develop GIS toward reducing the use of SF₆ gas.
- 4 Ion implanters
We will endeavor to realize ion implanters that contribute to the high-performance and reduced energy consumption of semiconductor devices and flat panel displays (FPDs).
- 5 Electron beam processing systems (EPSs)
We will advance product development in consideration of customer needs in the face of demands to cut emissions of SF₆ gas and supply environmentally friendly EPSs to the market.

Initiatives to reduce greenhouse gas emissions

- 1 Introduction of corporate internal carbon pricing (ICP)
We will encourage energy saving in production activities and promote capital investment contributing to the reduction of CO₂ emissions by setting corporate internal carbon pricing for capital investment aimed at reducing greenhouse gas emissions and virtually converting CO₂ emissions to cost.
- 2 Energy-saving diagnosis of supply chain
We will conduct energy-saving diagnosis of the supply chain, propose specific measures toward saving energy and reducing greenhouse gas emissions, and promote CO₂ reduction activities.



Initiatives for Global Environmental Conservation

Strengthening of Environmental Management

Promotion of Group Environmental Activities

Nissin Electric Group's environmental activities are overseen by the Secretariat in the Head Office (Environmental Management Division, Safety and Environment Department). The president serves as chair of the Environmental Committee, which endeavors to strengthen our environmental management structure in consideration of management strategy.

In April 2021, we established the Energy Conservation Promotion Office within the Safety and Environment Department to promote the group's management system, including measures to reduce the environmental impacts, such as energy saving, and awareness-raising activities through educational and training programs.

In addition, we established the Nissin Electric Group Environmental Promotion Committee under the Environmental Committee to strengthen environmental management capabilities in the group as a whole and promote environmental improvement activities.

Environmental Awareness Raising Through Global Group Competition GLOBAL

To help our employees properly understand the importance of environmental activities and make improvements, we hold a competition to present and share cases of improvements made in departments and group companies.

In fiscal 2021, the 1st Global Safety, Environment, and Quality Competition, with the environmental section newly added, was held online to exchange information with the aim of strengthening initiatives to make environmental improvements. Going forward, the group will strive to further strengthen and disseminate environmental initiatives on a global scale.



The 1st Global Safety, Environment, and Quality Competition, Head Office

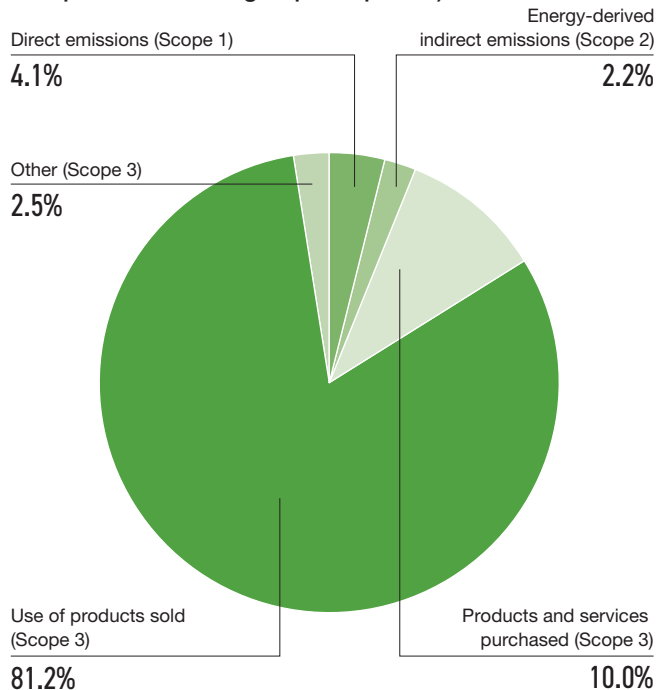
Prevention of Global Warming

Reduction of Greenhouse Gas Emissions

Calculating supply chain emissions

The Nissin Electric Group calculates its greenhouse gas emissions in the group's supply chain in Japan and abroad using the Basic Guidelines on Calculating Greenhouse Gas Emissions in the Supply Chain Ver. 2.4 issued by METI and the Ministry of the Environment.

CO₂ emission results for the entire supply chain Total: 1,484,000 t-CO₂ (Fiscal 2021, Nissin Electric Group in Japan + Overseas group companies)



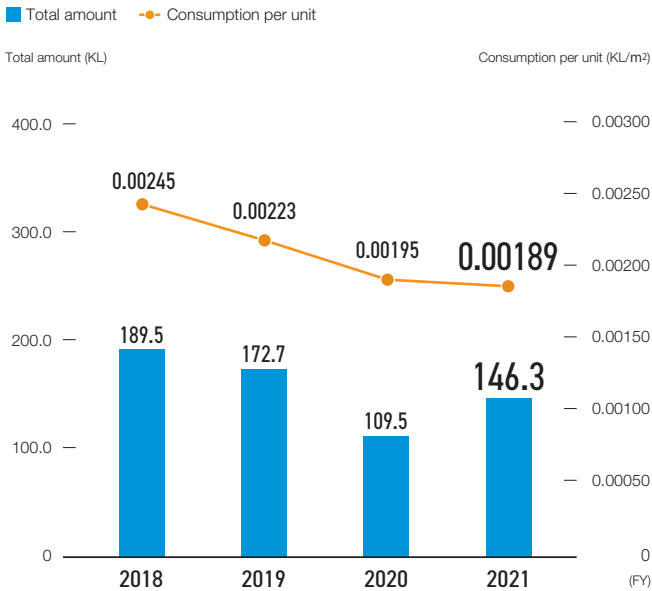
Scope of data: Nissin Electric Co., Ltd. and the nine Japanese group companies of NHV Corporation, Nissin Business Promote Co., Ltd., Nissin Denki Shouji Co., Ltd., Nissin Systems Co., Ltd., Nissin Ion Equipment Co., Ltd., Nippon ITF Inc., Nissin Pulse Electronics Co., Ltd., Nissin Heartful Friend Co., Ltd., Auland Co., Ltd., and the 12 overseas group companies of Nissin Electric (Thailand) Co., Ltd., NHV America Inc., Nissin Allis Electric Co., Ltd., Nissin Electric (Wuxi) Co., Ltd., Beijing Hongda Nissin Electric Co., Ltd., Nissin Electric Wuxi Co., Ltd., Nissin Electric Vietnam Co., Ltd., Nissin Advanced Coating (Shenyang) Co., Ltd., Nissin Advanced Coating (Tianjin) Co., Ltd., Nissin Advanced Coating Indo Co., Private Ltd., NHV Accelerator Technologies Shanghai, Nissin Electric Myanmar Co., Ltd.

Energy-saving activities in offices

We promote the following energy-saving activities:

- Switching to LED lighting
- Turning off lights during lunch breaks
- Promoting Eco Work Day (leaving work on time and switching lights off at workplaces)
- Energy-saving operation of peripheral equipment
- Implementation of "Cool Biz" and "Warm Biz" campaigns and others

Office energy consumption and consumption per unit (Nissin Electric Group in Japan)

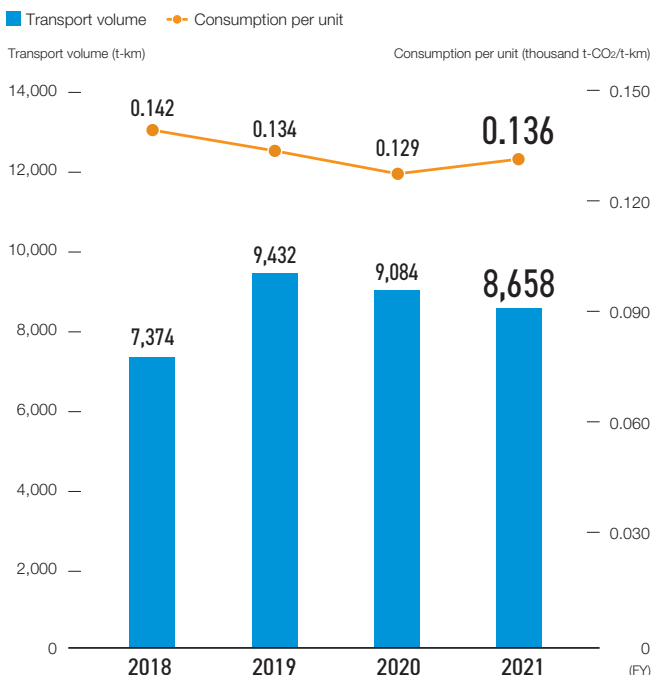


Scope of data: Nissin Electric Co., Ltd., and the four group companies of NHV Corporation, Nissin Business Promote Co., Ltd., Nissin Denki Shouji Co., Ltd., and Nissin Systems Co., Ltd.

Activities to reduce CO2 emission from transportation

Our transport group attempts to reduce CO2 emissions by implementing eco-driving, including the elimination of idling when parked, the reduction of transport volumes, and the utilization of trucks with low CO2 multipliers, as well as improving load efficiency to reduce the number of trucks dispatched.

CO2 emissions from transportation and consumption per unit (Nissin Electric Group in Japan)



Scope of data: Nissin Electric Co., Ltd.

Initiatives aiming for zero CO2 emissions

At the Nissin Academy Training Center and Nissin Club Saganoso, we are endeavoring to achieve zero emissions, which means zero CO2 emissions from energy sources.

In addition to installing environmentally friendly equipment, such as high-efficiency air-conditioning systems in buildings, we reduce the amount of electricity used by applying our advanced technologies, including the effective use of surplus power from photovoltaic systems by means of the utilization of direct-current distribution and power wheeling technologies.



Photovoltaic system installed at the Nissin Academy Training Center



Nighttime lighting using surplus power from a photovoltaic system

External evaluations

Certified as an excellent business operator under Kyoto City's Business Operator Emission Reduction Plan System

Under the Business Operator Emission Reduction Plan System, based on the Kyoto City Ordinance on Global Warming Countermeasures, which aims to voluntarily reduce emissions by specified businesses that emit greenhouse gases of a certain scale, Nissin Electric has been recognized as an excellent business operator in three consecutive periods—the period of the first plan (FY2011–13), the second plan (FY2014–16), and the third plan (FY2017–19).



Initiatives for Global Environmental Conservation

Expanding the Popularity of Environmentally Friendly Products

Expanding the Popularity of Environmentally Friendly Products

“Eco Mind” criteria and product registration

To boost the development of environmentally friendly products, we set certain criteria for “Eco Mind” products, for which product assessment, including environmental evaluation, is conducted at the development and design stages. We are also moving to establish a product registration system for these purposes.

