

NISSIN REPORT 2021

Company Profile / Sustainability Report

NISSIN
ELECTRIC



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

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





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 **Integrity, Trust and Long-term Relationships**
We take the following Five Trusts as the principles of our activities. (Customer Trust, Shareholder Trust, Societal Trust, Partner Trust, Employee Mutual Trust)

Business Mindset **“Venture Spirit” fostered since our founding**
—The spirit to develop a future with high ambitions and a passion for constantly taking up challenges

The spirit of “New Each Day” embedded in our company name

—The unwavering spirit to seek something new each day and make constant efforts toward one’s goals

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

—The spirit to accept different things and eventually internalize them

Company Outline (as of March 31, 2021)

Company Name	Nissin Electric Co., Ltd.
Incorporated	April 11, 1917
Stated Capital	10,252,845,127 yen
Employees	5,236 (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 achieving the 17 goals of the SDGs through all its activities. Among them, the main goals to be tackled through our business activities are as shown below.



Note: For more on the Nissin Electric Group’s SDGs initiatives through our CSR activities, see Our Commitment to CSR on p.27-28.

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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

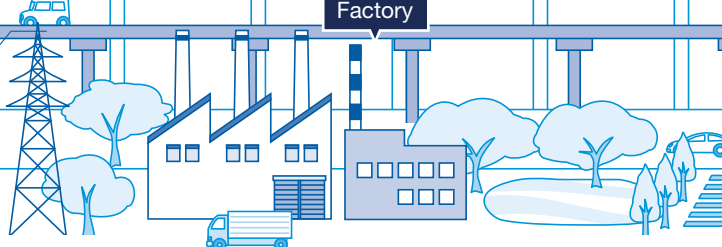
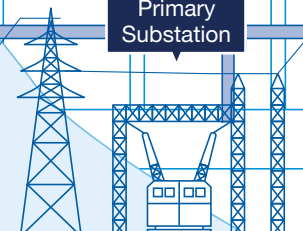
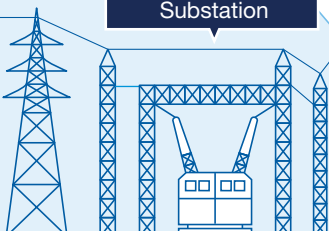
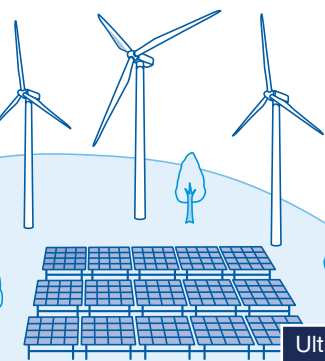
Renewable Energy

Electrical Railroad

Ultra-high Voltage Substation

Primary Substation

Factory



Power Supply and Environment System Business

By Business Segment

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

Value Provided

Contribute to the safe and efficient supply of electricity and the effective use of renewable energy

Beam and Plasma Business

By Business Segment

Ion implanter, electron beam processing system, fine coating

Value Provided

Accommodate demand for cutting edge equipment and higher performance requirements

Equipment and Parts Solution Business

By Business Segment

Industrial equipment and parts contract manufacturing, market-oriented business

Value Provided

Propose solutions that leverage manufacturing technology and meet the needs of emerging countries

Water and Sewerage



Supervisory Control System for Waterworks

Office Building Shopping Center



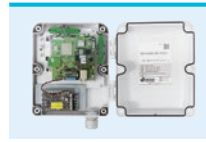
6.6kV Switchgear

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

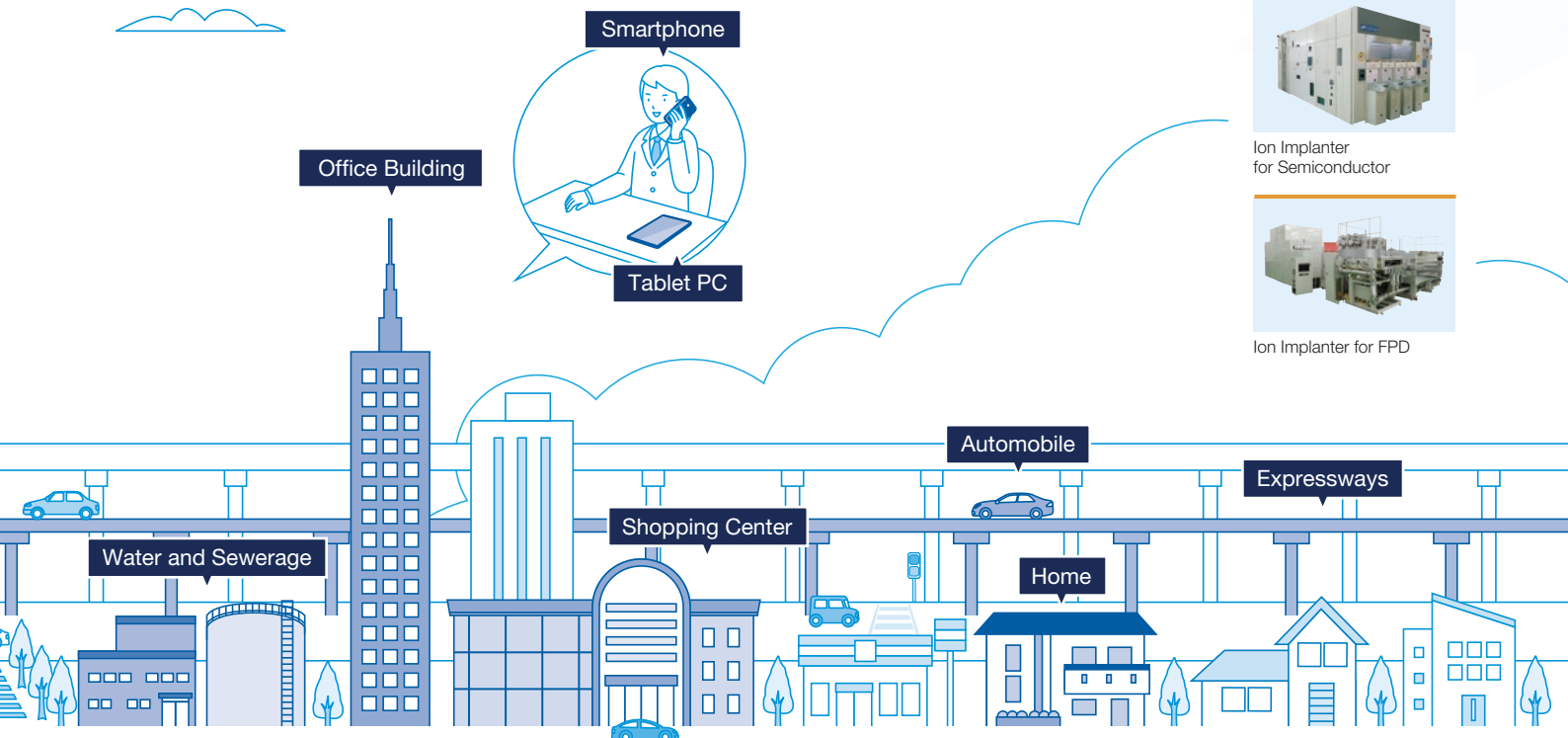
Smartphone Tablet PC



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

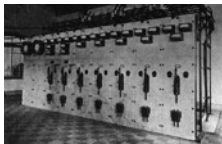
At the same time as the dawn of Japan's electric power era, Nissin Electric was born in Kyoto. Starting with the manufacture of electric meters and switchgears for electric power companies, we have expanded our business to develop electric integrating watt meters and circuit breakers, and have contributed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



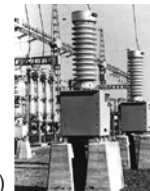
1945

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

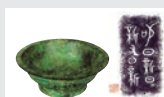
Built the Maebashi works

1971

Built Ultra-high Voltage Testing Laboratory at Maebashi works

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

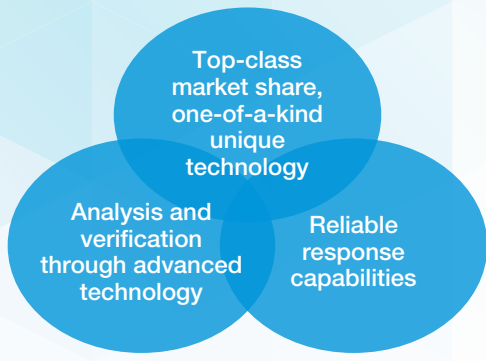
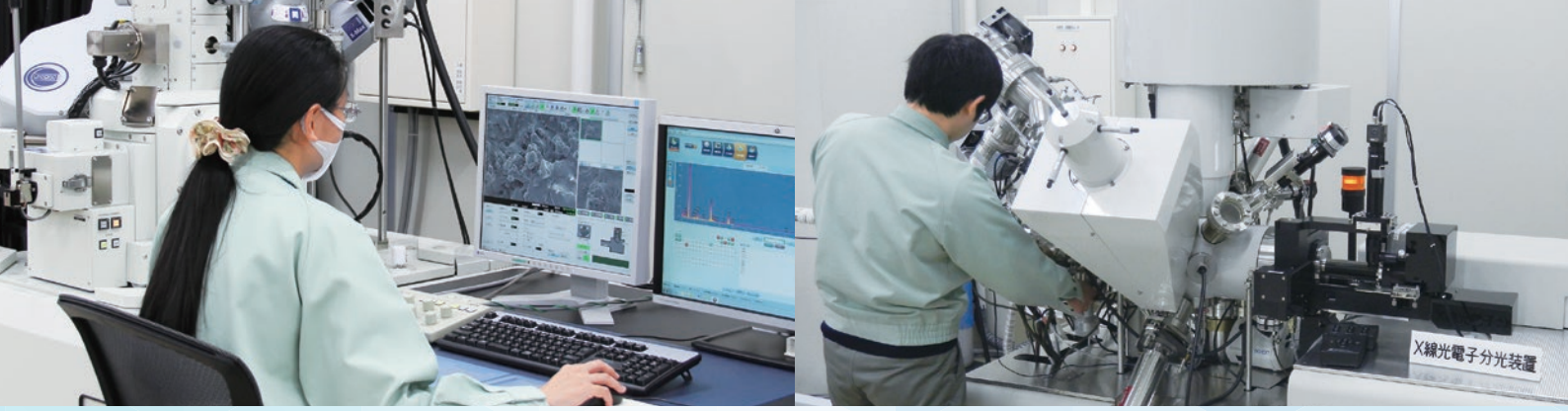
The name "Nissin" is derived from the inscription on the basin used by Emperor Tang, the founder of the Yin Dynasty (17th–11th century B.C.). This inscription means: "Truly new each day. New each and every day. Again, new each day." According to the Great Learning, one of the Confucian classics known 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

1968

Built new works at Kuze and Kujo



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



2004
Developed ultra-compact gas insulated switchgears (XAE7)



1984
Developed photovoltaic system for grid connection

1986
Developed voltage dip/blackout compensator



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

2021

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

1995
Started business in China

2007
Became a subsidiary of Sumitomo Electric Industries, Ltd.

2019
Opened the Nissin Academy Training Center





1985
Entered the fine coating service business

2000
Started Industrial Equipment and Parts Contract Manufacturing in Thailand

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/blackout 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

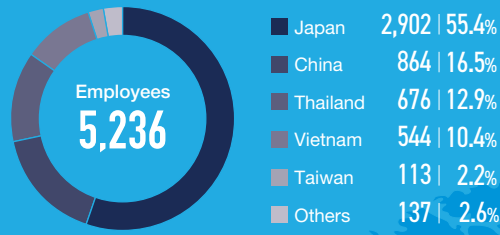
South Asia

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

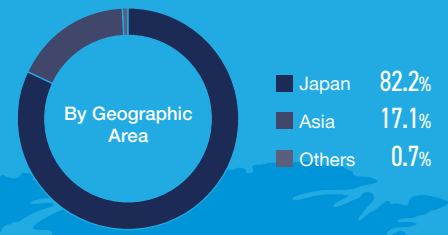
Overseas Group Companies 19 offices: 16 in Asia (8 in China, 4 in ASEAN), 3 in the United States

- ① Nissin Advanced Coating (Shenyang) Co., Ltd.
- ② Beijing Hongda Nissin Electric Co., Ltd.
- ③ Nissin Advanced Coating (Tianjin) Co., Ltd.
- ④ Nissin Ion Hightech (Yangzhou) Co., Ltd.
- ⑤ Nissin Electric (Wuxi) Co., Ltd.
- ⑥ Nissin Electric Wuxi Co., Ltd.
- ⑦ Nissin Allis Ion Equipment (Shanghai) Co., Ltd.
- ⑧ NHV Accelerator Technologies Shanghai
- ⑨ Nissin Allis Electric Co., Ltd.
- ⑩ Nissin Allis Union Ion Equipment Co., Ltd.
- ⑪ Nissin Advanced Coating Indo Co., Private Ltd.
- ⑫ Nissin Electric (Thailand) Co., Ltd.
- ⑬ Nissin Electric Vietnam Co., Ltd.
- ⑭ Nissin Electric Myanmar Co., Ltd.
- ⑮ Nissin Ion Equipment Co., Ltd. Singapore Branch
- ⑯ Nissin Ion Korea Co., Ltd.
- ⑰ Nissin Ion Equipment USA, Inc. Texas Customer Service Center
- ⑱ Nissin Ion Equipment USA, Inc. Massachusetts R&D Center
- ⑲ NHV America Inc.