Environmental aspects of evaluation

- ① Saving on resources
- ② Environmental impact assessment (production and usage)
- ③ Assessment of chemical substances contained in products
- ④ Reduction of environmental impacts at time of waste disposal

Products certified with our own environmental label

We have our own “eco-product” certification for products that conform to one or more criteria as environmentally friendly products, such as emitting 20% fewer greenhouse gases compare with fiscal 2000. We also have “super eco-product” certification for products that reduce emissions by 50% or more. Both certifications are identified by the Type II environmental label. We have also issued a new environmental label which evaluation criteria as fiscal 2018 base year and will contribute to reduce the environmental impacts of our products by further popularizing environmental label products.

Products with environmental labels

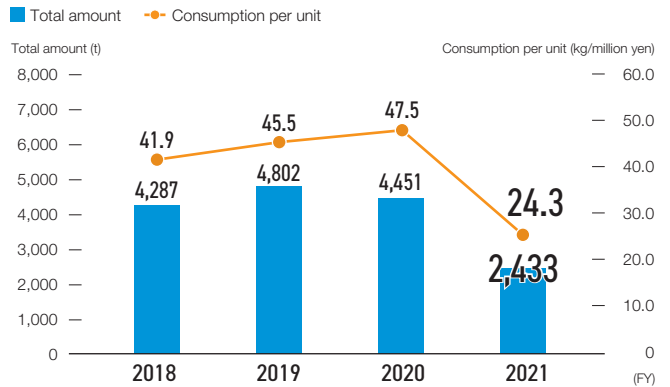
	Certification date	Applicable product
eco-products (14 products)	May 2007	Voltage dip compensator for low voltage UNISAFE
	June 2007	Digital multi-protection relay (DU1-2T11-2T31 DC110V 8.7A 50/60Hz)
	August 2009	I-type control center (200/400V, 1250A or lower)
	May 2013	Power conditioner for photovoltaic system (SPM100-CS1A, SPM100-CS2A, SPM250-CS1)
	August 2013	Compact switchgear (6.6kV, 1200A or lower)
	September 2014	3φ gas insulated voltage transformer (SVTR-12C)
	September 2014	Ultra-compact gas insulated switchgear XAE7 (72/84kV 1200A)
	September 2016	Compact gas insulated switchgear XAE2G (24kV 630A)
	September 2016	D1U type harmonic relay (DC110V)
	August 2018	SJ series automatic controller for phase-modifying equipment
October 2018	NS type T87 percentage differential relay (NS-3T25)	
September 2020	SJ series transfer trip equipment (DC110V)	
March 2022	SJ series relay equipment for double busbar protection	
	J-series relay for parallel capacitors protection	
super eco-products (12 products)	September 2013	D1U type spot network relay (DC110V)
		1φ gas insulated voltage transformer (SVR-14A)
		Capacitor voltage transformer for unprotected areas (PDL-20F)
		Capacitor voltage transformer for protected areas (PDB-14F)
	September 2014	Capacitor voltage transformer for protected areas (PDB-17F)
		Capacitor voltage transformer for protected areas (PDB-20F)
		Capacitor voltage transformer for protected areas (PDB-25F)
		D1U type automatic voltage regulating relay (#90) (D1UVR-41)
	February 2016	J-series SC protection relay
	March 2020	SJ series digital automatic operation system
May 2020	Power conditioner for photovoltaic system (SPM250-CS1B, SPM500-CS1B, SPM660-CS1B, SPCS500-1, SPCS660-1, SPCS750-1, SPCS1000-1)	
February 2021	1φ ECO gas insulated voltage transformer (GVR-14A)	

Emission Reductions

Reducing Waste and Recycling

To reduce the total waste volume, Nissin Electric is developing small group activities centered on our manufacturing business divisions to strengthen our efforts to improve the yield of steel sheets and insulating paper, reduce the usage of wood packing materials, and apply returnable packaging materials. In addition, we are promoting the thorough separation of industrial waste and valuable resources, and recycling of incineration ash in order to improve our waste recycling ratio.

Waste volumes and consumption per unit (Nissin Electric Group in Japan + Overseas group companies)



Scope of data: For FY2021 Nissin Electric Co., Ltd. and the nine Japanese group companies of NHV Corporation, Nissin Business Promote Co., Ltd., Nissin Denki Shouji Co., Ltd., Nissin Systems Co., Ltd., Nissin Ion Equipment Co., Ltd., Nippon ITF Inc., Nissin Pulse Electronics Co., Ltd., Nissin Heartful Friend Co., Ltd., Auland Co., Ltd., Nissin Allis Electric Co., Ltd., Nissin Electric (Wuxi) Co., Ltd., Beijing Hongda Nissin Electric Co., Ltd., Nissin Electric Wuxi Co., Ltd., Nissin Electric Vietnam Co., Ltd., Nissin Advanced Coating (Shenyang) Co., Ltd., Nissin Advanced Coating (Tianjin) Co., Ltd., Nissin Advanced Coating Indo Co., Private Ltd., NHV Accelerator Technologies Shanghai, Nissin Electric Myanmar Co., Ltd. (until FY2020 including Nissin Ion Hightech (Yangzhou) Co., Ltd.)

Initiatives to eliminate garbage (100% resource recycling)

At the Nissin Academy Training Center and Nissin Club Saganoso, we implement the 3Rs (reduce, reuse, and recycle) to cut food loss and reduce the volume of waste with the aim of achieving zero garbage (100% resource recycling). In addition to reducing consumables, going paperless, and providing garbage separation stations and garbage separation boxes, we are stepping up efforts to reduce food loss by changing the menu and implementing a 30/10 campaign. We are also trying to reduce the volume of leftover food by installing raw garbage disposal units.



Raw garbage disposal unit installed (left: immediately after garbage added; right: 24 hours later)

■ External evaluations

Certified as a long-standing excellent enterprise by Kyoto City's "Business Recognized for Excellence in Waste Reduction & 3Rs"

We have received great recognition of our efforts in areas such as the data management of waste volume using barcode labels and the creation of learning materials on waste classification and sorting methods. Our Head Office & Works has been certified as a long-standing excellent enterprise by Kyoto City's "Business Recognized for Excellence in Waste Reduction & 3Rs."

Awarded "Business Recognized for Excellence in Industrial Waste Disposal & 3Rs" certificate for the third consecutive year in Kyoto City

Our Head Office & Works was certified and commended by Kyoto City as a "Business Recognized for Excellence in Industrial Waste Disposal & 3Rs" for the third consecutive year as a business that promotes self-checks and improvements (industrial waste check system) for the 3Rs of industrial waste and their proper disposal.

Prevention of Soil and Water Pollution

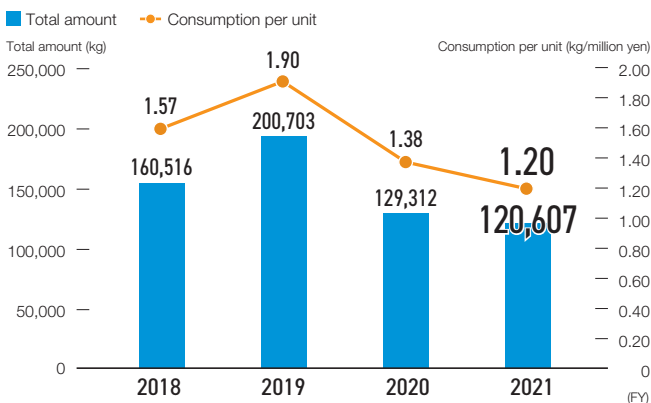
Currently, there are a total of three groundwater inspection wells at the Head Office & Works and Maebashi Works for which we have established a voluntary inspection system. We are also independently inspecting the pH and oil content of factory wastewater, and the inspection results for fiscal 2021 were within the standards of the Sewerage Act. We report these results to government agencies each time.

Management of Chemical Substances

We are actively working to strengthen management of chemical substances in products based on our "BASIC GUIDELINES FOR GREEN PROCUREMENT." Additionally, we carefully manage and report on chemical substances based on the "Act on Promotion of Management of Chemical Substances,"* a framework that identifies the sources and emissions of hazardous chemical substances, the amount of movement as waste, etc., and aggregates and publishes them.

* Act on Promotion of Management of Chemical Substances: Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof.

VOC emissions and consumption per unit (Nissin Electric Group in Japan + Overseas group companies)



Conservation of Biodiversity

Activities to Preserve the Unique Ecosystem of Kyoto on the Premises of the Head Office

Nissin Electric certified by Kyoto City's "Kyoto Biodiversity and Culture Joint Restoration Project"*1 in 2014 and in 2018, we are working to develop green spaces that take biodiversity into consideration.

In addition to raising futabaaoi (Japanese wild ginger), which was transplanted from Kamo-wake-ikazuchi Shrine (Kamigamo Shrine), and then returning it to the shrine in a dedication ceremony, we have been growing plants associated with the culture of Kyoto, such as hiougi (blackberry lily) and fujibakama (boneset), and endangered species on the premises of our Head Office & Works.



Hiougi (blackberry lily)



Fujibakama (boneset)

In addition, the green space at the Nissin Academy Training Center has been developed on the concept of "biodiversity + rain garden"*2 with the "Basic Plan for Green of Kyoto City."

We are expanding the biodiversity network and observing the growth of the rare plants in the "waterscape" in which rainwater is stored and recycled, arranging plants that match the environment there and transplanting one which have grown at the Head Office & Works.

In order to implement these kinds of conservation activities at the Maebashi Works and other sites, we have launched investigation of endemic species.



Waterscape at the Nissin Academy Training Center

*1 Kyoto Biodiversity and Culture Joint Restoration Project: A project of Kyoto City that promotes efforts to pass on the natural environment and traditional culture unique to Kyoto to future generations by certifying initiatives to preserve and regenerate the life that have supported festivals and culture in Kyoto, and providing technical support by dispatching experts as required.

*2 Rain garden: A garden with a function to prevent rapid runoff to public drainage by temporarily storing rainwater on the soil surface and slowly allowing it to soak into the ground. It can help control drainage overflow due to short and intense periods of rainfall.

■ External evaluations

Received the President Award for Encouragement by Japan Greenery Research and Development Center at the "National Award for Greenery Factory"

Nissin Electric received the President Award for Encouragement by Japan Greenery Research and Development Center at the "Commendation for Outstanding Green Space Environment Factory 2020 (National Award for Greenery Factory)."



Customer Trust

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

Quality Improvement Activities

Quality policy

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

Quality Assurance System

At the Nissin Electric Group, the Quality Assurance Administration Department, which has the three functions of “company-wide quality control,” “planning, promotion, awareness-raising of quality improvement activities” and “response to customer inquiries and handling trouble reports,” has a company-wide role to continuously improve the quality management system. We’re working to ensure all of our employees and business partners are working towards quality improvements.

Quality Control

Status of ISO 9001 certification among Nissin Electric Group Companies

Region	Company name	First registration	Current edition	Certification
Japan	Nissin Electric Co., Ltd. Headquarters	1996. 7	2015 edition	2018. 3
	Nissin Electric Co., Ltd. Maebashi Works	1994. 1	2015 edition	2018. 3
	NHV Corporation	1995. 4	2015 edition	2017. 8
	Nissin Systems Co., Ltd.	2021. 6	2015 edition	2021. 6
	Nissin Ion Equipment Co., Ltd.	1996. 11	2015 edition	2018. 1
	Nippon ITF Inc.	2004. 1	2015 edition	2017. 8
	Nissin Pulse Electronics Co., Ltd.	2001. 12	2015 edition	2017. 10
China	Auland Co., Ltd.	1999. 5	2015 edition	2017. 5
	Beijing Hongda Nissin Electric Co., Ltd.	2009. 9	2015 edition	2017. 10
	Nissin Electric (Wuxi) Co., Ltd.	2005. 4	2015 edition	2016. 9
	Nissin Electric Wuxi Co., Ltd.	2005. 7	2015 edition	2017. 6
	NHV Accelerator Technologies Shanghai	2013. 2	2015 edition	2018. 9
Taiwan	Nissin Advanced Coating (Shenyang) Co., Ltd.	2016. 3	2015 edition	2018. 1
Taiwan	Nissin Allis Electric Co., Ltd.	1996. 2	2015 edition	2017. 6
Thailand	Nissin Electric (Thailand) Co., Ltd.	1998. 12	2015 edition	2018. 9
Vietnam	Nissin Electric Vietnam Co., Ltd.	2007. 12	2015 edition	2017. 2

Management based on quality manuals

The Nissin Electric Group has consolidated quality manuals at our Head Office & Works and Maebashi Works, taking advantage of good practices contained in both to strengthen management reviews* and directions from top management. This action assists in creating synergy between our quality assurance and customer satisfaction improvement efforts.

* Management review: A management control activity in which companies review their managerial systems, examining both positives and negatives. Reviews are performed through ISO-certified methods, among others.

Partner-linked quality controls

We consider our suppliers to be our partners. This means their quality control is part of our own quality control. We are, therefore, aiming to further improve the quality of outsourced and purchased products through appropriate supply chain management. By deepening communication through technical exchanges and reflecting the feedback received into manufacturing, we build a relationship of trust that goes one step beyond a business relationship, improve quality while solving common problems, and increase customer satisfaction.

Quality Control Training **GLOBAL**

Alongside providing training on the importance of quality to new employees and overseas group companies, we also conduct training, such as introduction and understanding of the standards, learning basic concepts and other important issues regarding quality management systems relating to ISO9001. We also provide training for assistant internal auditors. Our aim is to enrich the knowledge needed for quality improvement activities and to acquire the international standards necessary for efficiently implementing a PDCA cycle throughout our daily operations.

We also invite lecturers to conduct training on the study of failures. This action maintains and improves awareness of safety and quality among our employees and helps prevent recurrence of the malfunction by having them think logically about mistakes in their own divisions.



Training at Nissin Electric (Thailand) Co., Ltd.

Quality Improvement Initiatives

Design quality inspections

Ensuring product quality requires deciding, adhering and checking of basic standards and procedures under all circumstances. The Nissin Electric Group conducts quality inspections of each division’s design departments to assess the actual situation on the ground. We work with employees to improve quality by checking compliance with quality standards, highlighting issues, and proposing improvements.

Adoption of degree of quality assurance assessment

To increase quality assurance standards at the Nissin Electric Group, we have adopted a degree of quality assurance concept to objectively assess quality risks. The degree of quality assurance is an indicator to assess the extent to which malfunctions occur and issues are being prevented. It does this by using four different ranks to assign six levels of value by combining those ranks.

By comparing and assessing the degree of quality assurance before and after taking measures to prevent malfunctions, we are able to draft failsafe countermeasures for malfunctions using this system, as it allows objective measurement of these countermeasures and their suitability.

Enactment of Regulations to Prevent Quality Data Falsification

Given the revelations of quality data falsification seen at many of the leading corporations in Japan, the Nissin Electric Group implemented a survey to serve as an overall inspection of screening operations in fiscal 2017 and again in fiscal 2021. We are confirming that no events of a nature which would violates compliance matters are present in all the items for inspection, inspection content, and outcomes, as well as in judgments on quality.

We have enacted the “Regulations to Prevent Quality Data Falsification,” an initiative which is intended to prevent quality data falsification from occurring at the Nissin Electric Group, as well as prevent such data falsification in advance and continuously guarantee quality compliance. The status of inspections is regularly checked as part of internal audits.

Improving awareness of quality through global- and group-based competitions GLOBAL

The Nissin Electric Group has held Quality Competitions since fiscal 2012 to ensure that each and every employee fully understands the importance of quality, as well as to facilitate improvements. These competitions enable us to share examples of quality improvement in each department and group company and exchange information to raise and improve awareness of quality throughout the group globally.

Starting in fiscal 2018, we have held Safety and Quality Competitions, with competitions also held in the Chinese-speaking and ASEAN regions from fiscal 2019. Since fiscal 2020, competitions for the entire Nissin Electric Group, including overseas group companies, have been held online.

In fiscal 2021, the 2nd Chinese-speaking Region Safety and Quality Competition in April, and the 2nd ASEAN Region Safety, Environment, and Quality Competition in September were both held online. These events hosted reports on the status of safety, environmental, and quality initiatives at the Nissin Electric Group, and case study presentations on quality improvement activities at respective overseas group companies. There were also presentations on case studies of activities at the Nissin Electric Group to improve quality by means of tie-ups with partner companies. In addition, there were reports on analyses and countermeasures for malfunctions, as well as those on quality control training. In November, two teams comprised of overseas group companies which had been awarded prizes of excellence at the competitions for the Chinese-speaking and ASEAN regions took part in the 1st Global Safety, Environment, and Quality Competition, which was streamed online.



The 2nd ASEAN Region Safety, Environment, and Quality Competition

Promotion of quality control by the ASEAN Quality Commission GLOBAL

In fiscal 2020, the Nissin Electric Group launched the ASEAN Quality Commission to promote quality management at our overseas group companies in the ASEAN region. We support local quality improvement activities and the development of managers and leaders throughout Nissin Electric (Thailand) Co., Ltd. and Nissin Electric Vietnam Co., Ltd. by holding monthly online commission meetings and providing training on quality control.

We are also working to improve our quality management system by coaching managers and leaders to assess the status of defects that occur in each department, enabling them to investigate the causes and formulate measures to prevent recurrence.

The Creation of a System for Customer Feedback for Greater Improvements

The CS Center collects and analyzes customer feedback, providing swift responses

To gain even more trust from our customers, the Nissin Electric Group has established a CS Center.* The Center collects and analyzes customer feedback in a centralized manner, then forwards it to the relevant division, enabling improvements to our products and services and enhanced customer satisfaction.

We have also established an emergency contact system that is available 24 hours a day, 365 days a year. The system provides swift responses to customer problems such as equipment troubles. It works with specialized departments to investigate and restore the equipment on-site while incorporating COVID-19 countermeasures.

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

Prompt responses to questions and requests provided from customer surveys

We have conducted customer surveys at on-site inspections prior to product shipment, considering them to be a valuable opportunity to hear directly from our customers. We are also constructing a system to respond to questions and requests promptly. This action was achieved by filling questions and requests in a dedicated form, along with a deadline for a reply, which is fed back to each department.



Customer Trust

Promotion of Life Cycle Engineering

ICT-Based Customer Support Throughout the Product Life Cycle

The Nissin Electric Group uses life cycle engineering to support the products we deliver to our customers throughout their life cycle, from on-site installation work to on-site testing, maintenance, facility assessments, and renewal.

By integrating the related Life Cycle Engineering Business into Power Supply and Environment System Business and Beam and Plasma Business, in a business segment restructuring for fiscal 2021, we standardized management of customer information and information on engineering and maintenance and established our system to uniformly implement processes, from design and planning through to operations and maintenance.

Our basic policy is defined by the phrases, “safety and quality first,” “trust and peace of mind from the customers,” “good advisor for the customers,” and “grow and develop to meet customer needs.” We are using the policy to strengthen cooperative frameworks between on-site engineers, in-house engineers, and on-site workers through the use of ICT tools (smart glasses, dedicated blogs, business chat, etc.). We are also working to improve work efficiency. Related actions include automation of inspections by automating protection relay test and maintenance works and degradation assessment and remote maintenance through our unique assessment equipment and equipment assessment system that utilizes IoT.

The CS college at the Nissin Academy, the Nissin Electric Group’s education and training system, provides systematic and planned education and development according to technical skill and rank. The academy assists in the swift development of on-site engineers and managers who possess a wide range of knowledge and abilities, as well as comprehensive capabilities such as customer responsiveness and problem-solving skills.

We will continue to challenge ourselves to promote life cycle engineering that meets the needs of our customers.

Inspecting Electron Beam Processing Systems That Support Customer Production and Research GLOBAL

Electron beam processing systems manufactured by NHV Corporation allow improvements to specific features of materials and addition of new functions by exposure to electron beams. Over 400 systems have been delivered to 31 countries around the world, with these systems deployed by customers in production and research in automobile-related fields, healthcare, agriculture, and food product fields, among a wide variety of other fields. The majority of these systems operate around the clock, which means that regular inspections are vital for their stable performance.

NHV Corporation cooperates with its subsidiaries in the United States and China in conjunction with customers’ production and research activities to send employees to 31 countries around the world to conduct inspections. They also supply information and offer proposals on spare parts for aging critical components in equipment and the early recovery of equipment in the event trouble occurs. It is also holds regular online technical seminars for customers who are currently using electron beam processing systems or considering using or introducing these infrastructures. In addition to explanations of case studies on the effects and

applications of electron beams, starting from foundational examples, at the regular online technical seminars, they disseminate technical information in a blog format as “Useful information on electron beam processing systems” on the NHV Corporation website, based on customer requests at seminars.