Employees by Location
(Consolidated; as of March 31, 2021)



Share of Net Sales by Geographic Area
(Consolidated; as of March 31, 2021)



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

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

South America



Uruguay

Photovoltaic system



Brazil

Electron beam processing system



Argentina

Electron beam processing system

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., NHV Corporation,
and Nippon ITF, Inc.

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

Aiming for Sustainable Growth While Maintaining Stability

In April 2021, the Nissin Electric Group launched “VISION2025,” its five-year plan, with the goal of achieving it by fiscal 2025. In order to continue sustainable growth in a rapidly changing environment while maintaining stability, the Nissin Electric Group will bring about change under our six growth strategies and the two pillars of strengthening our business foundation, and aim 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.”

VISION2025

日新一新

NISSIN ISSIN

<Growth strategies>

Enhancing manufacturing capability
Improving productivity
Diversifying the supply chain

Strengthening human resources strategy
Work style reforms

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

Consolidated net sales: 160 billion yen / Consolidated operating income (margin): 20 billion yen (12.5%)

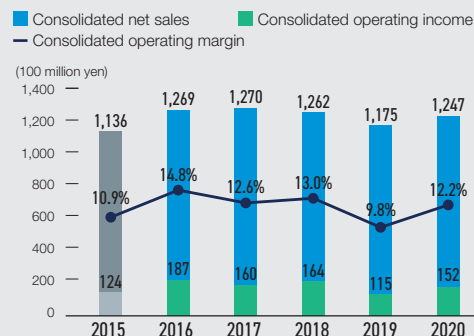
Note: An illustration of a possible future society conscious of SDGs. “NISSIN ISSIN” represents the determination to renew the Nissin Electric Group toward 2050. (“Issin” means “renewal” in Japanese.)

Looking Back on VISION2020

(FY2016–FY2020)



	Target	Result
Consolidated net sales	180 billion yen	124.7 billion yen
Consolidated operating income	18 billion yen	15.2 billion yen
Consolidated operating margin	10%	12.2%
ROA	Over 10%	8.8%
ROE	Over 10%	9.5%

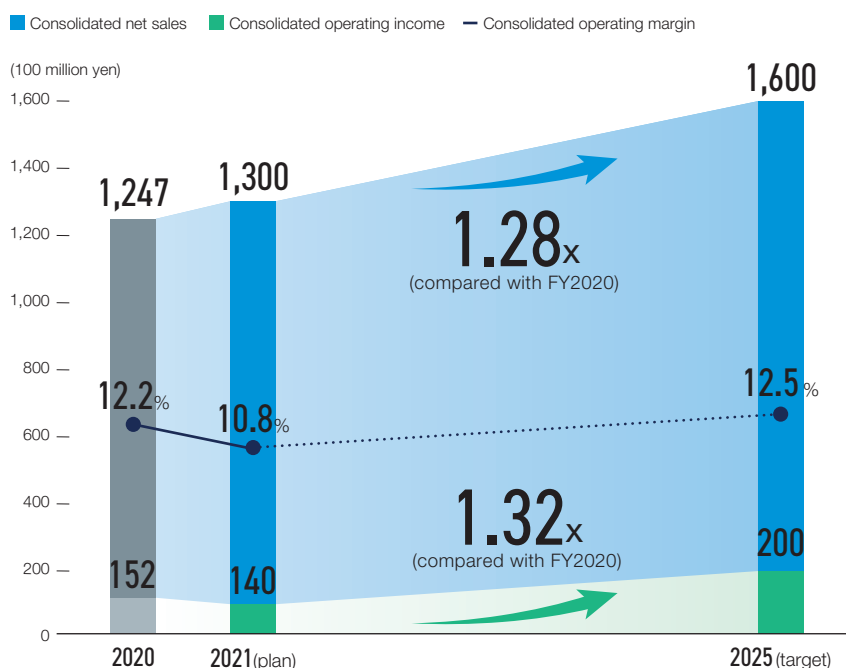


Through the “Six Growth Strategies” with SDGs at Its Core

Numerical Targets (FY2025)

We aim for stable and continuous grow from a long-term perspective as a changing point for a sustainable society.

Consolidated net sales	160 billion yen
Consolidated operating income	20 billion yen
Consolidated operating margin	12.5%
ROA (Return On Assets) ROE (Return On Equity)	Over 10%
Target payout ratio	40%



Capital investments (5 years)	30 billion yen
R&D investments (5 years)	38 billion yen

CO ₂ / greenhouse effect gas emissions (compared with FY2018)	FY2025	Reduce by 15%
	FY2030	Reduce by 30%

Proportion of environmentally friendly products to sales	50%
Proportion of new products to sales	35%

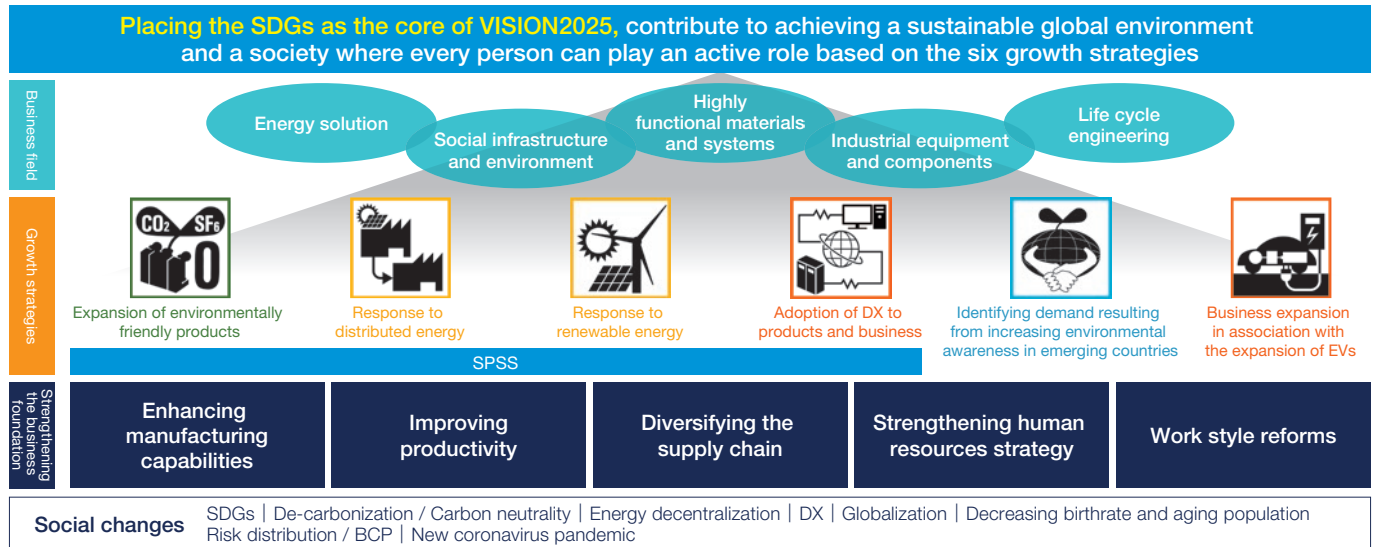
Achieved Steady Growth in Sales and High Profitability, Establishing a Stable Management Foundation

- Steady growth against the backdrop of strong demand for replacement electric power system equipment
- Steady penetration of SPSS (Smart Power Supply Systems)
- Entry into the wind power generation business
- Development of Life Cycle Engineering Business as a recurring revenue business
- Business expansion due to increased demand for ion implanters for small/medium high-definition FPDs
- Full-scale entry into the power device market
- Expansion of the Industrial Equipment and Parts Contract Manufacturing Business “+ NEW (New Business)”

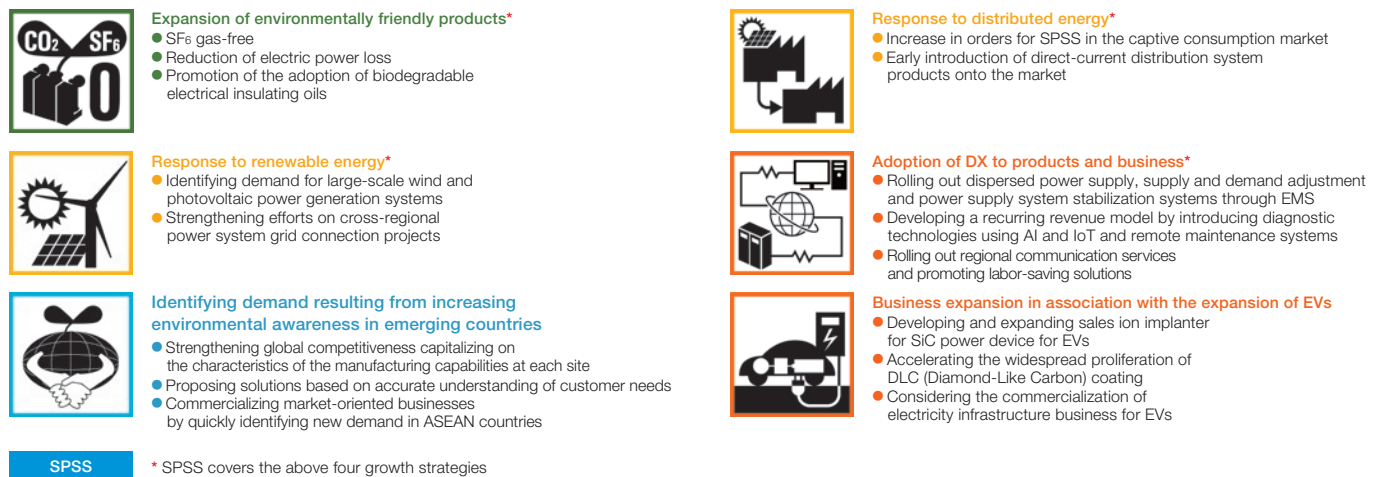
Six Growth Strategies

Amid major social changes, such as decarbonization and carbon neutrality, we formulated our “Six Growth Strategies” that places SDGs at the core of VISION2025, and is the value axis in line with our corporate philosophy based on Nissin Electric Group’s history of more than 100 years.

VISION2025 Overall Image



Six Growth Strategies to Continue Sustainable Growth



Strengthening the Business Foundation

We will advance the “Six Growth Strategies” and use digital transformation to reform our business structure in order to generate stable earnings.

- Enhancing manufacturing capabilities** | Improving SEQCDD*
 - *SEQCDD S: Safety E: Environment Q: Quality C: Cost D: Distribution and delivery time D: Development
- Improving productivity** | Promoting Smart Factory, improving metalworking technologies
- Diversifying the supply chain** | Stable procurement and cost reduction
- Strengthening human resources strategy** | Reform of human resources system and human development structure
- Work style reforms** | Promoting diverse and flexible work styles, adapting to the new normal by using ICT and remote work

New Business Segments

In response to changes in the environment, we will reorganize our businesses into the Power Supply and Environment System Business, Beam and Plasma Business, and Equipment and Parts Solution Business from fiscal 2021, and advance our six growth strategies to continue to grow sustainably and contribute to society, even under severe environmental conditions.

Power Supply and Environment System Business

(Integrates the Power System Equipment Business, the Renewable Energy and Environment Business, and relevant parts of the Life Cycle Engineering Business)

To respond to major changes in the domestic electric power energy-related market—which is expected to expand due to Japan’s Green Growth Strategy Through Achieving Carbon Neutrality in 2050 formulated in 2020, we are 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.

Beam and Plasma Business

(Integrates the Charged Beam Equipment and Processing Business and relevant parts of the Life Cycle Engineering Business)

We will promote the ion implanter business for FPDs and semiconductors, the electron beam processing system business, and the fine coating business by taking advantage of the characteristics of our beam plasma technology, which are the Nissin Electric Group’s strengths.

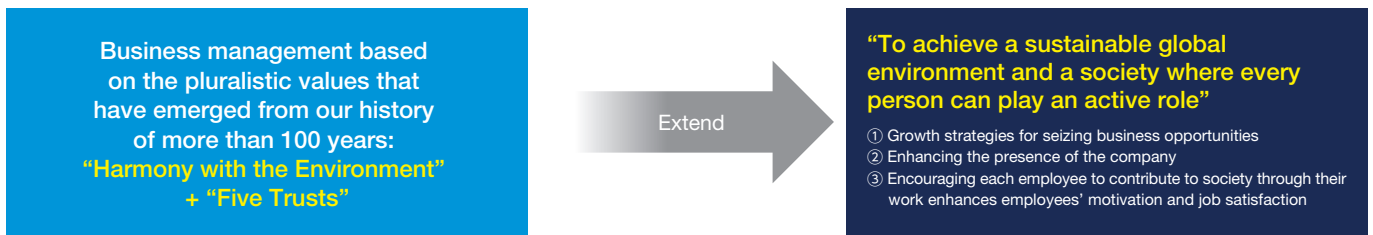
Equipment and Parts Solution Business

(Independent of the business included in the Power System Equipment Business)

Utilizing the metalworking technologies we cultivated in the manufacture of power system equipment, Industrial Equipment and Parts Contract Manufacturing Business, which has grown with Thailand and Vietnam as its main bases, will be made independent as a segment and will be developed as a solutions business.