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

Sharing Technology

Customer Training for Substation Equipment Maintenance

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

This training has been conducted at the Practical Training Building at the Nissin Academy Training Center. Working with numerous actual products and equipment has resulted in more practical and fulfilling training. The training uses our veteran engineers with a wealth of experience as instructors and focuses on practical aspects that cannot be experienced in day-to-day work.

To prevent the spread of COVID-19, placing priority on our customers’ safety, the training will ensure our customers are provided a safe training environment through thorough infection control measures, including avoiding the “Three Cs” (closed spaces, crowded places, and close-contact settings).

Details of customer training (sample itinerary)

Substation Equipment Maintenance Course (2.5 Days)

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



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.

Timely, Appropriate and Transparent Information Disclosures

Enhancing Information Disclosures

In accordance with the stipulations from the basic principle of “Ensuring Appropriate Information Disclosure and Transparency” from Japan’s Corporate Governance Code, we disseminate information, including ESG (environmental, social, and corporate governance) information that is useful for fostering understanding about Nissin Electric, as well as information prescribed by laws and regulations, based on timely and appropriate information disclosure.

Disclosure Policy

① Basic policy

Nissin Electric take the Five Trusts, “Customer Trust,” “Shareholder Trust,” “Societal Trust,” “Partner Trust,” and “Employee Mutual Trust,” as the Principles of Activities. We disclose information in a timely, accurate, and fair manner to strengthen our relationship of trust with our stakeholders.

② Timely and appropriate disclosure of critical information

When disclosing critical information,* the Nissin Electric Group complies with the Financial Instruments and Exchange Act and other relevant laws and regulations, and the “Rules on Timely Disclosure of Corporate Information by Issuers of Listed Securities” (hereinafter “Timely Disclosure Rules”) stipulated by the Tokyo Stock Exchange, where the Company’s securities are listed and strives to disclose information in a timely and appropriate manner.

* Critical information refers to corporate information that is required to be disclosed under the Financial Instruments and Exchange Act and other related laws and regulations, as well as corporate information that requires timely disclosure as stipulated in the Timely Disclosure Rules.

③ Voluntary disclosure of information

The Nissin Electric Group promotes the voluntary disclosure of corporate information, even information that does not fall under the category of critical information, in order to deepen stakeholders’ understanding.

④ Fair disclosure of information

In addition to complying with relevant laws and regulations and the Timely Disclosure Rules, the Nissin Electric Group strives to disclose information in a fair manner through press releases to the media and our website, etc.

⑤ Quiet periods

To prevent financial information from being leaked and to ensure fairness, the Nissin Electric Group designates a certain period of time prior to the announcement of financial results as a quiet period. During this period, it refrains from answering questions or making comments regarding financial results.

Communication with Investors

For company presentations for investors, which were traditionally intended to deepen understanding of Nissin Electric, we suspended on-site company presentation for individual investors in fiscal 2021 to avoid the Three Cs at venues, as a measure to prevent infections with COVID-19. We held earnings presentation for institutional investors in an online format and explained performance and outlook briefings for the entire Nissin Electric Group as well as those on our medium-to-long-term business plan “VISION2025.” We also respond to questions from investors individually by holding briefings using online conferencing systems.

Annual General Shareholders’ Meeting: A Forum for Constructive Dialogue

Based on our Corporate Governance Guidelines, Nissin Electric recognizes the annual general shareholders’ meeting as a forum for constructive dialogue with shareholders.

It was decided to hold the annual general shareholders’ meeting of June 2021, more than a week before the peak date for shareholders’ meeting, on June 18. Additionally, we issued early notification on our website (posted May 25) and early mail outs (mailed May 31) to shareholders to facilitate the exercise of their voting rights based on sufficient advance consideration of agenda, while continuing to consolidate the infrastructure for exercise of shareholder voting rights. This included the deployment of electronic voting platforms, smart voting (a simple method of voting using QR codes) and translating notifications of shareholders’ meetings into English. From 2020, the venue for the annual general shareholders’ meeting was changed to the Nissin Academy Training Center and the meeting was held with temperature checks on entry to the meeting venue in place, seating arrangements to ensure social distancing, and the installation of acrylic sheets, as measures to prevent COVID-19 infections.



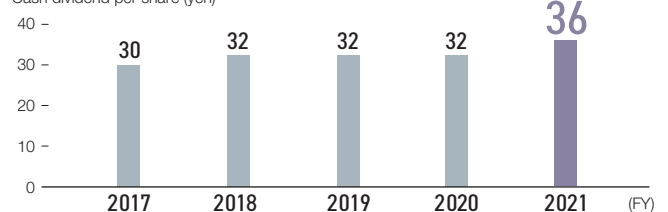
Annual general shareholders’ meeting in June 2021

Appropriate Profit Returns Based on Stable Cash Dividend

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

Cash dividend

Cash dividend per share (yen)





Societal Trust

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

Nissin Electric Group's Social Contribution Activities

The Nissin Electric Group conducts activities in three focus areas under its basic policy on social contribution activities.

Basic policy on social contribution activities

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

Focus areas of initiatives

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

Activities of the Nissin Electric Group Foundation for Social Contribution

In commemoration of the 100th anniversary of our founding in 2017, we established the Nissin Electric Group Foundation for Social Contribution ("the Foundation") as a way of thanking Kyoto that has allowed us to remain in business for so many years. Through the Foundation, the Nissin Electric Group aims to operate its business in a way that is more in-step with society.

Project details

- ① Support the development of engineers
Operation of a scholarship system for domestic and overseas students, alongside initiatives for expanding the horizons of engineers
- ② Preserve historical and cultural assets mainly in Kyoto
- ③ Cooperate with local environmental conservation activities
- ④ Other activities in line with the purpose of the Foundation's establishment

Support for the Development of Engineers

A Grant-based Scholarship Program for Technical Graduate Students

The Foundation operates a grant-based scholarship program for technical graduate students pursuing two-year master's degree programs.

In fiscal 2021, the Foundation provided scholarship to 28 students conducting research relating to electricity, plasma processing, information, and materials & mechanical systems.

As the number of students suffering from financial difficulties due to COVID-19 is increasing, the Foundation will contribute to the development of human resources who can support the industries of the future through supporting outstanding students who are ambitiously acquiring knowledge about advanced technologies.

Holding of scholarship student gathering

The scholarship student gathering has been held by the Foundation annually since fiscal 2016, as a forum to deepen and refine exchanges between fellow scholarship students researching in similar fields and working adults. In fiscal 2021, the gathering was held online, and consisted of reports and Q&A sessions on the details of their research and outcomes over the year by scholarship students, as well as advice and encouragement for their ongoing activities.



Fiscal 2021 scholarship student gathering



Holding of technical exchange meeting

For the 6th term scholarship students whose interactions to date had all taken place online due to the COVID-19 pandemic, a technical exchange meeting was held for those who wished to take part in December 2021. This involved overview of the Foundation and the Nissin Electric Group, tours of factories and the Practical Training Building at the Nissin Academy Training Center, as well as meetings for scholarship students and employees.



Tour of transformer factory



Meetings for scholarship students and employees

Cooperation with Kyoto STEAM Women's Support Seminar

A donation under the Foundation was made to Kyoto STEAM* Women's Support Seminar, held in Kyoto Prefecture with the aim of deepening involvement and comprehension of STEAM field faculty studies and works among female junior and senior high school students and expanding the scope of career options.

Female engineer at Nissin Electric took part in the seminar and offered advice in response to questions from junior and senior high school students and their guardians.



Advice in response to questions from junior and senior high school students

* STEAM: Science, Technology, Engineering, Art, Mathematics

Conclusion of a Comprehensive Partnership and Collaboration Agreement with Kyoto Women's University

To coincide with the opening at Kyoto Women's University of the Faculty of Data Science (currently applying for approval) in the 2023 academic year (starting April 2023), Nissin Electric concluded a comprehensive partnership and collaboration agreement on

education, research, and human resource development with this university in July 2021. Based on this agreement, the Nissin Electric Group will contribute to the development of the human resources which will be needed in the future and the improvement and practical implementation of technologies by actively collaborating in learning for the resolution of challenges, as well as by hosting internships.

Holding of On-site Science Classes for Elementary School Students and Cooperation with Events in Maizuru City

To help improve interest in the sciences among children, Nissin Electric holds on-site science classes for elementary school students and cooperates in environmental education and hands-on classes conducted by local governments.

In fiscal 2021, science classrooms for *rakugo* storytelling on the environment “A closer look at sewers” and lecture “All about water events” were held. At these events students had the chance to learn in a fun way about the importance of water and the environment. In addition, we set up an exhibition booth to generate electricity by pedaling experience at the “Have Fun with SDGs Initiatives,” SDGs promotion project hosted by Maizuru City, where booth attendees were able to experience firsthand the difficulty of power generation and the importance of electricity.



On-site science classes for elementary school students



Generate electricity by pedaling experience

Initiatives for Expanding the Horizons of Engineers

Assisting with online international competitions **GLOBAL**

The Foundation continues to support the Global Enterprise Challenge, an international competition for business ideas held by the Center for Entrepreneurship Development, a non-profit organization, for high school and vocational college students.



Top-prize winning team in the 2022 Japan qualifiers

Assisting with programming classes

The Foundation continues to support Creative Adventure, a non-profit that holds programming classes, providing a place for children to learn after school and during long vacations.

Assisting with workshop of robots

We continue to support the “KakeRobo monozukuri classes,” a workshop of robots organized by Kakehashi mirai, a non-profit, through the Foundation.

Scholarships for junior high school students in Thailand and Vietnam **GLOBAL**

The Foundation also supports schooling for junior high school students in Thailand and Vietnam through donations to Darunee Scholarship of Education for Development Foundation Japan.

Preservation of Historical and Cultural Assets Mainly in Kyoto

Cooperation with Kyoto Prefecture

The Foundation concluded a partnership agreement in fiscal 2018 for the protection and maintenance of cultural properties in the Kyoto area, continuing to provide support through donations.

In fiscal 2021, these donations were used for ongoing projects to repair and maintain the former main building of the Kyoto Prefectural Hall, a national important cultural property, and to improve the appearance of the courtyard, in addition to projects operated by the Kyoto Prefectural Fund to Protect and Convey Cultural Properties.



Weeping cherry tree in the courtyard of the former main building of the Kyoto Prefectural Hall

Cooperation with Kyoto City and Kyoto Center for Community Collaboration

The Foundation is providing ongoing donations based on a three-party cooperative agreement signed in fiscal 2017 between Kyoto City and the Kyoto Center for Community Collaboration. Donations made in fiscal 2021 will be used for the repair of the stone monument “Notes of Pine Trees Given by the Emperor” in Murin-an garden, a nationally designated Place of Scenic Beauty as well as for the repair of cultural properties designated and registered by the city, and for renovation projects for the preservation and continuation of *Kyomachiya* houses.



Stone monument “Notes of Pine Trees Given by the Emperor” in Murin-an garden

Assisting Kyoto City University of Arts to Conserve and Restore Cultural Properties

The Foundation concluded a tripartite agreement with Kyoto City University of Arts and Kyoto City Government in June 2021, allowing it to provide yet further support by promoting the restoration of cultural properties and training of repair technicians, through the Kyoto City University of Arts’ support for future artists “100 People of Goodwill.”

Cooperating with Local Environmental Conservation Activities

“Nissin Electric Forest” Preservation Activities in Kyoto and Maebashi

Based on an agreement for forest maintenance, the Nissin Electric Group and the Foundation have set up “Nissin Electric Forest” in Nantan City, Kyoto Prefecture and at the southern foot of Mt. Akagi in Maebashi City, Gunma Prefecture, where they are conducting forest preservation activities. In some areas of the prefectural forest of Mt. Akagi, commemorative trees were planted coinciding with the cultivation of Japanese black pines. We will continue to plan tree nursery work such as the removal of undergrowth while further promoting tree plantings.



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.

Promotion of CSR Procurement

Basic principles of our procurement policy

Nissin Electric stands on the principles of fairness and equal opportunity, and seeks out partners without making judgments based on nationality, business size, or the existence or lack of past dealings.

Criteria for determination prior to initiating business dealings

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

Establishing and Raising Awareness of CSR Procurement Guidelines

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

In 2013, we established the Nissin Electric Group CSR Procurement Guidelines, publishing them on our website. We asked our partners to actively promote these guidelines. We would also like to ask our partners to inform and to promote these to their business partners.

Nissin Electric Group CSR Procurement Guidelines (excerpt)

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

Green Procurement Initiatives

The Nissin Electric Group is committed to environmental conservation and harmony in all aspects of its corporate activities, including through developing new technologies and products that contribute to environmental conservation and by organizing committees specializing in energy conservation, resource conservation and recycling, and other activities to address environmental problems.

With this in mind, we have established BASIC GUIDELINES FOR GREEN PROCUREMENT, which are available on our website. These guidelines aim to promote green procurement, which prioritize procuring goods and services that have less impact on the environment and aim to eliminate or reduce the use of hazardous chemical substances. We are promoting green procurement together with our partners based on these guidelines.

CSR Procurement Survey

We conduct a CSR procurement survey that targeted partners with 90% of total transaction amount in Japan. The survey allows us to monitor the penetration of CSR initiatives in our partners' procurement activities.

In fiscal 2021, in addition to conducting a survey at our headquarters region and in the Maebashi region, we initiated a questionnaire survey for business partners of domestic group companies.

Our entire group will ask business partners to further promote towards CSR-based procurement, using this survey to form a stronger relationship of trust.

Partnerships Throughout Our Supply Chain

Our "Declaration of Partnership Building"

We announced our Declaration of Partnerships Building* with the aim of producing new partnerships through promoting cooperation, coexistence, and mutual prosperity with our supply chain business partners and value-creating businesses.



Declaration logo

* Declaration of Partnerships Building: An initiative created by the Council on Promoting Partnership Building for Cultivating the Future, whose members include the Chairman of Keidanren, the President of the Japan Chamber of Commerce and Industry, the President of the Japanese Trade Union Confederation, and relevant ministers.

Partnerships

Holding the Partner Meetings

We hold partner meetings with our partners to further strengthen our win-win relationships with them. At the meetings, we explain our management and operation status and CSR procurement guidelines and present awards to partners who have contributed to Nissin Electric.

In fiscal 2021, we held a meeting in an online format for the first half of the year, with the meeting for the second half of the year attended only by those business partners who were receiving awards and accompanied by an online stream of the proceedings at the event venue.

We will continue to host partner meetings and actively build favorable partnerships with our business partners.

Support for Enhanced IT Literacy of Business Partners

There have been considerable changes in business style occasioned by the ongoing COVID-19 pandemic, and we are actively deploying and establishing a variety of IT uses in our day-to-day work, including in remote work. At Nissin Electric, we hold lectures, such as those on uses of tablet devices and online meetings, as well as cooperating with courses on using IT held with outside lecturers. By these means we are supporting the creation of an environment for the day-to-day holding of online meetings and business negotiations using IT devices at our major business partners.

Since fiscal 2016, Nissin Electric has been working with our partners to create environments that ensure information security is maintained as part of our supply chain management policies. Related actions have including opening a dedicated help desk in our Information System Department for consultations relating to information security.



Cooperation with courses on using IT

Initiatives of Council for the Promotion of Smart Activity

We established the Council for the Promotion of Smart Activity in January 2019 with the belief that it is important for us and our major business partners to deepen communication and work more closely together than ever before to address and solve management challenges, including lack of human resources due to the declining birthrate and aging population and complying with laws related to work style reforms.

In fiscal 2021, we held the 10th council meeting in April and the 11th in June, both in an online format, with briefings on the Nissin Electric Group's medium-to-long-term business plan "VISION2025," as well as SDGs initiatives and operations plans of business divisions, thus strengthening ties with our business partners.

In October, we held the 12th council at the Nissin Academy Training Center with thorough measures to prevent COVID-19

infections in place. In conjunction with this, we held the 1st study group to begin initiatives to link up with Nissin Electric's major business partners toward the reduction of GHGs such as CO₂ emissions from business activities.



Online council meeting



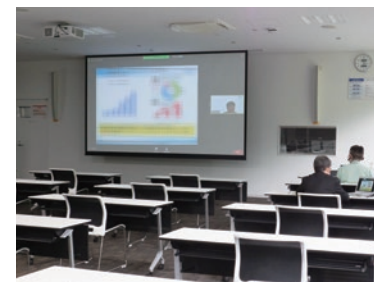
Study group on reducing CO₂ emissions at the 12th council meeting

Partnerships with Distributors

Holding of Business Partner Gathering

In recognition of the expansion of business domains aimed at all Nissin Electric Group, and with the aim of synergy effects from activated interactions among diverse business sectors, we have held the Business Partner Gathering since fiscal 2019. These gatherings have been used as opportunities to activate exchanges of information and opinions among partners, by means of sharing of business strategies and facilitating interactions which had not previously existed, with the aim to enhance ties and sales capacities of the Nissin Electric Group and each of its partner companies.

This had to be cancelled in fiscal 2020 due to the COVID-19 pandemic but was held in an online format in fiscal 2021, with 125 participants from 40 companies, including distributors of Nissin Denki Shouji Co., Ltd. which carry general-purpose products of other companies, and partner companies with sales markets overseas, taking part.



Held in an online format based at the Nissin Academy Training Center



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.

Promote Safety and Health Awareness

Basic safety management policy

Safety takes precedence over all else

Basic goals for fiscal 2021

Zero serious accidents and residual disability accidents

- Workplace accidents: 15 accidents or less
- Occupational illness: Zero

Workplace Safety and Health Inspection Efforts

The Nissin Electric Group will practice “deciding, adhering and checking (rules and procedures)” and rebuild a safety culture with “zero three serious occupational accidents (transport-related injuries, electric shock, and falls)” and “building safety-conscious people and systems” as priority activities. In addition to the president’s safety inspection, we conduct workplace health and safety inspections every month via the Safety and Health Committee to check the status of legal compliance, and make improvements in work posture, 5S, etc., for any deficiencies and defects. We promote improvements in facilities and working methods, sharing case studies and countermeasures on “near misses” and “concerns,” while implementing activities to preempt hazards in the workplace. In addition, we are reviewing management protocols toward the creation of a unified management system for chemical substances.

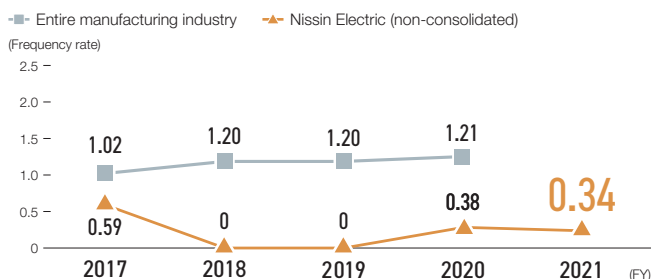


President's safety inspection

Implementing Safety Education

The Nissin Electric Group focuses on safety education, such as risk hands-on training. We are also aiming to improve the abilities of safety managers and machinery operators through rank-based training. We will continue to foster a corporate culture that puts safety first, with the core value of “safety takes precedence over all else.”

Industrial accident frequency rate (disabling injury frequency rate)*



Note: The figures for the entire manufacturing industry in FY2021 are omitted because they were not yet announced by the Ministry of Health, Labor and Welfare as of March 2022 when this graph was created.

Period covered by data: January 1-December 31 of each fiscal year
 Scope of data: Employees directly employed by Nissin Electric (non-consolidated) only
 * Frequency rate = (number of casualties due to industrial accidents ÷ total number of actual working hours) x 1,000,000

Workplace Safety and Health Activities within the Group and Globally GLOBAL

At the Nissin Electric Group, we have also launched Safety Committees at overseas group companies in the ASEAN and Chinese-speaking regions, holding monthly online factory inspections on Japan-standard safety criteria and required levels of safety. We are working to improve sensitivity to hazards and provide guidance on what to look for during inspections to safety managers at each company, promoting disaster countermeasures and advance prevention initiatives for disasters.

In addition, we hold competitions to present case studies of improvements made at each division and group company and to share information so that each and every employee fully understands the importance of safety and is taking active steps improve. In fiscal 2021, Nissin Electric (Wuxi) Co., Ltd. and Nissin Electric (Thailand) Co., Ltd. which received the excellence award at the competitions for the Chinese-speaking and ASEAN regions came together for the 1st Global Safety, Environment, and Quality Competition held in November, to facilitate a furthered improvements in awareness of safety.



Workplace safety and health activities at Nissin Electric (Thailand) Co., Ltd.