SDGs Initiatives Through VISION2025

By realizing our Corporate Philosophy, The Nissin Electric Group will contribute through all its business activities to the achievement of 17 goals of the SDGs. The six main initiatives in VISION2025 are as follows.



Main Initiatives	<ul style="list-style-type: none"> ● Contributing to water quality improvement Maintenance and management of water and sewerage treatment facilities, Water treatment efficiency improvement in ASEAN countries and China 			
	<ul style="list-style-type: none"> ● Contributing to stable supply of electricity Renewable energy generation support systems, EMS for highly efficient use of electricity, Grid connection facilities for delivering high-quality electricity 			
	<ul style="list-style-type: none"> ● Contributing to building electricity infrastructure Equipment for manufacturing power devices, Direct-current distribution system products, Expansion of demand due to the Fundamental Plan for National Resilience, Expansion of contract metalworking 			
	<ul style="list-style-type: none"> ● Contributing to the creation of a safe and secure city Central supervisory control systems (water treatment, expressways), Regional communication services 			
	<ul style="list-style-type: none"> ● Reducing CO₂ emissions using AI and IoT Highly energy-efficient Smart Factory, Inspection business utilizing sensors 			
	<ul style="list-style-type: none"> ● Reducing environmental burdens by making material highly functional Development and expansion of environmentally friendly products and materials, DLC for eco-friendly cars 			
Other	<ul style="list-style-type: none"> ● Scholarship systems ● Preparing a portfolio toward gender equality ● Expansion of group governance reinforcement training 	<ul style="list-style-type: none"> ● Improvement of employee satisfaction ● Industrial waste reduction 	<ul style="list-style-type: none"> ● Exceeding the statutory disability employment rate ● Cooperative association/internal and external information sharing system 	<p>among others</p>

NISSIN ELECTRIC



Yoshihiro Matsushita
President

We will not only adapt to changes,
but also create changes ourselves,
and create a better future society.

Looking Back on the Previous Medium-to-Long-Term Plan

Impact of COVID-19 and Business Results in Fiscal 2020

Economic activity in fiscal 2020 was stagnant due to the global coronavirus pandemic, resulting in a significant decrease in personal consumption and a chill in capital investment, which caused the economy to fall sharply. Contact with and movement of people was restricted in the Nissin Electric Group as well, and overseas business trips in particular were close to zero. As a result, there were cases where meetings with customers and on-site installation work, adjustments, inspections, repairs, etc. could not be performed as planned, forcing a change in planned installations.

However, it was also an opportunity to use remote devices to make dramatic advancements. By working remotely, from working from home to customer acceptance of products, to on-site guidance and training in Japan and abroad, and auditing, we were

able to improve productivity and reduce travel expenses. It can be said that prompt remote response was possible because we have been focusing on developing core information systems. Moving forward, we will continue to separate what should be done face-to-face and what can be done remotely, and plan to make it the New Normal after making further refinements.

As fiscal 2020 is the final year of the medium-to-long-term plan “VISION2020,” which we have been advancing since fiscal 2016, we have been very particular about its results. Under the plan, we set numerical targets to achieve consolidated net sales of ¥180 billion, consolidated operating income of ¥18 billion, and an ROA and ROE of over 10%. We have concentrated resources and had each business division thoroughly review all activities to eliminate waste and produce results. As a result, although sales in fiscal 2020 did not reach ¥124.7 billion (up 22.3% from the previous year), operating income increased in all segments to ¥15.2 billion (up 32.2% from the previous year), falling just short of our target. Considering all that was postponed due to COVID-19, I feel that we did all we could to reach our goal.

Achievements and Challenges Over the Five Years of the Previous Medium-to-Long-Term Plan

As “VISION2020” celebrated our 100th anniversary in 2017, it was created with a strong desire to build a foothold for the next 100 years. We have achieved steady business growth and results that will take us into the future by working from both the deepening of existing businesses and the creation of business fields centered on new technologies and products. Regarding the deepening of existing businesses, we specifically have created a database so that we can accurately capture the demand for replacement electric power system equipment in Japan, and practice timely proposal activities. We have also established the Life Cycle Engineering Business as a recurring revenue business. In new business fields, we have made a full-scale entry into the wind power generation business and the power device market, and are focused on developing and expanding demand for SPSS (Smart Power Supply Systems) that result in lower energy consumption, reduced CO₂, and a stable power supply by combining various distributed energy resources such as solar, wind, battery storage, and gas electric power generation. Orders are increasing as the Japanese government has stated that it aims to achieve carbon neutrality by 2050. In addition, we have launched the Industrial Equipment and Parts Contract Manufacturing Business for a variety of manufacturing equipment, such as semiconductor manufacturing equipment at overseas factories in Thailand and Vietnam by leveraging our own manufacturing technology. This business is growing steadily.

Furthermore, we worked to enhance our manufacturing capabilities that have formed the basis of the company from both human resources and equipment. In addition to opening the Nissin Academy Training Center to strengthen our human resource development, we restructured our Group Corporate Philosophy. While focusing on building a foundation that continuously works to improve the awareness and skills of all employees, we have promoted “building disaster-resistant factories” in response to the growing intensity of disasters. Improved safety and quality have led to reduced losses and improved productivity, and we have been able to maintain high operating income margins throughout the business year.

However, it is undeniable that we could not fully read the future and lacked accuracy of our plan, and we recognize that it is an issue that we will incorporate in the new medium-to-long-term plan.

Formulation of a New Medium-to-Long-Term Plan

Start by Defining the “Vision” for 2050 and Creating a Path to It

The paradigm shift to electric power is accelerating, such as

the separation of power production from distribution and transmission from electric power companies, the use of renewable energy and distributed energy resources, and full-scale efforts toward carbon neutrality. Furthermore, we are entering an unprecedented period of change with the declining working population and the spread of infectious diseases worldwide.

Therefore, when formulating the new medium-to-long-term plan “VISION2025,” we started by defining our vision for 2050, which is 30 years from now, after soliciting opinions from a wide range of age groups within the company. We do this because, in order to survive the turbulent transformation period, we need to think from the future goal as a starting point, not as an extension of the present, and to create a path to reach it. Creating an environment where each of employees looks toward the goal, thinks about what they can do to achieve it, applies themselves to their work, and can take on challenges will be the key to opening our next 100 years based on the results we have achieved so far.

Nissin Electric was originally born as a venture company and has grown by repeatedly transforming itself. Returning to the Founder’s Mindset once more, we have positioned the next 30 years until 2050 as our “second dawn,” and under the slogan of “NISSIN ISSIN,” I want us to continue to be a company that adapts changes to and creates changes. At the same time, from the perspective of Sustainable Development Goals (SDGs), the Nissin Electric Group intends to fulfill its social responsibilities as a company by contributing to the achieving a sustainable global environment and a society where every person can play an active role.

Based on this long-term vision, “VISION2025” is vividly aware of the 17 goals of the SDGs in all business activities and supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). At the same time, we have defined numerical targets for greenhouse gas reductions and a sales ratio of environmentally friendly products. As a company particularly involved in energy, deepening efforts toward carbon neutrality is our most important issue. Among them, SPSS, which we have positioned as a pillar of our growth strategy, combines multiple power sources, including renewable energy, and uses energy in the most efficient way according to consumption, which expands the ratio of renewable energy. It also helps contribute to the construction of more flexible and highly sustainable social infrastructure.

We will continue to increase our corporate value as a solution provider that flexibly combines the various technologies and systems that the Nissin Electric Group has developed and proposes the optimal solution to address customer and social issues.



The Aim of Reorganizing Segments and Their Growth Strategies

From fiscal 2021, we reorganized our business segments into the Power Supply and Environment System Business, Beam and Plasma Business, and Equipment and Parts Solution Business. This is also the result of first thinking about creating a system that can strengthen cooperation by taking a cross-functional view of our technology and know-how so that we can solve various issues of customers and society faster.

In particular, in the Power Supply and Environment System Business, by integrating the Power System Equipment Business, Renewable Energy and Environment Business, and its related Life Cycle Engineering Business, we have a system in place to design and propose solutions, combining various power sources and systems, and perform operations and maintenance in a unified manner. We will centrally manage customer information, design and construction, maintenance information, etc., and build a recurring revenue model that makes effective use of digital transformation that will lead to service proposals that are closer to customer needs.

Our three businesses in the Beam and Plasma Business—ion implanters, electron beam processing systems, fine coatings—all have the potential to dramatically improve the properties of materials. Improving the performance of materials is indispensable for the innovative progress of industry, and it is also a field where explosive growth in demand is expected according to industry trends.

In the Equipment and Parts Solution Business, we will develop our industrial equipment and parts contract manufacturing business that has grown with our bases in Thailand and Vietnam as a segment and develop it as a solution business by leveraging our metalworking technology cultivated in the manufacture of power system equipment. We will develop market-oriented businesses globally by identifying environmentally friendly products and equipment needs that contribute to production efficiency, for which demand is expected to grow due to heightened environmental awareness in the ASEAN region.

To Our Stakeholders

To Become a Value-Creation Company That Returns to Its Manufacturing Roots and Creates Changes

I have been involved in manufacturing products and parts mainly in the field of conductive materials for much of my career, and have closely examined our manufacturing sites in Japan. I have also served as the president of an overseas subsidiary. Through these experiences, I have a strong sense that “the roots of a manufacturing company are in the factory floor.” With “VISION2025,” we shared the vision that spans 30 years to all employees, and the most important thing to achieve this is what we do every day on the factory floor. I will also actively work to revitalize the factory floor.

In addition, Chairman of the Board Saito, who has always stood at the forefront, has said while “change what should be changed” is in line with the changing times, things like our Corporate Philosophy, Principles of Activities, and Business Mindset are “things that should not be changed and should be protected.” I would like to carry on that idea and make a firm distinction between changes that should and should not be made, and strive to build a stable business foundation that enables sustainable growth.

Having a clear vision is a criteria for employees working on the factory site that guides their each and every action. In implementing “VISION2025,” we aim to be a company that not only adapts to changes, but also creates changes for ourselves and has an impact on the society.

At the same time, it is my duty and aim to make the company one where employees can have the enthusiasm and pride of “contributing to industry and society.” It is only when employees take the initiative to take on challenges that deepen cooperation with business partners that we create various innovative technologies and systems. By doing so, we will be able to become necessary to our customers and society, and meet the expectations of our shareholders. We will do our utmost to become a company with a dream that continues to grow while securing stable earnings.

Yoshihiro Matsushita
President

We will continue to be a company that creates a sustainable future by putting sincere actions first by thoroughly practicing the basics.

Shigeo Saito
Chairman of the Board



Promoting the Transformation of People, Organizations, and Businesses as a Group

Based on our “Business Mindset” cultivated over the history of more than 100 years, the Nissin Electric Group will build relationships of trust with stakeholders as our “Principles of Activities” and promote corporate activities with a pluralistic values. Our consistent corporate philosophy is also in line with the SDGs’ philosophy of “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.”

As the business environment undergoes great changes, we will advance the transformation of people, organizations, and businesses as a group, and not only adapt to changes, but also create changes ourselves, under the slogan of “NISSIN ISSIN” where we will contribute to the realization of a sustainable future society.

Strengthening the Governance System by Thoroughly Practicing the Basics

No matter how the business environment changes, we will not waver and will continue to take sincere actions that are trusted in our “Corporate Philosophy,” “Principles of Activities,” and “Business Mindset.” I have always operated on thoroughly adhering to

“determining, following and checking” when it comes to rules and procedures. This is because even the biggest problems that threaten the survival of the company start out as being trivial. It is no exaggeration to say that paying attention to the details, that is, the thoroughness of the basics, is the lifeline of a company.

Using my experience in my career, at the stage of making the rules, I will consider “whether it is effective according to the current situation” from various angles, carefully create a mechanism, and recognize that my future role is to conduct audits and offer guidance at an early stage to find those things that deviate from the rules. Be it in-person or remote, I will focus on audits and offer guidance, and actively promote the application of digital transformation among others, which will lead to further strengthening governance.

Shigeo Saito
Chairman of the Board

A handwritten signature in black ink, appearing to read 'Saito', written in a cursive style.

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 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

Expansion of sales of SPSS wind power generation package system that leverages our power system analysis technologies



Captive Consumption Photovoltaic System

Initiatives for the Replacement of Existing Electric Power Equipment

Developing a recurring revenue models using DX

Related SDGs



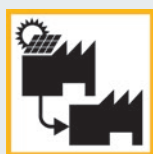
A reliable supply of electricity is essential for stable economic activities and maintaining a comfortable lifestyle. Improving energy efficiency also helps reduce greenhouse gas emissions and leads to energy security. Nissin Electric's products and systems not only ensure a safe and stable supply of 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

The Start of Sales of the A-XAE Substation, a Next-generation Compact Substation That Is Installed Quickly and is Environmentally Friendly



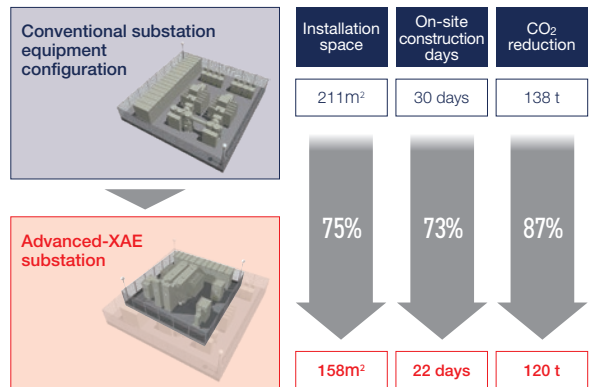
Nissin Electric began selling the next-generation substation “A (Advanced)-XAE substation” from November 2020. The substation realizes an even smaller footprint and a shorter construction period for 66/77kV extra-high voltage substations, which boast a top class share for factories and buildings in Japan.