Health Management

Stress Check Implementation

The Nissin Electric Group has implemented an annual stress check for all group employees since fiscal 2016, with the aim of advance prevention of mental health concerns. In fiscal 2021, 92% of employees took the stress check, with physician-led consultation provided primarily by an industrial physician to those persons who wished to avail of consultation among employees identified as having high levels of stress. In addition, we gave overviews of self-care strategies to everyone who took the stress check and introduced occupational health staff including the industrial physician, as well as on-site counsellors, and telephone, email, and in-person consultations services from external bodies. We offered feedback to respective division managers on the outcomes of collective analysis of the stress check and are promoting initiatives for the improvement of workplace environments in cooperation among division managers, the Human Resources Department, Human Resources Development Department, and occupational health staff.

External evaluations

Certified 2022 Outstanding Health and Productivity Management Organization by the Ministry of Economy, Trade and Industry

Nissin Electric was certified for 2022 Outstanding Health and Productivity Management Organization for large enterprise category. Continuing from the 2020 certification, this certification includes NHV Corporation, Nissin Business Promote Co., Ltd., and Nissin Denki Shouji Co., Ltd. For SME category, Nissin Systems Co., Ltd. and Nissin Pulse Electronics Co., Ltd. continue to receive certifications.

Promote Educational and Training Opportunities That Support Personal and Professional Growth

Nissin Academy Developing the Next Generation of Human Resources Who Will Play an Active Role

The Nissin Electric Group has operated the Nissin Academy, an education and training system, aimed at enhancing the motivation of employees and supporting their personal growth so they can contribute to society.

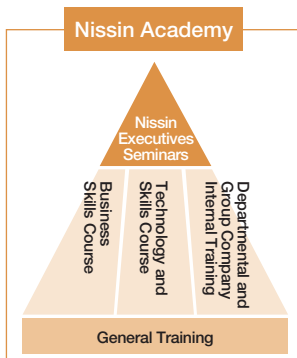
The president serves as the head of the Academy, the Human Resources Development Department acts as the secretariat, while executive officers serve as advisors. The Academy designs its training of human resource development in a way that captures the three themes, education and training for self-improvement, on-the-job training, and job rotation.

The Nissin Academy system consists of General Training, a Business Skills Course, a Technology and Skills Course, and Departmental and Group Company Internal Training. Attendance at courses centered around education based on rank to allow all employees to acquire the knowledge and thinking required for their position and job level is being made mandatory.

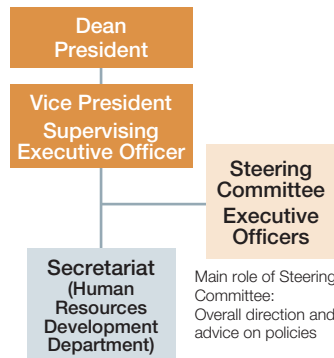
Goals of development

- Human resources who share the philosophy, business mindset, and vision
- Human resources who can use the PDCA cycle and have the ability to act as management
- Human resources who can solve problems and improve productivity
- Human resources who can think and act throughout the group globally

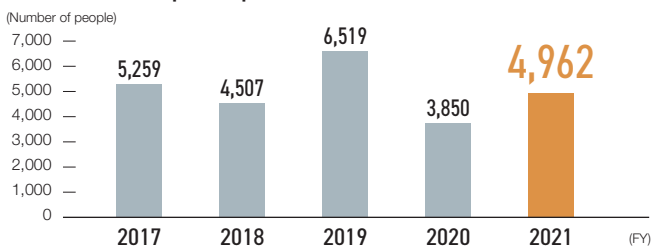
Education system



Management structure



Annual course participants



Conducting Employee Training and Education Within the Group and Globally GLOBAL

In collaboration with local interpreters, the Nissin Electric Group hosts online training focused on learning business skills, including those on using computer software, and on presentations and logical thinking, in overseas group companies in the ASEAN and Chinese-speaking regions.

In addition, we hold training designed to facilitate understanding of the Nissin Electric Group's Corporate Philosophy and share the aims of the medium-to-long-term business plan "VISION2025," to promote the development of group and global human resources, while also conducting training intended to improve awareness of safety and quality.

Skills Competition to Pass on Know-how and Improve Skills and the Quality of Work GLOBAL

The Nissin Electric Group holds the Skills Competition for the purpose of passing on know-how and improving skills and the quality of work of our engineers.

The fiscal 2021 Skills Competition involving four practical competitions (screw-tightened assembly, crimping and wiring connection, forklift truck, and reach forklift truck) were conducted accompanied by a live relay at the Nissin Academy Training Centers in the Kyoto region and the Maebashi region. Participants were also challenged in four other skills (coated arc welding, CO₂ arc welding, TIG welding, and air spray coating), in which participants sent in their competition materials to be judged. 128 engineers from Japanese and overseas group companies and partner companies participated throughout the Skills Competition. We are working to further improve professionalism by giving feedback from the judges on good points and aspects that need improvement.



Crimping and wiring connection competition

Small Group Kaizen Activities to Strengthen Our Manufacturing Foundation and Cohesiveness GLOBAL

Through small group kaizen activities that find problems in the workplace and in work, and accumulate improvements as a team, we aim to establish a way of working based on facts and data, and are promoting it globally to strengthen our manufacturing foundation and cohesiveness. Once a year, we hold a briefing on improvement activities for the previous year. At the global conference held online in July 2021, a total of eight teams—four from Japan, three Chinese-speaking teams, and one ASEAN team—presented their activities where they were examined from the perspectives of improvement process, results, continuity, and lateral roll out. We will continue to hold these conferences to raise employee awareness that will lead to the further growth of the Nissin Electric Group.



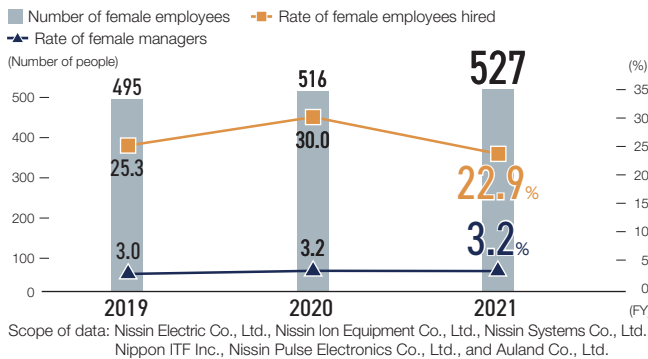
Employee Mutual Trust

Utilize a Diverse Workforce

Promote Diversity in Hiring Practices and Assignments GLOBAL

The Nissin Electric Group considers the securing of diversity in human resources essential for sustained growth and enhancing corporate value, actively promoting the hiring, assignment, and career development of female employees, as well as the recruiting of mid-career employees (career hiring). In addition, we promote the assignment of employees of foreign nationalities to executive and top management positions at overseas group companies.

Number of female employees, rate of female employees hired and female managers



Support for Further Participation of Women in the Workplace

Action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace (April 1, 2020–March 31, 2023)

- **Goal 1:** Expand the number of people who can use the career support system, which conducts interviews on the career development of employees who leave work due to childbirth or childcare. Increase the number of interviews and support women's success (Aim for five or more interviews per year)
- **Goal 2:** Create a new work-from-home system that can be used for childcare, elderly care, and treatment of illness to create an employment environment that makes it easy for both men and women to raise children, aiming for 60% of women who are balancing work and family to use this system

Encouraging use of the career support system

We have implemented a career support system that encourages their career development by career supporters, so that female employees can play an active role in a wide range of fields at Nissin Electric. There are also childcare leave supporters who introduce the use of the work-life balance support system and consult with employees. We are working to create a culture where they can return to work with peace of mind by interviewing both supporters to create an opportunity to think about their future careers and to relieve any anxiety about changes in working styles. We are also working to establish the system by expanding the scope to female employees who have taken childcare leave. In fiscal 2021, 15 employees used the career support system.

Promoting Employment and Expanding Business with People with Disabilities Playing a Leading Role

Nissin Heartful Friend Co., Ltd. (NHF) was established in September 2015 as a place for people with disabilities to achieve social independence and create rewarding work in which they can play a leading role. In March 2016, NHF received certification as a special subsidiary of Nissin Electric Co., Ltd., receiving special subsidiary certification with other related companies in the group later in December.

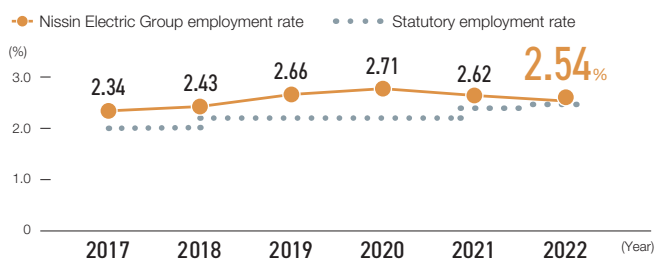
The NHF Kyoto office employs 20 people (including 16 people with disabilities) and the NHF Maebashi office employs eight people (including five people with disabilities) (as of April 1, 2022).

NHF undertakes a wide range of work that includes data entry (such as business cards and forms), catalog management and manufacturing assistance work, and managing green space and on-site work at the Human Resources Department of Nissin Electric, in addition to the digitization documents and drawings that it has accepted from the Nissin Electric Group since its inception. Moreover, we are newly outsourced operations relating to confirmation of pre-vaccination screening questionnaires for COVID-19 workplace-based vaccinations. We will continue to work together to expand its business.



Start of green space management at the NHF Maebashi office

Employment rate of people with disabilities



Note: Figures up to 2021 are as of June 1 for each year, and figures for 2022 are to the end of March.

Scope of data: Nissin Electric Co., Ltd., Nissin Ion Equipment Co., Ltd., Nissin Systems Co., Ltd., Nippon ITF Inc., and Nissin Heartful Friend Co., Ltd.

Encourage Diverse Work Styles and Work-Life Balance

Creating a fulfilling and worker-friendly workplace

Nissin Electric is implementing various measures to improve productivity and create a meaningful style of work, as "Smart Activities," with the aim of "making corporate culture accepting diverse views and workstyles."

We launched the Labor-Management Expert Committee for the Promotion of Smart Activities and are further focusing on creating a culture that recognizes various work styles and diversity by drafting and deploying guidelines for using work-life balance

support system. Also, the Work Style Reform Promotion Office was established within the Human Resources Department in fiscal 2021 to support the creation of workplace environments where each of employees can collaborate by demonstrating their unique abilities and realize “fulfilling workplace” that allows them to take on new challenges each day and “worker-friendly workplace” through flexible work styles.

Advancing Smart Activities and Encouraging Use of Our Work-Life Balance Support System

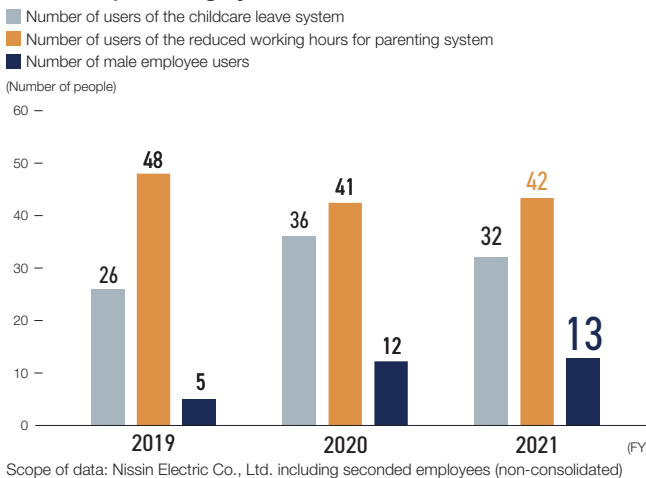
Action Plan Based on the Act on Advancement of Measures to Support Raising Next-Generation Children (April 1, 2020–March 31, 2022)

- **Goal 1:** Create an environment where it is easy for male employees who wish to take childcare leave can take it, and aim for eight or more male employees to take childcare leave annually
- **Goal 2:** Create a new work-from-home system that can be used for childcare, elderly care, and treatment of illness to create an employment environment that makes it easy for both men and women to raise children
- **Goal 3:** Achieve rate taking annual paid leave of 67%

Encourage male employees to use childcare leave system

We have been sending “letters for childcare leave” to employees who have children and their superiors from fiscal 2019. We are further promoting the use of the support system for male employees to support their spouses after birth and to share childcare, such as introducing the experiences of taking childcare leave in a letter addressed to male employees and hearings from senior employees encouraging them to use the childcare leave system.

Number of users of childcare leave and reduced working hours for parenting system



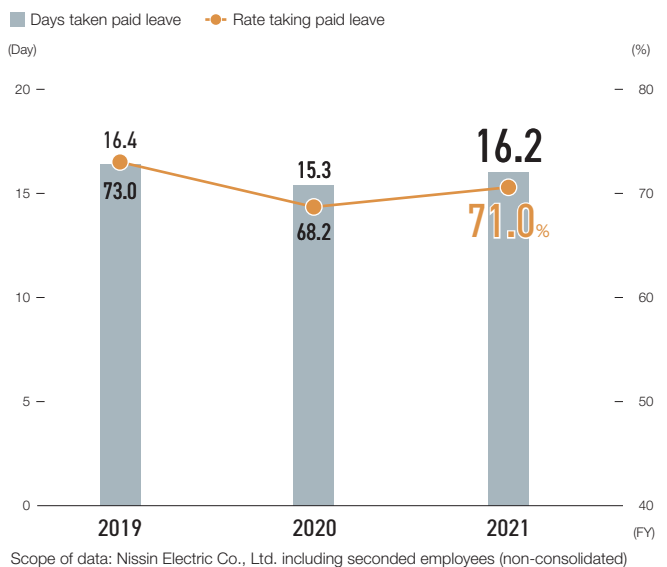
New work-from-home system to promote flexible work styles

We are conducting trials toward establishing a work-from-home system for childcare, elderly care, and treatment of illness and exploring ways to create systems which allow employees to work flexibly and in peace of mind.

Encourage employees to take various paid leave

We have introduced various leave systems, including paid leave by the hour system, half-day leave system, clear leave system, and special leave system, to make it easy for employees to take time off for diverse life events and stages of their lives. We have identified the how much time off each employee takes, and when we learn of individuals who have not taken much time off, we are encouraging employees to take paid leave.

Days of annual paid leave and rate taking paid leave



External evaluations

Certified “Platinum Kurumin” by the Minister of Health, Labor and Welfare

In December 2020, we received the special certification “Platinum Kurumin” based on the Act on Advancement of Measures to Support Raising Next-Generation Children.



Platinum Kurumin certification mark

Strengthen Communication

Employee Satisfaction Survey

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

The fiscal 2021 survey targeted around 3,000 people and received a response rate of 92.9% that included numerous opinions. In addition to offering feedback on the survey results to each division, we share survey results alongside messages from division managers and presidents of domestic group companies on the internal company website. We also use the survey results to identify the issues of the group overall and to implement measures to further improve the work environment for employees.



Initiatives for Fair and Transparent Corporate Management

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

Corporate Governance

Basic Philosophy on Corporate Governance

The Nissin Electric Group's Principles of Activities aims to build robust relationships of trust with stakeholders (customers, shareholders, society, partners, employees), while the Group's Corporate Philosophy aims to contribute to achieving a vibrant society in harmony with the environment through corporate activities that support the foundations of society and industry.

We will strive to further enhance corporate governance based on the following basic philosophy in order to operate our business based on the above Corporate Philosophy and realize sustainable growth and enhance our corporate value.

- ① We will create an environment in which shareholders can exercise their rights appropriately and ensure the equality of shareholders.
- ② We will strive to build relationships of trust with stakeholders, such as customers and shareholders.
- ③ We will disclose company information in a timely and appropriate manner to ensure transparency.
- ④ We will establish a system in which the Board of Directors can fully exercise its functions of basic policy-making and supervision of management.
- ⑤ We will aim for sustainable growth and enhance our corporate value over the medium to long term through constructive dialogue with shareholders.

In June 2021, a revised Corporate Governance Code went into effect, and in November 2021 we revised our Corporate Governance Guidelines to comply with the principles in the revised Corporate Governance Code and issued a Corporate Governance Report.*

* The Nissin Electric Group Corporate Governance Guidelines and Corporate Governance Report can be accessed on the company website.

Corporate Governance Structure

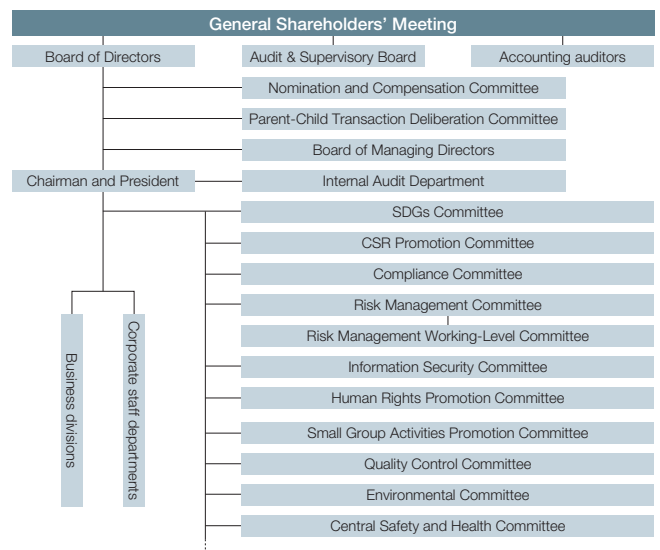
The Nissin Electric has outside directors accounting for more than one-third of our directors. We have an Audit & Supervisory Board with a total of five outside officers, comprised of two outside directors and three outside auditors (each includes one female officer). The Board of Directors and the Audit & Supervisory Board are composed of members of diverse backgrounds in terms of gender, global awareness, work experience, financial and accounting, and legal knowledge and carefully balances experience and ability.

The Board of Directors sets up an appropriate structure for internal control of the entire group and group-wide risk management and also utilizes the Internal Audit Department for monitoring of the operation of this system.

To ensure that the Nissin Electric Group does business legally and properly, auditors, the Internal Audit Department, and accounting auditors mutually collaborate on three-way audits (namely, an auditor's audit, an internal audit, and an accounting

audit). The Corporate Governance structure also includes the Nomination and Compensation Committee, which is in charge of such matters as appointing and dismissing executive officers and director compensation, and the Parent-Child Transaction Deliberation Committee, which deliberates on important transactions and behavior that involve conflicting interests between the parent company and minority shareholders.

Corporate governance structure



Thorough Compliance

Basic Policy on Compliance

The Nissin Electric Group believes that compliance in the form of strictly observing laws, regulations, and corporate ethics is the core of management and forms the fundamental foundation for the Group's future staying power and growth. We therefore strive to thoroughly comply with all laws and regulations, observe our Principles of Activities by building relationships of trust based on our Business Mindset, and realize our Corporate Philosophy. Moreover, we will continue to focus on developing a global business, and we will further strive to observe and respect human rights, international rules, and the laws and culture of every country through the actions of every employee.

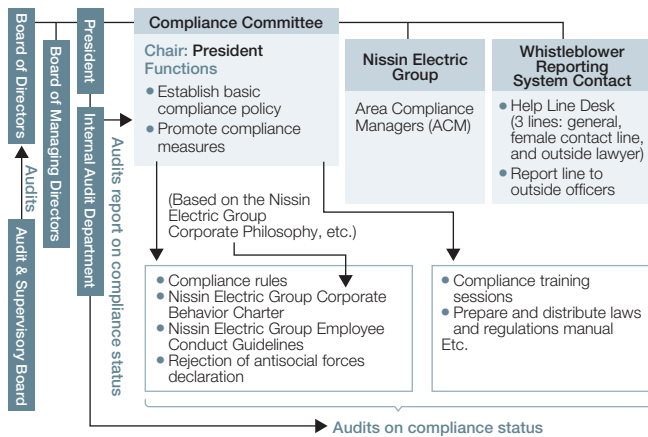
Maintaining the Excellence of Our Compliance System

Based on the Nissin Electric Group Corporate Philosophy, Principles of Activities, and Business Mindset, the Nissin Electric Group has established the Nissin Electric Group Corporate Behavior Charter and the Nissin Electric Group Employee Conduct Guidelines. We strive to make every group employee in Japan and overseas aware of these declarations by, for example, distributing them in pamphlet form both in Japanese and in translations into every language represented in the group. In addition, we further instill the principles of compliance through the Compliance Committee that promote policy, education, and awareness-raising activities in cooperation

with the Area Compliance Managers* at every workplace and group company.