This product realizes a stable supply of electricity as substations in factories and buildings, and as grid connection facilities for renewable energy (mega solar, large-scale wind power, biomass power plants, etc.).

In addition to featuring a newly developed touch screen monitoring panel and a unit type capacitor equipment, other equipment has also been reduced in size and have improved functionality to reduce weight and save space. This substation also makes possible shorter construction periods.

The A-XAE substation solves the various needs of our customers as the mainstay of our SPSS solution.

Compared with conventional XAE substation



[Model case: 66kV 2-line power receiving GIS, transformer 10MVA x 2]
 Realizes 25% reduction in installation space, 27% reduction in total days for on-site construction, and 13% reduction in CO₂ emissions during substation construction

SPSS Contributes to Strengthening Power System Resilience in the Construction of Regional Microgrids



Nissin Electric is leveraging distributed energy resources, which includes renewable energy, as one of our efforts to strengthen electricity resilience, and there is growing needs for building a regional microgrid that can independently supply power even in the event of a large-scale blackout during a disaster. We make full use of our core substation equipment construction and our grid connection technology cultivated over many years to build regional microgrids and contribute to a stable supply of regional electricity with SPSS, a solution that combines various distributed energy resources to achieve both the local generation and local consumption of energy and power in the event of a disaster.

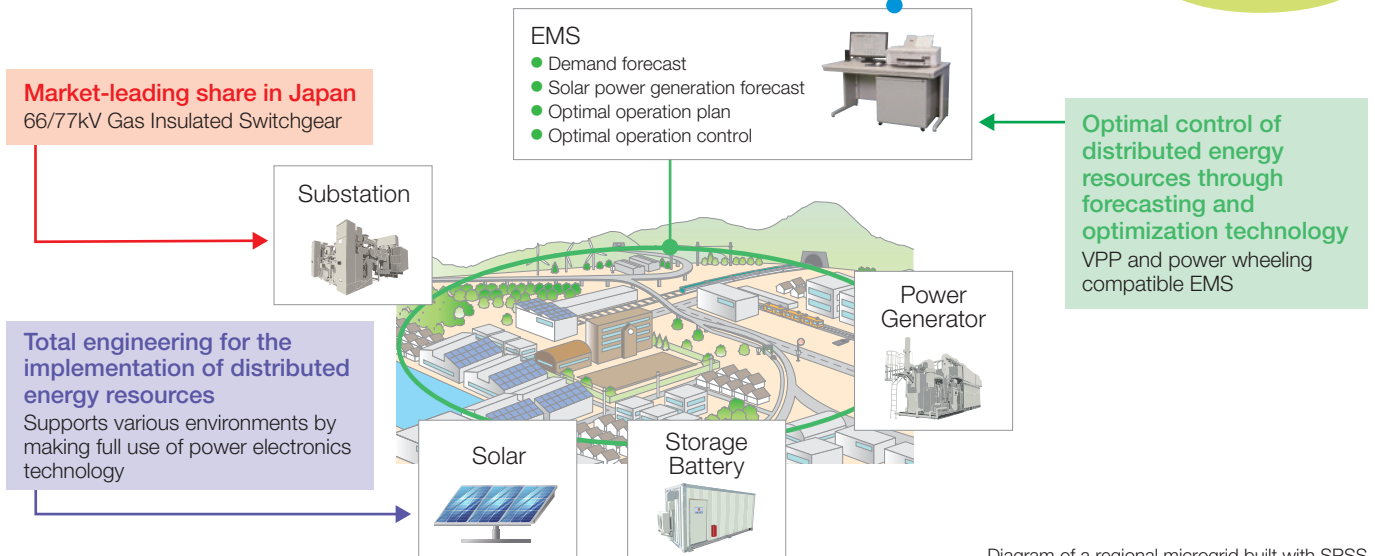
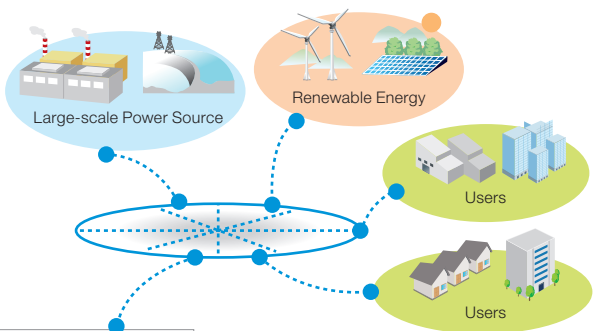


Diagram of a regional microgrid built with SPSS

Review of Operations by Segment

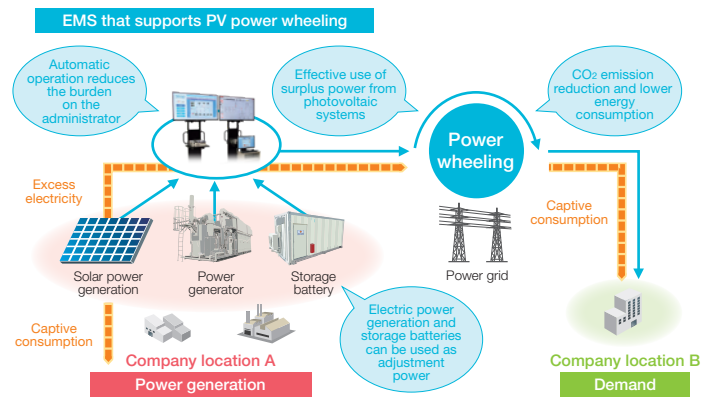
An Energy Management System Developed to Automatically Operate Power Wheeling of Photovoltaic System



Nissin Electric has developed an energy management system (EMS) that automatically operates the power wheeling of surplus electricity generated by photovoltaic system. This is the first time in Japan that the power wheeling operation of photovoltaic system has been automated.

Power wheeling is an architecture that allows a person to consign their generated power to a separate company's location via the power grid of an electric power company. By power wheeling surplus power generated during light loads, such as during holidays for photovoltaic systems for captive consumption, it is possible to improve the ratio of renewable energy, reduce CO₂ emissions, and reduce electricity costs. In addition, it can be used for power wheeling in remote places such as vacant land. The EMS we developed automates all of these tasks, such as predicting the amount of surplus power, formulating a power wheeling plan, submitting and updating planned values to the Organization for Cross-regional Coordination of Transmission Operators, and controlling the planned amount to be consigned.

As the number of companies working toward the realization of a sustainable society based on SDGs is increasing, this is an effective solution to improve the environmental value of companies.

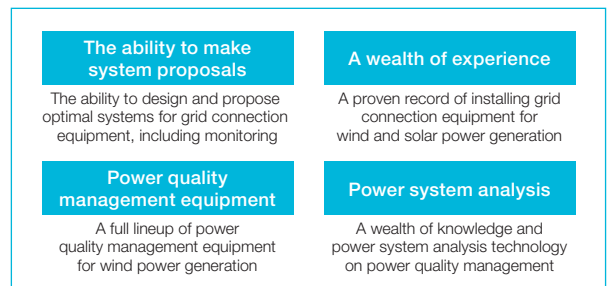


Leveraging Our Strengths to Contribute to the Growing Wind Power Generation Market



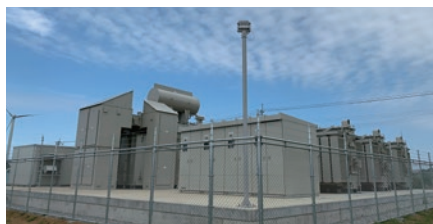
With the increasing use of renewable energy, it has become necessary in recent years to tackle the challenge of grid connection associated with large scale projects, large capacities, and long distance power transmission. In our Power System Equipment Business, we leverage our power system analysis technology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

Our Strengths



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

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



Passive filter for harmonic resonances measures for wind power generation

Wind Farm Tsugaru (Green Power Investment Corporation)

Expand Water Treatment Business Abroad

Environmental pollution has become a serious problem around the world, and it is necessary to properly treat water for daily life and industrial activities to maintain a sustainable water environment.

The Nissin Electric Group provides compact membrane water treatment products that combine the water treatment technology cultivated over many years with membrane filtration technology for superior life cycle costs that contribute to improving the water environment in China and meeting the increasing demand for water in the ASEAN region.



Membrane water treatment equipment





Expanding Environmentally Friendly Products That Leverage Our Technological Capabilities

With society's acceleration of environmental measures in recent years, the need for environmentally friendly products is increasing. To meet this need, we are developing environmentally friendly products that leverage the technological capabilities and know-how that we have cultivated.

Together with Lion Specialty Chemicals Co., Ltd., we have jointly developed a biodegradable electrical insulating oil, "Pastell LI-B1," that can be used for power capacitors and instrument transformers, something that once thought to be difficult until now. As a result, all oil-filled equipment that the Nissin Electric Group uses, including transformers and reactors that use rapeseed oil and insulating oil derived from palm oil, can now be offered with biodegradable electrically insulating oil.

We have also developed a 170kV ECO gas VT (voltage transformer) that applies a new mixed gas with a global warming coefficient reduced by approximately 98% compared to SF₆ gas used in gas insulated switchgear.

We will continue to develop and popularize environmentally friendly products and contribute to realizing the SDGs by helping to reduce environmental impacts.

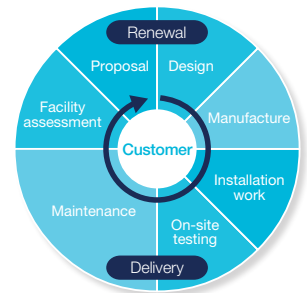


Providing Safety and Security Throughout the Life Cycle With a Variety of Sensors and Remote Monitoring Systems That Feature AI and IoT

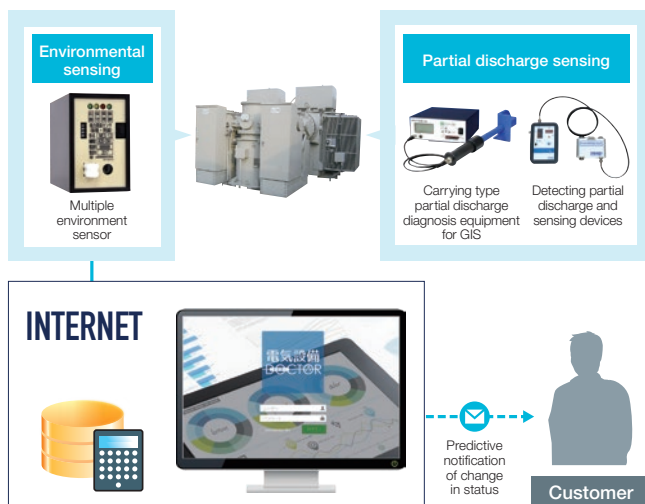


Maintenance and repairs can be performed at the right time, and equipment failures can be prevented with our unique assessment equipment and various sensors that use IoT to visualize the state of electrical equipment. We are currently developing an equipment assessment system that leverages AI.

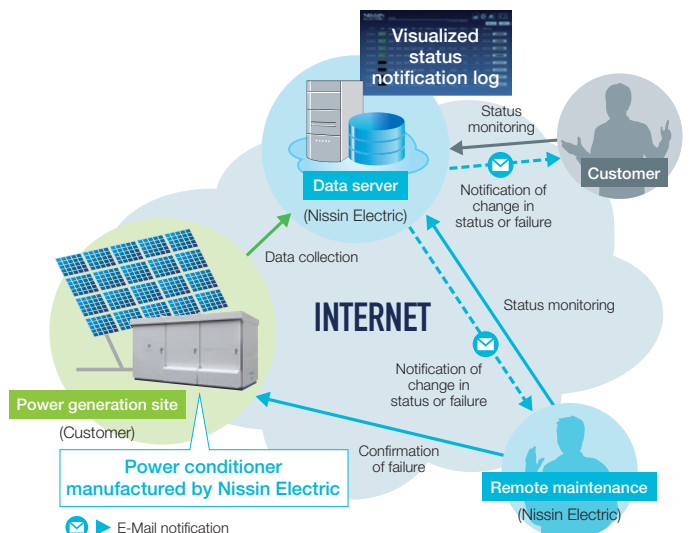
In addition, we use a visualization service with remote monitoring system to perform remote maintenance on supported photovoltaic systems. These technologies provide our customers with safety and security through reliable support throughout the life cycle, even after delivery.



Understanding the status of equipment through assessment equipment



Facility assessment system



Remote maintenance

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

Related SDGs



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

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

Our Growth Strategy



Expansion of environmentally friendly products



Business expansion in association with the expansion of EVs

Semiconductors & FPDs

- Developing and expanding sales of equipment for manufacturing power devices, 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

The market for SiC (silicon carbide) power semiconductors is expanding as next-generation power semiconductors are increasingly used in EVs and information and communications equipment. The Nissin Electric Group develops and sells the industry's only high-temperature ion implanters that can mass-produce SiC power semiconductors. In 2020, we began delivering "IMPHEAT-II," which has about three times the productivity of conventional systems. Going forward, we will push to expand sales not only in Japan but also to major SiC power semiconductor manufacturers around the world with the aim of expanding our SiC power semiconductor business.