* 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



Enhancement of the Whistleblower Reporting System

As a compliance-related whistleblower reporting and consultation contact, including human rights and harassment issues, the Nissin Electric Group has set up a Help Line Desk (3 lines: general, female contact line, and outside lawyer) as well as a report line to outside officers. In addition, we have established company rules to ensure that whistleblowers are treated properly. The Help Line Desk received 23 consultations in fiscal 2019, 17 in fiscal 2020, and 20 in fiscal 2021, and we work to independently rectify and resolve problems before they become serious.

Promotion of Compliance Education

In fiscal 2021, we conducted nationwide compliance training sessions for employees in Japan covering such topics as cartel and bid-rigging prohibitions and thorough compliance with the Subcontractor Act. In addition, we conducted compliance training sessions for executive officers (two times a year) that cover such topics as important points to observe concerning the Antimonopoly Act when forming business partnerships.

Moreover, in China and the ASEAN region we conducted overseas group employee compliance training sessions based on the laws and regulations of each country.

Other efforts to make our employees aware of the importance of compliance include a monthly compliance message for all group employees posted on our internal company website, the quarterly group newsletter *Nissin* containing articles on compliance topics, and regular reminders to always faithfully observe compliance.

Prohibition of Bribery

The Nissin Electric Group Employee Conduct Guidelines state that “we pledge to adhere to proper business practices and to refrain from engaging in acts of bribery or giving or accepting any

excessive hospitality or gifts,” and we make every effort to stress the importance of observing our policy of prohibiting bribery to group employees both in Japan and overseas.

Respect for Human Rights

In the Nissin Electric Group Corporate Behavior Charter, which states the norms of behavior that all employees must follow, and in the Nissin Electric Group Employee Conduct Guidelines, which establish the standards of practice that employees should follow when conducting day-to-day business, the Nissin Electric Group commits to respecting fundamental human rights and to not practice discrimination. In addition, we have established the Human Rights Promotion Committee as a company-wide cross-functional organization.

Moreover, we have clearly stated the company policy of prohibiting harassment, and we have revised the relevant rules of employment and notified all employees about these changes.

In addition to a fair employment selection process free of discrimination based on race, gender, nationality, disability, or anything else, we promote awareness-raising activities that deepen proper understanding and awareness of various issues concerning human rights, and thereby cultivate mutual respect of human rights among all employees and create a vibrant and positive workplace.

Human rights education and training

Besides training by level for new employees, career employees, and newly appointed management-level employees, we periodically conduct awareness training for members of the Human Rights Promotion Committee as well as for all employees. Moreover, In fiscal 2021, we conducted group training and online courses on such topics as the human rights-related problems of power and sexual harassment prevention and corporate ethics.

Partnerships with external organizations and government

The Nissin Electric Group is a member of the Industrial Federation for Human Rights, Kyoto, and besides participating in training workshops and courses sponsored by Kyoto Prefecture and the City of Kyoto, we take part in a variety of awareness-raising activities aimed at promoting respect for human rights.

Risk Management

Thorough Risk Management

The Nissin Electric Group meticulously manages the risks that can damage our business and promotes measures to prevent the occurrence of loss. Moreover, in order to minimize loss, maintain business continuity, and recover quickly in the unlikely event that an emergency resulting in loss occurs, each business division has prepared a business continuity plan (BCP) and has organized and operates a management and countermeasures framework for responding to all kinds of risk.

In order to promote group-wide risk management and countermeasures, including business risk, the Nissin Electric Group has established the Risk Management Committee to decide on the group’s risk management approach, including basic policies and countermeasures. Moreover, countermeasures and the like for especially important matters related to business risk are deliberated



Initiatives for Fair and Transparent Corporate Management

by the Board of Managing Directors, while the Risk Management Working-Level Committee takes specific and concrete actions for all other risks. In addition, the Risk Management Committee monitors the status of risk management in cooperation with the Internal Audit Department and auditors and rectifies any problems that monitoring discovers.

In every business division and group company, the division general manager or group company president serves as the risk manager responsible for promoting risk management and measures for the division or group company.

In addition, designating a division responsible for each risk category enables us to cross-organizationally manage risks that affect the entire group.

Risk management structure



Measures Against Infections

Efforts to prevent the spread of COVID-19

Based on the following policies established by the COVID-19 Response Headquarters, the Nissin Electric Group is continuously taking action to prevent the spread of COVID-19.

Our basic policy

- ① We place the highest priority on ensuring the health and safety of local residents, customers, partners, employees working in the group, their families, and all other stakeholders.
- ② We respond to the needs of customers and society in which the group operates.
- ③ All employees working in the Nissin Electric Group will always be alert and practice a “New Lifestyle” based on government guidelines, etc. in order to prevent recurrence of the spread of COVID-19.

In addition to restrictions on behavior during business trips and social gatherings and other restrictions on behavior appropriate to infection conditions, the Nissin Electric Group has conducted at-work corona virus vaccinations in accordance with government policy.

Moreover, as a “new normal” workstyle, we encourage remote work, flexible work hours, and other flexible work approaches, and we promote doing such activities as education and training, customer support, technical support, and on-site inspection of manufactured products remotely.

We will continue to further strengthen our risk management and implement measures appropriate to changes in the business environment.

Disaster Preparedness

Safety confirmation system

The Nissin Electric Group has put in place an emergency contact system for confirming the safety of employees and family members. When an earthquake greater than 5 on the *shindo* (seismic intensity) scale occurs, the system automatically sends a safety confirmation email to employees residing in or commuting to the affected area. The system automatically tabulates the responses, and safety conditions are then evaluated on an organizational and individual level and action appropriate to conditions are taken.

Regular disaster prevention drills

Every business facility organizes a firefighting team and conducts regular drills under the guidance of, and in cooperation with, the fire department. The drills include a drill sequence covering everything from leading evacuations to conducting roll calls and reports and skill and knowledge instruction aimed at improving firefighting skills.

IT infrastructure to enable business continuity

Important communication lines in Japan between business facilities and between business facilities and data centers are duplicated, so that if a communication circuit is somehow damaged, operation automatically switches to a backup line and business continues unaffected. In addition, major overseas affiliated companies are strengthening their communication networks by installing dedicated lines and other improvements. Moreover, the digital data and computer systems required for sustaining business operations are consolidated in an in-company server located in a data center possessing a security system equipped with private power generators and outstanding seismic durability. As a countermeasure against server malfunctions or damage, data and system back up is stored in different media in different locations, thus ensuring that our IT system can continue functioning even in the unlikely event of a natural disaster striking the Head Office & Works.

Utilizing ICT and Thorough Information Security

The Nissin Electric Group has established the Information Security Committee chaired by the group’s executive officer in charge of information systems, and we carry out timely revisions of company rules and regulations in accordance with social conditions, have put in place a variety of measures to prevent information security problems such as leaks, and conduct security training for company employees and business partners. Measures we took in fiscal 2021, during the corona virus pandemic, include expanding our communication tools and the scope of log monitoring so that they can support a variety of workstyles, including remote work.

External Main Awards and Certifications

2021

Jun.

Nissin Ion Equipment Co., Ltd.
The 27th Semiconductor of the Year 2021
Grand Prix in the Semiconductor Manufacturing
Equipment category
Ion Implanter for SiC Power Devices
“IMPHEAT-II,” Which Has About
Three Times the Productivity of
Conventional Systems
Electronic Device Industry News



**Nissin Electric Co., Ltd.,
Nissin Electric Group Foundation
for Social Contribution**
Kyoto Prefecture Donor Recognition
Kyoto Prefecture

**Nissin Electric Co., Ltd.,
Nissin Ion Equipment Co., Ltd.**
AM-FPD'21
AM-FPD'20-Best Paper Award
International Society of
Functional Thin Film Materials
& Devices



Oct.

Nissin Electric Co., Ltd.
The 70th Electric Industry Technology Achievement Awards
Encouragement Award
Development of Power Wheeling Function That
Contributes to Improving the Ratio of Renewable
Energy and Reducing CO₂ Emissions
Japan Electrical Manufacturers' Association (JEMA)

Nov.

**Nissin Electric Group Foundation
for Social Contribution**
Kyoto City Donor Recognition
City of Kyoto

Nissin Electric Co., Ltd.
Kyoto Prefectural Regional Development Excellent
Construction Contractor Commendation
Encouragement Award
Construction of the Rakusai
Purification Center for the
Right Bank of the Katsura
River Basin Sewerage
System
Kyoto Prefecture



2022

Mar.

**Nissin Electric Co., Ltd.,
NHV Corporation,
Nissin Business Promote Co., Ltd.,
Nissin Denki Shouji Co., Ltd.**
2022 Outstanding Health and
Productivity Management Organization
(large enterprise category) certification
Ministry of Economy, Trade and Industry



**Nissin Systems Co., Ltd.,
Nissin Pulse Electronics Co., Ltd.**
2022 Outstanding Health and
Productivity Management Organization
(SME category) certification
Ministry of Economy, Trade and Industry



External Evaluations

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

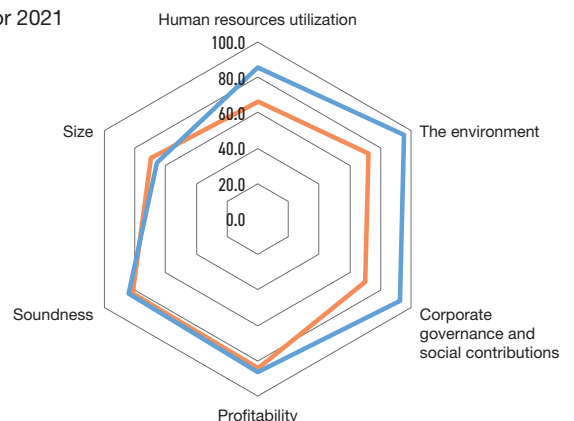
The 16th CSR Rankings (Weekly Toyo Keizai, March 5, 2022 edition)

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

In 2021, we were ranked 166th (compared with 159th in 2020) among 1,631 companies (1,362 valid responses). Despite a drop in the overall ranking, as we did last year, we received an evaluation of AAA for all four areas of CSR activity.

Score radar chart for 2021

— Nissin Electric
— Industry average (electrical equipment)



Survey: Toyo Keizai Inc.

Forge a bright future for both people and technology



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Sekison-tei

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

When the Nissin Electric Group, bound by fate, took over the residence in 1956, Tanizaki renamed it "Sekison-tei." For over half a century until now, we have 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 the Nissin Electric Group puts its Principles of Activities of "Integrity, Trust and Long-term Relationships" into practice.