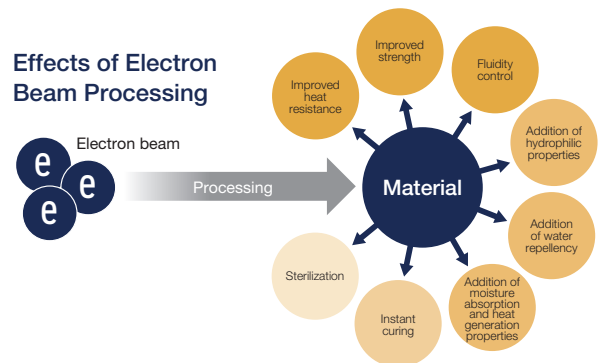
Ion Implanter for SiC Power Devices "IMPHEAT-II"

Contributing to Society and the Environment Through Electron Beam Processing Technology

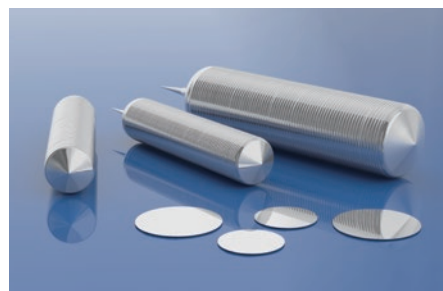
Electron beam processing can improve the characteristics of materials and add new functions to them. It contributes to society and the environment by saving energy in inverters by improving the characteristics of semiconductors and by extending expiration dates of food with high functional food packaging.

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 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

New Coating System "iDS-720" Joins Lineup

In 2020, we developed the coating system "iDS-720" and added the iDS series to our lineup. It features improved mass production capabilities, such as being able to mount multiple large molds and a large number of small parts. We are expanding into the market for tool molds (cutting tools, press molds for automobile production, etc.) and machine parts (compressor parts for air conditioners, various rotating shafts for manufacturing equipment, etc.).



Fine Coating System "iDS-720"

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

Related SDGs



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

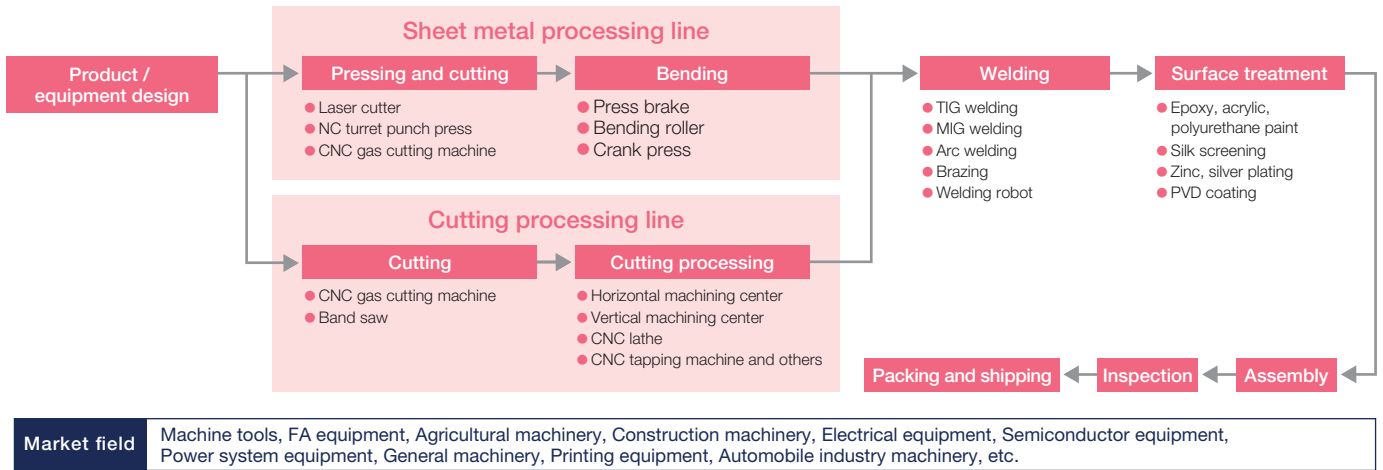
- Equipment and parts contract manufacturing (machine tools and FA equipment, agricultural machinery, construction equipment, electrical equipment, etc.)

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.



Expanding Our Industrial Equipment and Parts Contract Manufacturing Business on a Global Scale

To expand our Industrial Equipment and Parts Contract Manufacturing Business, we established Nissin Electric Myanmar Co., Ltd., our third base of operations, in Myanmar, with operations starting in 2021. In addition, new factories at Nissin Electric (Thailand) Co., Ltd. and Nissin Electric Vietnam Co., Ltd. have begun full-scale operation after expanding their production areas and improved productivity by introducing the latest processing equipment. With the Equipment and Parts Solution Business Management Division as the center of business and technology, we will promote optimal production and sales by leveraging the characteristics of each hub in Thailand, Vietnam, and Myanmar to meet growing global demand.



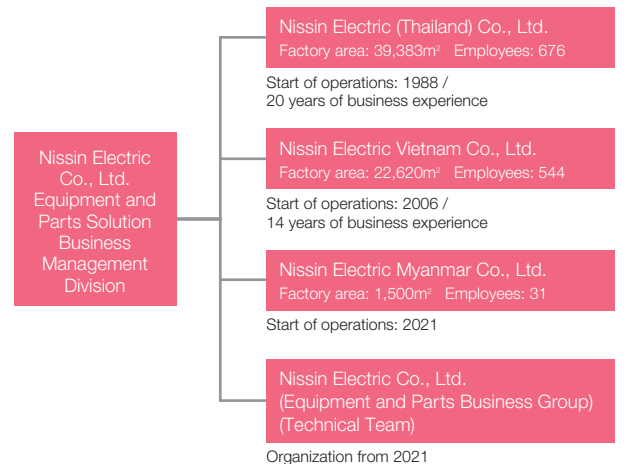
Nissin Electric (Thailand) Co., Ltd.



Nissin Electric Vietnam Co., Ltd.

Business Structure in Japan and ASEAN and New Developments

The Equipment and Parts Solution Business Management Division was established at Nissin Electric Co., Ltd. upon becoming independent as a business. We will build a wide-ranging production and supply system that incorporates Japanese processing hubs and an integrated manufacturing technology management system. We will also quickly grasp new needs that arise locally, develop and market new products that meet those needs, centered on the manufacturing technology that we have accumulated. We will develop and launch new products that meet these needs, and enter the rapidly changing fields of the environment, automation equipment, and production efficiency.



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

Basic CSR Promotion Policy

(revised April 2017)

- 1) We will pass on our business mindset and grow in a sustained manner as a group of companies that will harmonize with the environment and contribute toward realizing a vibrant society.
- 2) We will further solidify the “Five Trusts” with stakeholders embodied in our Principles of Activities which state “Integrity, Trust and Long-term Relationships.”
- 3) We will emphasize “coexistence with the environment” and strive to popularize products and services that mitigate environmental impacts, while also reducing the environmental impacts of our own business activities.
- 4) We will carry out fair and transparent corporate management grounded in compliance with laws and social norms.

Core CSR Fields

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

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

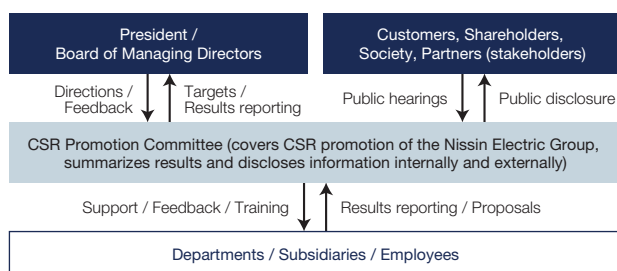


Promoting Activities Through the CSR Promotion Committee

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

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

CSR Promotion Structure



SDGs Initiatives

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

SUSTAINABLE DEVELOPMENT GOALS






































































Responsibility to Stakeholders and Opportunities for Engagement

Overview of Stakeholders	Main Responsibilities	Main Forms and Opportunities of Engagement
 Customers We supply various products and services to customers in Japan and overseas in the four core segments of Power System Equipment, Renewable Energy and the Environment, Charged Beam Equipment and Processing, and Life Cycle Engineering.	Supply safe, high quality products and services that are useful to society	Engagement through daily sales and marketing activities
	Provide trustworthy customer services that turn into long-term relationships	24-hour acceptance of inquiries and notifications of defects and swift responses Dissemination of information to facility managers Customer training on product usage
	Provide accurate and appropriate information about products	Engagement through facility assessments and maintenance Engagement concerning the impact of products on the environment Exchange of information at exhibitions and trade fairs Information provision through product brochures and websites
 Shareholders We have 5,818 shareholders and the total number of shares outstanding is around 100 million. The breakdown of shareholders includes 18% financial institutions, 58% domestic corporations, 15% foreign corporations, 7% individuals, and 2% other (as of March 31, 2021).	Sustained enhancement of shareholder value Appropriate level of dividends Timely and appropriate disclosure of corporate information	Annual shareholder meetings and earnings presentations Brochure To Our Shareholders Information provision through websites Response to shareholder inquiries Investor presentations and response to interview requests
 Society The Nissin Electric Group operates around 40 business sites in Japan and abroad (as of March 31, 2021).	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 26 partners participated in partner meetings held for suppliers (results for the second half of fiscal 2020; Nissin Electric Co., Ltd.). Additionally, 29 distributors participated in engineering seminars for sales personnel (results for fiscal 2020; 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 5,236. This workforce is broken down into 55% in Japan and 45% overseas (as of March 31, 2021).	Respect for human rights, character, individuality and diversity	Human Rights Promotion Committee Administration of Help Line Desk
	Develop human resources	Education and training Personnel evaluations and interviews
	Create workplaces that are safe and employee friendly	Central Safety and Health Committee and labor-management meetings Employee satisfaction survey and meetings between the President and employees Dissemination of President's message via intranet and publication of company newsletter

Our Commitment to CSR

CSR Activities — Plan/Results for Fiscal 2020 and Policy for Fiscal 2021

	Domain	Initiative Theme	PLAN	DO (Fiscal 2020 Results)
Environment	 Initiatives for Global Environmental Conservation P.29-34	Prevention of global warming	<ul style="list-style-type: none"> Acquire SBT initiative certification Formulate emission reduction measures via Eco Project (EcoPro) II when sales increase Achieve CO₂ emission reduction target through environmentally friendly products and services Achieve reduction target for CO₂ emissions associated with energy usage cutbacks Achieve target for SF₆ gas emission rate into the atmosphere 	<ul style="list-style-type: none"> Submitted certification application to SBT Initiative Formulated greenhouse gas (GHG) reduction targets and reduction measures mainly by divisions with high GHG emissions Shared information about high-efficiency products through the "VISION2025" division development roadmap Developed small group activities in divisions with high energy use Made thorough efforts on SF₆ gas atmospheric emissions
		Emission reductions	<ul style="list-style-type: none"> Achieve target for total waste volume reduction Achieve target for waste recycling ratio Achieve reduction target for volatile organic compounds (VOC) emissions into the atmosphere 	<ul style="list-style-type: none"> Developed small group activities in divisions with high waste emissions Made thorough efforts to sort and collect waste Made thorough efforts on VOC emissions
Trust	 Customers P.35-37	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 Implemented lessons about the study of failure
		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	<ul style="list-style-type: none"> Conduct LCE activities to prevent product accidents due to aging degradation and improve the reliability of maintenance work by introducing new technologies Use CS charts to propose maintenance cycles and upgrade times for parts with a limited life to customers. 	<ul style="list-style-type: none"> 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 Delivered life extension maintenance proposal (regular replacement chart of parts with a limited life, etc.) attached to the inspection report after the customer visit
		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 ENERGMATE solutions that made effective use of distributed energy resources Developed a simple proposal tool that is easy for customers to understand 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
	 Shareholders P.38,47	Enhance governance system and information disclosures in accordance with the Corporate Governance Code	<ul style="list-style-type: none"> Conduct work necessary to continue to comply with the principles of Japan's Corporate Governance Code (already implemented) 	<ul style="list-style-type: none"> Held a voluntary Nomination and Compensation Committee
		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.) Did not hold earnings presentation for institutional investors and company presentation for individual investors due to the COVID-19 pandemic Published earnings reports, annual report, fact book, and other materials
	 Society P.39-40	Support the development of engineers	<ul style="list-style-type: none"> Conduct initiatives for expanding the horizons of engineers and assist them with finding schooling in Japan and overseas 	<ul style="list-style-type: none"> Continued to operate full grant-based scholarship program Created teaching materials for 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 businesses 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 Studied 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
	 Partners P.41-42	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"> Began second survey on CSR procurement initiatives
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 	
Promote safety and health awareness		<ul style="list-style-type: none"> Take measures to eliminate the three serious occupational accidents (transport-related injuries, electric shock and falls) Strengthen safety and health management system and enhance safety and health education Conduct stress checks 	<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 patrols Confirmed chemical substance handling status through workplace patrols and thoroughly enforced legal compliance Conducted stress checks, including group companies 	
Promote educational and training opportunities that support personal and professional growth		<ul style="list-style-type: none"> 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"> 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) 	
 Employees P.43-46	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 women employees who are balancing work and family) 	<ul style="list-style-type: none"> Expanded areas of outsourced work (catalog management, etc.) and increased order volume (digitization, flowerbed management, etc.) Established a website to improve credibility and name recognition for relevant persons 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 	
	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"> Promoted the use of the planned paid leave system and the memorial paid leave system Held seminar on balancing work and elderly care Started supporters for elderly care, including at branch offices 	
	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 	
	Thorough compliance	<ul style="list-style-type: none"> Continue to maintain the compliance system 	<ul style="list-style-type: none"> Formulated and implemented compliance measures for priority compliance laws Reviewed priority compliance laws Reviewed group's business compliance law 	
Corporate Management	 Fair and Transparent Corporate Management P.47-48	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 Conducted disaster prevention drills, personal safety confirmation drill, and prepared emergency supplies and food at production bases in Japan
		Utilizing ICT and thorough information security	<ul style="list-style-type: none"> Follow up on management implementation status of top-secret information in each department Roll out to domestic group companies based on response within Nissin Electric Implement various measures at Nissin Electric and domestic group companies Implement various measures aimed at overseas group companies 	<ul style="list-style-type: none"> Established rules for managing confidential information for working from home Checked and Followed up on management implementation status of top-secret information in each department Rolled out application to domestic group companies Continued measures to prevent viruses (removal of executable file attachments, e-learning, email training, etc.) Enhanced measures against infections and intrusions (attack detection and containment) Strengthened terminal management for overseas group companies (introduction or deployment of tools) Formulated and applied security guidelines for overseas group companies

	CHECK	ACTION (Fiscal 2021 Policies)	ESG	SDGs
	<ul style="list-style-type: none"> * Strengthened measures to reduce GHG emissions through EcoPro II activities * Strengthened management of reduction targets through the product development roadmap of divisions with high GHG emissions ○ Achieved CO₂ emission reduction target through environmentally friendly products and services * Strengthened energy conservation activities (including investments in resources) * Did not achieve target for reduction of CO₂ emissions associated with energy usage cutbacks ○ Achieved target for SF₆ gas emission ratio into the atmosphere 	<ul style="list-style-type: none"> ● Acquire SBT initiative certification ● Strengthen management of GHG emissions (Scope 3) through environmental activities in the new medium-to-long-term business plan "VISION2025" ● Support promotion of "VISION2025" division development roadmap ● Strengthen promotion of energy saving activities by establishing Energy Conservation Promotion Office ● Strengthen management of GHG emissions (Scope 1) including SF₆ gas through "VISION2025" activities 	E Environmental	        
	<ul style="list-style-type: none"> * Did not achieve target for total waste volume reduction ○ Achieved target for waste recycling ratio ○ Achieved reduction target for VOC emissions into the atmosphere 	<ul style="list-style-type: none"> ● Strengthen waste management through "VISION2025" activities ● Strengthen management of VOC emissions 		
	<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"> ● Roll out quality improvements through design inspections in Safety and Quality Enhancement Project activities ● Improve effectiveness of Nissin Electric Group QA Conference and hold purchasing and outsourcing QA promotion meeting ● Make a routine of learning about the study of failure in-house (hold 4 workshops) 	S Social	
	<ul style="list-style-type: none"> ○ Changed survey to a descriptive form and rolled out improvements from concrete opinions: 386 surveys collected and posted on internal company website 	<ul style="list-style-type: none"> ● Continue to make further improvements using customer opinions 		
	<ul style="list-style-type: none"> ○ Completed nearly all line inspections and facility assessments * Further enhanced functions to automate protection relay test 	<ul style="list-style-type: none"> ● Enhance functions to automate protection relay test ● Improve work efficiency by promoting IT in the workplace ● Attach the regular inspection chart for parts with a limited life to inspection proposals 		
	<ul style="list-style-type: none"> ○ Implemented many solution proposals incorporating distributed energy resources centered on ENERGMATE * Continued to budget for BCP measures and propose solutions for realizing it 	<ul style="list-style-type: none"> ● Propose solutions that support a transition to distributed energy resources in line with state policy of separating power production from distribution and transmission ● Expand business of energy-saving and environmentally friendly products to realize carbon neutrality 		
	<ul style="list-style-type: none"> ○ Promoted nitrification control and introduction of energy conservation ○ Drafted upgrade plan from the current state of aging equipment * Created specific solutions to technology succession and maintenance efficiency improvement 	<ul style="list-style-type: none"> ● Expand solution proposals, such as energy conservation, operational efficiency improvements, and LCC reduction to deepen customer trust ● Expand solutions to solve customers' challenges of technology succession and maintenance efficiency ● Promote solutions to local government needs, such as ensuring sustainable energy 		 
	<ul style="list-style-type: none"> ○ Held voluntary Nomination and Compensation Committees (May, February, March) 	<ul style="list-style-type: none"> ● Implement work necessary to continue compliance (implemented) (hold Nomination and Compensation Committee, analysis and evaluation of the Board of Directors, etc.) ● Confirm changes in Japan's Corporate Governance Code (scheduled for spring 2021) in response to changes in listing standards on stock exchanges, and measures aimed at compliance 	S G Social Governance	          
	<ul style="list-style-type: none"> ○ Held 91 individual meetings and conference calls * Did not hold earnings presentation for institutional investors and 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 		
	<ul style="list-style-type: none"> * Provided scholarships to 26 technical graduate students ○ Held 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"> ● Continued to operate full grant-based scholarship program ● Construct a scholarship system for university students in the ASEAN region ● Hold science classes corresponding to the new normal 		       
	<ul style="list-style-type: none"> ○ Provided assistance by coordinating with governments ○ Supported the field of preservation and restoration of cultural properties ○ Maintained knowledge 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 ● Expand 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"> * Conducted forest preservation activities in the new normal * Continued cooperation with Gion Festival Zero-Waste Project in the new normal 	<ul style="list-style-type: none"> ● Conduct forest preservation activities in the new normal ● Search for new grant recipients ● Study employee participation type program 		
	<ul style="list-style-type: none"> ○ Expanded target of CSR procurement survey to all business partners with 90% of total transaction amount * Spread CSR procurement 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 		    
	<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 	<ul style="list-style-type: none"> ● Strengthen partnerships by continuing meetings focusing on visits to business partners 		
	<ul style="list-style-type: none"> * Eliminated accidents caused by falls and transport operations ○ Reduced workplace accidents by 30% from FY2019 results ○ Started priority management by weighted evaluation of workplace accidents ○ Maintained a high stress check implementation rate of 95.8%, and conducted interviews with employees with elevated stress levels, and performed group analysis 	<ul style="list-style-type: none"> ● Promote efforts 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 ● Analyze stress check and employee satisfaction survey results 	S Social	             
	<ul style="list-style-type: none"> ○ Due to the impact of the COVID-19 pandemic, most group training was postponed or canceled in the first half of the year, and in the second half of the year, training was shifted online, and group training was limited to regions (annual participants: 3,683) 	<ul style="list-style-type: none"> ● 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"> ○ Achieved target: employment rate of 2.67% for the group (as of the end of March 31, 2021) * Prepared a stable office operation environment and organization 	<ul style="list-style-type: none"> ● Promote increased hiring and expansion of scope of business with the increase in the statutory employment rate in March 2021 ● Develop new business and stable operation ● Stable operation and expand business of Kyoto and Maebashi offices 		
	<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 women employees who are balancing work and family) 		
	<ul style="list-style-type: none"> ○ Male employees taking childcare leave (12 persons/year) * Improved percentage taking annual paid holidays: FY2019: 73.0% (16.4 days) FY2020: 68.2% (15.3 days) 	<ul style="list-style-type: none"> ● Encourage male employees to take childcare leave (13 or more persons/year) ● Encourage employees to take annual paid leave (67% or more) 		
	<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 ○ Conducted interviews by rank and developed more specific measures by department in addition to overall measures 	<ul style="list-style-type: none"> ● Hold online meetings between employees with newly appointed managers and chiefs in FY2020/2021 ● Hold the quadrilateral subsection chiefs networking session in the new normal ● Conduct the fiscal 2021 employee satisfaction survey and verify the results of improvements 		
	<ul style="list-style-type: none"> ○ Confirmed the status of compliance with priority compliance laws in the Compliance Committee (4 times a year) ○ Added Labor Policy Comprehensive Promotion Act to priority compliance laws as an important item to follow ○ Prepared a list of laws governing the business of the Nissin Electric Group 	<ul style="list-style-type: none"> ● Review priority compliance laws, and plan and implement compliance measures 		
	<ul style="list-style-type: none"> ○ Shared risk cases and solved problems for 18 themes ○ Conducted training drills on disaster prevention in 11 divisions, and held drills to check the safety of employees 4 times throughout the company, and completed installation of AEDs (automated external defibrillator) in proper locations at two offices * Identified potential risks and changing risks 	<ul style="list-style-type: none"> ● Study various measures in the event of a large-scale disaster or outbreak of an infectious disease through "VISION2025" activities ● Implement disaster prevention drills with an eye toward the new normal ● Identify business risk, and further study and implement measures 	G Governance	    
	<ul style="list-style-type: none"> ○ Established "Company Information Management Guidelines for Working from Home" ○ Reviewed Information Management Ledgers ○ Reviewed related rules and regulations at some domestic group companies 	<ul style="list-style-type: none"> ● Roll out application to domestic group companies ● Plan roll out to overseas group companies 		
	<ul style="list-style-type: none"> ○ Continued measures because they were effective to some extent for Nissin Electric and domestic group companies ○ Continued to deploy software asset management system to overseas group companies and to monitor operation ○ Centralized countermeasure level based on the security guidelines for overseas group companies, and planned to raise the management level according to the risk level of each overseas company 	<ul style="list-style-type: none"> ● Continue and expand current measures in Japan ● Raise the management level overseas by developing activities in line with security guidelines, such as deploying software asset management system and strengthening license management 		



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

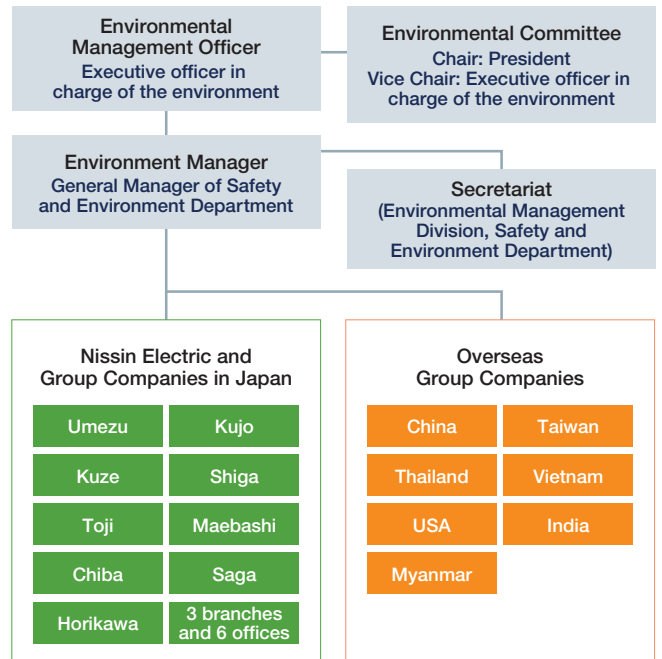
We strive to prevent environmental pollution, use resources sustainably and respond to climate change. We comply with environmental laws and regulations and strive to continually improve our environmental activities.

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

Focus Environmental Activities

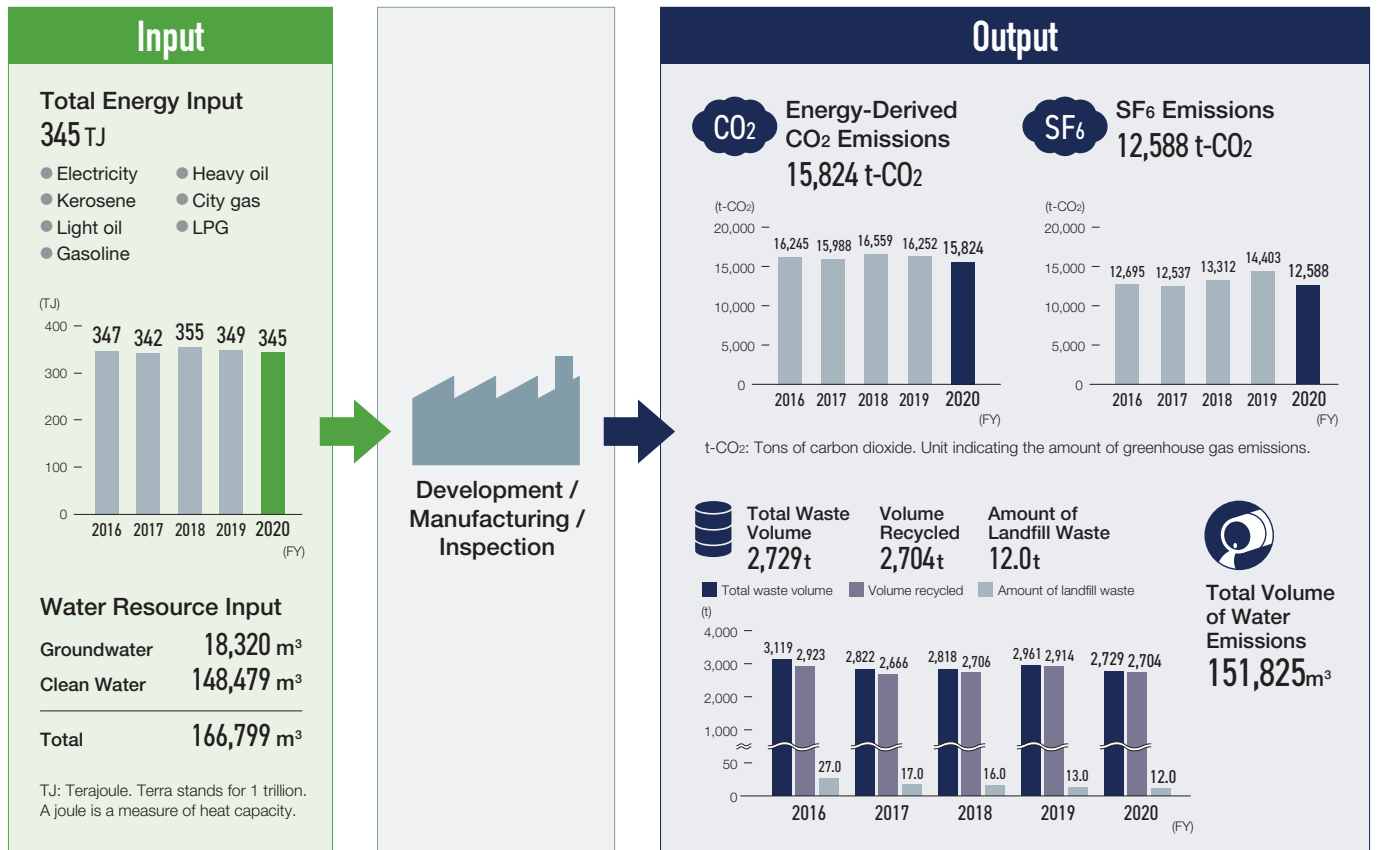
- ① Develop and supply environmentally friendly products and services
- ② Reduce energy usage
- ③ Reduce SF₆ emissions into the atmosphere
- ④ Promote less usage of resources as well as the reduction and recycling of waste
- ⑤ Prevent environmental pollution due to emission and leakage of chemical substances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

Environmental Management Structure



Input-Output (FY2020)

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



Status of ISO14001 Environmental Management System Certification

ISO14001 Certified Companies and Works in Japan

	Has production site	Umezuru 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

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

Targets of Activities	Fiscal 2020		Fiscal 2020			
	Mid- to Long-Term Environmental Target	Annual Environmental Targets	Results	Evaluation	Example of Activities	
Prevention of Global Warming	Popularize Environmentally Friendly Products	(Reduction of indirect emissions) Reduction of CO ₂ emissions resulting from products and services CO ₂ emissions: 7% reduction compared with fiscal 2015	CO ₂ emissions: 7% reduction compared with fiscal 2015	11.3% reduction	○	<ul style="list-style-type: none"> ● Promoted sales of high-efficiency products (transformers, power conditioners, etc.) ● Promoted development and sales of environmentally friendly products ● Carried out external environmental engagement activities linked to the sale of environmentally friendly products
	Energy Conservation	(Reduction of direct emissions) Reduction of CO ₂ emissions associated with energy usage cutbacks in business activities CO ₂ emissions per unit (t-CO ₂ /million yen): 5% reduction compared with fiscal 2015	CO ₂ emissions per unit: 5% reduction compared with fiscal 2015 (0.209t-CO ₂ /million yen)	7.7% increase (0.237t-CO ₂ /million yen)	▲	<ul style="list-style-type: none"> ● Implemented Eco Work day ● Changed over to LED lighting ● Installed high-efficiency equipment, efficient operation of equipment ● Made efforts to ensure that vehicles did not idle unnecessarily
	Sulfur Hexafluoride (SF₆) Emission Reduction into the Atmosphere	(Reduction of direct emissions) SF ₆ gas emission ratio: 1.0% or less	SF ₆ gas emission ratio: 1.0% or less	0.98%	○	<ul style="list-style-type: none"> ● Increased SF₆ recovery by attaching a booster pump ● Strengthened management by establishing SF₆ gas management standards ● Provided training to handlers
Emission Reduction	Resource Conservation and Recycling	Total waste volume per unit (t/million yen): 5% reduction compared with fiscal 2015	Total waste volume per unit: 5% reduction compared with fiscal 2015 (0.0371t/million yen)	4.9% increase (0.0409t/million yen)	△	<ul style="list-style-type: none"> ● Waste material reduction by product design change, automation, or jig installation ● Reduced amount of wood packing materials ● Promoted going paperless
		Waste recycling ratio: 98.0% or higher	Waste recycling ratio: 98.0% or higher	99.1%	○	<ul style="list-style-type: none"> ● Recycling of incineration ash ● Reused wood packing materials ● Promoted returning wood pallets to vendors ● Thoroughly separated waste through workplace patrols
		Landfill waste ratio: Less than 1.0% every year	Landfill waste ratio: Less than 1.0%	0.46%	○	<ul style="list-style-type: none"> ● Encouraged recycling at waste disposers
	Prevent Environmental Pollution	Reduce volatile organic compounds (VOC) emissions into the atmosphere Maintain the fiscal 2015 level	Maintain the fiscal 2015 level	19.3% reduction compared with fiscal 2015	○	<ul style="list-style-type: none"> ● Improved efficiency of the paint coating process ● Provided training to painters ● Strengthened management of used paints and coatings
Water usage: 5% reduction compared with fiscal 2015		Water usage: 5% reduction compared with fiscal 2015	24.4% reduction compared with fiscal 2015	○	<ul style="list-style-type: none"> ● Regularly upgrade toilets (installed low-flow toilets) 	
Environmental Management	Environmental education based on national targets Expand use of Forest Stewardship Council (FSC) certified printed material	Planting vegetation for biodiversity conservation Use FSC-certified paper for printed material	Conduct training on biodiversity for new hires Raising trees and plants to conserve biodiversity Use FSC-certified paper for printed material		○	<ul style="list-style-type: none"> ● Conducted training on biodiversity ● Used FSC-certified paper for the Nissin Report, etc. <p>FSC-certified paper: Paper products from forests certified by the Forest Stewardship Council to be managed and harvested in ways that take into consideration the environment and local communities.</p>

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

*FSC is a registered trademark of the Forest Stewardship Council.

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

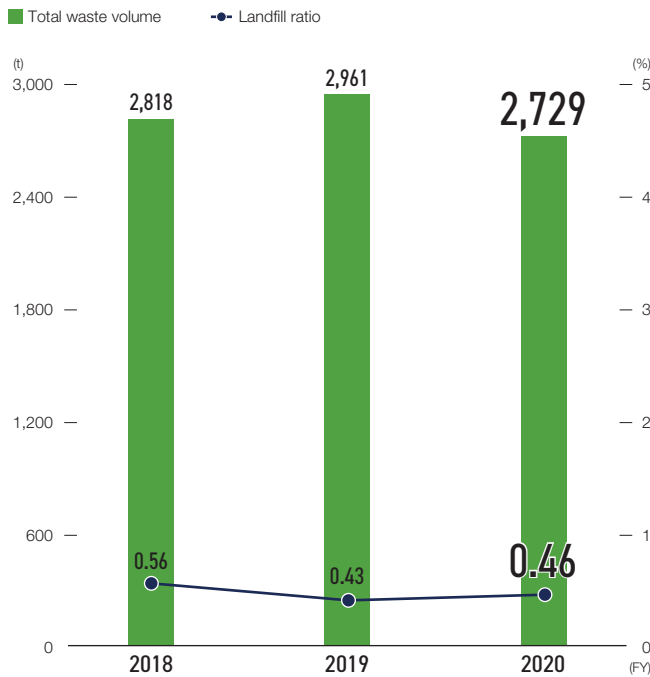


Initiatives for Global Environmental Conservation

The Next 5-year Plan

Item		Initiatives and Targets for FY2025	Targets for FY2021
Reduction of environmental impacts from business activities	Global warming prevention / Promotion of energy saving / Reduction of SF ₆ emissions	(1) Reduce GHG emissions from production sites by 15% from the FY2018 level	Reduce by 3%
		(2) Reduce energy consumption per unit at production sites by 7% from the FY2018 level	Reduce by 3%
		(3) Reduce energy consumption per unit at offices by 7% from the FY2018 level	Reduce by 3%
		(4) Reduce CO ₂ emissions per unit from transportation by 7% from the FY2018 level	Reduce by 3%
		(5) Reduce greenhouse gas emissions from SPSS	Achieve 100% of the target
	Promotion of resource conservation and recycling	(1) Reduce waste volume per unit by 7% from the FY2018 level	Reduce by 3%
		(2) Reduce water usage per unit by 7% from the FY2018 level	Reduce by 3%
	Reduction of substances of environmental concern	(1) Reduce VOC emission per unit by 7% from the FY2018 level	Reduce by 3%
	Conservation of biodiversity	(1) Promote the conservation of biodiversity	Investigate endemic species
	Reduction of environmental impact from products	Expansion of environmentally friendly products	(1) Achieve the registration of 100% of new products as "Eco Mind" products
(2) Increase the ratio of Eco-products in sales to 50%			Construct a mechanism
(3) Reduce greenhouse gas emissions from shipped products by 15% from the FY2018 level			Reduce by 3%
Management of chemical substances in products		(1) Strengthening the management of chemical substances in products	Gathering information

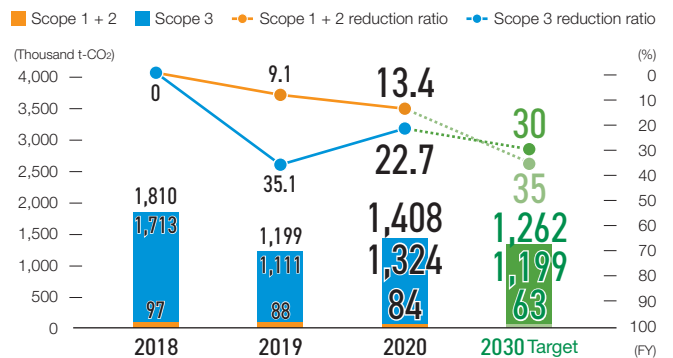
Total Waste Volume, Recycling Ratio, Landfill Ratio



Recycling ratio	2018	2019	2020	(FY)
	96.0	98.4	99.1	(%)

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

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.4.7)" (2021) 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 2019" (2021) by the Japanese Ministry of the Environment
 [Overseas] Emission factor in each country for 2018 mentioned in "IEA Emission Factors 2020" (2020)
 CO₂ emission factor for other than purchased electricity:
 [Both in Japan and overseas] Emission factor in "Greenhouse Gas Emission Accounting and Reporting Manual (Ver.4.7)" (2021) by the Japanese Ministry of the Environment and Ministry of Economy, Trade and Industry

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

Prevention of Global Warming

Reduction of Greenhouse Gas Emissions

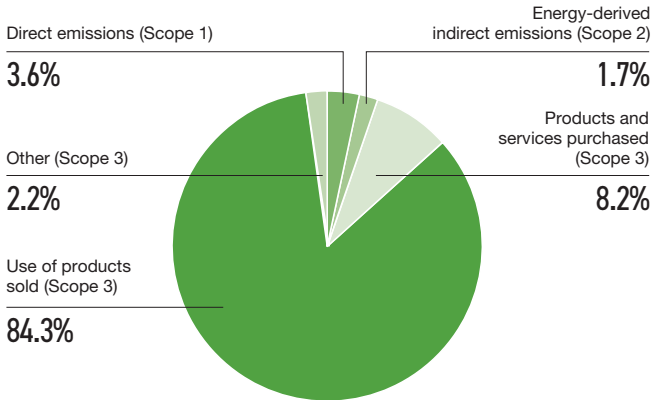
Calculating Supply Chain Emissions

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. 2.3 issued by METI and the Ministry of the Environment.

In fiscal 2020, we revised the greenhouse gas emissions calculated in fiscal 2018 and established a method of calculation in order to set emission reduction targets required for certification from an international environmental organization, the Science Based Targets Initiative (SBTi)*.

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

CO₂ Emission Results for the Entire Supply Chain Total: 1,810,000t-CO₂ (Fiscal 2018; Nissin Electric Group in Japan + Overseas Group Companies)



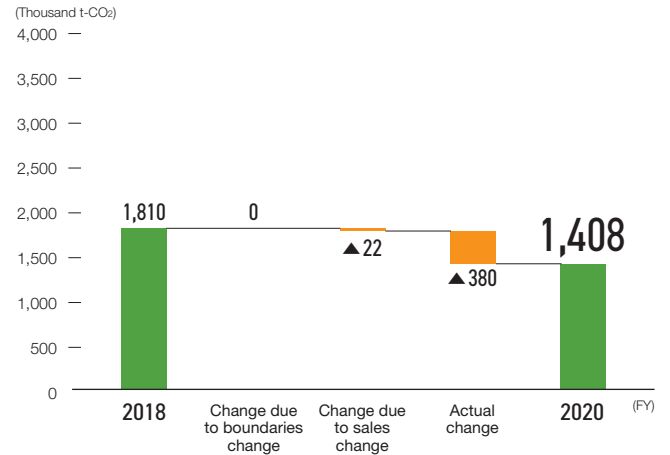
Note: Updated aggregate values in November 2020.

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

SBT Certified for Greenhouse Gas Emission Reduction Targets

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 from the fiscal 2018 base year, and has been certified by SBTi as a target based on scientific evidence. Going forward, we will continue to make reductions to achieve these targets.

Factor Analysis of Changes in CO₂ Emissions Across the Entire Supply Chain (Nissin Electric Group in Japan + Overseas Group Companies)



Change due to boundaries change: Emissions in fiscal 2018 from the boundaries of collection newly added or excluded in fiscal 2020
Change due to sales change: [Emissions in fiscal 2018 from the boundaries of collection for fiscal 2020] x (Sales in fiscal 2020 / Sales in fiscal 2018 - 1)
Actual change: Calculated by subtraction
Scope of data: The same as "CO₂ Emission Results for the Entire Supply Chain"

Introduction of Renewable Energy

Nissin Electric has introduced a photovoltaic system at the Nissin Academy Training Center and the Maebashi Works.

The training center effectively uses the generated power through a combination of "captive consumption" of the power and "power wheeling" of supplying surplus power to the adjacent Head Office & Works via the power grid of general electricity transmission and distribution utility.

The Maebashi Works helps to save energy and reduce the environmental burden by introducing distributed energy resources, such as a photovoltaic system, electric power generators, and storage batteries, and through optimal control.



Photovoltaic system installed at the Nissin Academy Training Center

Declaring Support for TCFD Recommendations and Strengthening Activities

Nissin Electric has declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)*. Moving forward, in line with the recommendations and in addition to achieving our SBTs, we will strengthen our initiatives and analysis of risks and opportunities related to climate change from the perspective of medium- to long-term environmental activities.

* Task Force on Climate-related Financial Disclosures: A special team established by the Financial Stability Board (FSB) at the request of the G20 to consider climate-related disclosures and financial correspondence. It recommends companies to disclose information on climate change-related risks and opportunities.



Initiatives for Global Environmental Conservation

Expansion and Creation of Environmentally Friendly Products

Expanding the Popularity of Environmentally Friendly Products

Products Certified with Our Own Environmental Label

As the problem of global warming becomes more urgent and serious, companies are required to reduce environmental burdens, such as reducing greenhouse gases from the collecting of raw materials to product manufacturing, and the customer use of products, and their disposal.

The Nissin Electric Group is advancing the development and expansion of environmentally friendly products to reduce the environmental burden. 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 from fiscal 2000 levels. 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 burden of our products by further popularizing environmental label products.

Products with Environmental Labels

	Certification date	Applicable product
eco-products (12 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)
		Ultra-compact gas insulated switchgear XAE7 (72/84kV 1200A)
		Compact gas insulated switchgear XAE2G (24kV 630A)
		D1U type harmonic relay (DC110V)
	August 2018	SJ series automatic controller for phase-modifying equipment
	October 2018	NS type T87 percentage differential relay (NS-3T25)
	September 2020	SJ series transfer trip equipment (DC110V)

	Certification date	Applicable product
super eco-products (12 products)	September 2013	D1U type spot network relay (DC110V)
	September 2014	1φ gas insulated voltage transformer (SVR-14A)
		Capacitor voltage transformer for unprotected areas (PDL-20F)
		Capacitor voltage transformer for protected areas (PDB-14F)
		Capacitor voltage transformer for protected areas (PDB-17F)
		Capacitor voltage transformer for protected areas (PDB-20F)
		Capacitor voltage transformer for protected areas (PDB-25F)
	D1U type automatic voltage regulating relay (#90) (D1UVR-41)	
	February 2016	J-series SC protection relay
	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)

Creating Environmentally Friendly Products

Achieving Reduction of Global Warming Potential Through Application of Eco Gas to VT

A voltage transformer (VT) is a device for transformation of high voltage into low voltage and to measure the high voltage of an AC circuit, and is used in gas insulated switchgear (GIS)*1.

Sulfur hexafluoride (SF₆) gas, which is mainly used as an insulating gas for GIS, has high insulation performance, but also has a high global warming potential*2 and is considered to have a significant environmental impact if it is leaked into the atmosphere due to mishandling of the gas or unlikely damage to the device. Against this backdrop, environmentally friendly GIS free from SF₆ gas have been garnering attention in recent years, and the development and operation of GIS that uses new insulating gas is being promoted in Europe and especially in South Korea.

We have monitored the trend in South Korea and started to develop a VT that using a mixture of fluoronitrile*3, a fluorine-based gas, and CO₂ ("ECO gas"), as the insulation gas, and can be mounted on GIS. In October 2020, we were the first manufacturer in Japan to launch the 170kV "ECO gas VT" using this gas.

The use of ECO gas has achieved a 98% reduction in its global warming potential compared with that of SF₆ gas while satisfying the electrical performance required of existing SF₆ gas insulated VTs.

Nissin Electric remains committed to focusing on the

development of environmentally friendly products, striving to popularize them, and promoting the reduction of the environmental burden to help prevent global warming.



170kV ECO gas VT

*1 Gas insulated switchgear (GIS): A device installed as transformer substation equipment for the safe and stable supply of electric power.

*2 Global warming potential: A measure of the effect over 100 years by a greenhouse gas in the atmosphere, compared with carbon dioxide.

*3 Fluoronitrile: A fluorine-based gas having the chemical formula "2,3,3,3-tetrafluoro-2-(trifluoromethyl)propanenitrile."

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.

■ 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."

* Business Recognized for Excellence in Waste Reduction & 3Rs: The name was changed to "Business Recognized for Excellence in 2R and Sorting and Recycling Activity" from fiscal 2017.

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 four groundwater inspection wells at the Head Office & Works, Kuze 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 2020 were within the standards of the Sewerage Act. We report these results to government agencies each time.

Management of Chemical Substances

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.

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" in 2014*1 and is 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 irohamomiji (Japanese maple), and endangered species on the premises of our Head Office & Works.

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 and Works.

Moving forward, we will widely inform our employees and local residents about the ecosystem unique to Kyoto and our activities to preserve it.



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)" in recognition of our past biodiversity conservation activities and the significant contribution of the Head Office & Works to improving the living environment in the surrounding area by actively promoting factory greening.



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 ISO9001 Certification Among Nissin Electric Group Companies

Region	Company name	First registration	Current edition	Certification
Japan	Nissin Electric Co., Ltd. Headquarters	1996.6	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 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	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
	Nissin Ion Hightech (Yangzhou) Co., Ltd.	2013.10	2015 edition	2017.10
	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

Consolidation of Quality Manuals at the Head Office & Works and Maebashi Works

Differences in timing when acquiring ISO9001 certification and differences between our locations had led to the creation and use of separate quality manuals. The Nissin Electric Group has now consolidated these previously separate 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

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 by having them think logically about mistakes in their own divisions.

Quality Improvement Initiatives

Design Quality Inspections

Ensuring product quality requires determining, following, 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. In fiscal 2020, these inspections were held while incorporating COVID-19 countermeasures. We work with employees to improve quality by checking compliance with quality standards, highlighting issues, and proposing improvements.

Global and Group-Based Safety and Quality Competitions **GLOBAL**

The Nissin Electric Group holds the Safety and Quality Competitions to ensure that each and every employee fully understands the importance of safety and quality, helping to work toward “establishing and spreading a culture and style that puts safety and quality first.”

Starting in fiscal 2019, as well as competitions at Nissin Electric headquarters and Maebashi Works, we’ve also held competitions in Chinese-speaking and ASEAN regions, respectively. In fiscal 2020, the first Safety and Quality Competition for the entire group, including overseas group companies, was held online.

These competitions enable us to share examples of improvement activities in each department and exchange opinions to raise and improve awareness of safety and quality throughout the group globally.



QC chant at a Safety and Quality Competition to provide a unified awareness of quality



An example of quality improvement activities from Nissin Electric Vietnam Co., Ltd.

Establishment of an ASEAN Quality Commission and Promoting Quality Control **GLOBAL**

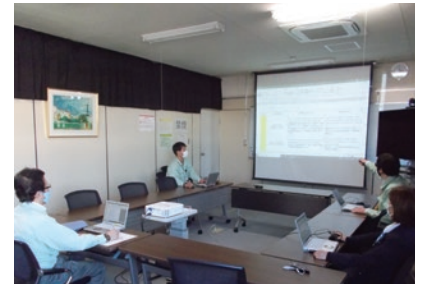
In fiscal 2020, the Nissin Electric Group launched the ASEAN Quality Commission to promote quality management at our overseas group companies in the ASEAN region.

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 regular online commission meetings and providing training on quality management.

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.

In the future, we will also set up quality commissions for our overseas Chinese-speaking group companies, working to improve quality in Japan, ASEAN region and Chinese-speaking regions

on a group-wide and global basis.



Online ASEAN Quality Commission

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. Starting in fiscal 2020, we revised the survey so that it can be filled out more quickly, reducing customer burden. 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.

E-Mail Technical Support

We regularly send an e-mail-based technical support newsletter called Techno-Letter to subscribing customers.

The newsletter provides information on preventing problems with electrical equipment, Q&As based on questions from customers, technical information, emergency contacts during holidays, etc. It is also used as a communication tool, allowing customers to send us technical questions and requests.



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 to on-site testing, maintenance, facility assessments, and renewal.

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’ve used the policy to strengthen cooperative frameworks between on-site engineers, in-house engineers, and on-site workers through the use of ICT. We are also working to improve work efficiency and service quality while incorporating thorough COVID-19 countermeasures. Related actions include automation of inspections by automating protection relay test and maintenance works and degradation assessment through our unique assessment equipment and equipment assessment system that utilizes IoT, cloud computing, and AI technologies.

CS college at Nissin Academy, the Nissin Electric Group’s education and training system provide 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 in response to the new normal of COVID-19.

Inspecting Electron Beam Processing Systems That Support Customer Production and Research

NHV Corporation continues to contribute to customers’ production and research activities with over 400 electron beam processing systems that it manufactures delivered to 31 countries around the world. The majority of these systems operate around the clock, which means that regular inspections are vital for their stable performance.

NHV Corporation cooperates with its subsidiaries in the United States and China in conjunction with customers’ production and research activities to send employees to 31 countries around the world to conduct inspections. They also supply information and offer proposals on spare parts for aging critical components in equipment and the early recovery of equipment in the event trouble occurs. It is also working with customers to provide remote maintenance and equipment troubleshooting services during COVID-19 through telecommunication-based methods.

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.

Starting in fiscal 2019, 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, which further increases the level of contribution to customers’ operations. The training uses our veteran engineers with a wealth of experience as instructors and focuses on practical aspects that cannot be experienced in day-to-day work.

All training sessions were canceled in fiscal 2020 to prevent the spread of COVID-19, placing priority on our customers’ safety. Future 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, 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 6,600V 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

In response to COVID-19, in fiscal 2020, we suspended holding earnings presentations for institutional investors and company presentations for individual investors, which were traditionally held to deepen understanding of Nissin Electric, to avoid Three Cs in the venue. Instead, materials explaining Nissin Electric’s business and products were made available on our website. We also answer questions from investors individually.

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.

As another measure to prevent the spread of COVID-19, we introduced smart voting (a simple method of voting that uses QR codes) at our annual general shareholders’ meeting in June 2020. We asked shareholders to refrain from visiting the venue and consider voting in advance and announced that the tour of company facilities, typically held after the meeting, would be canceled. The meeting was held at a new venue, the Nissin Academy Training Center, with

measures such as temperature checks upon entry, seating that incorporated social distancing, and protective acrylic panels.



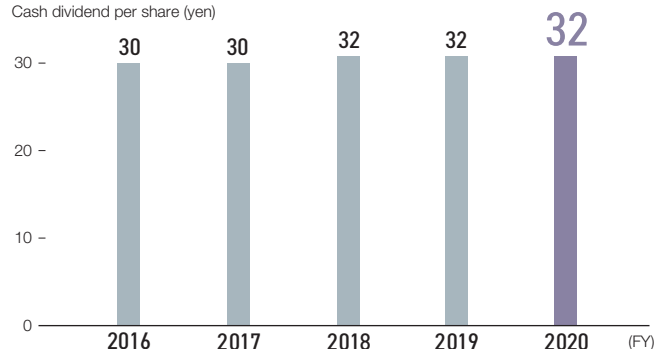
Annual general shareholders’ meeting in June 2020

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)



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



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") to contribute to Kyoto's development as a way of thanking the city 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

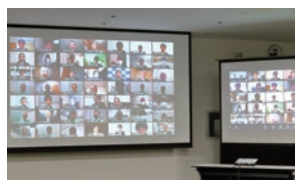
A Grant-based Scholarship Program for Technical Graduate Students

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

In fiscal 2020, the Foundation provided scholarship to 26 students conducting research relating to electricity, plasma processing, information, and materials & mechanical systems.

We also hold scholarship student gatherings every year. The events act as a place of deep exchange between scholarship students conducting research in similar fields, as well as with members of society. It also helps recipients to improve each other's skills. The meeting was held online in fiscal 2020 to ensure it could continue to be held in light of COVID-19.

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.



Scholarship student gathering held online in fiscal 2020

Initiatives for Expanding the Horizons of Engineers

● On-site Science Classes for Elementary School Students and Cooperation with Environmental/Hands-on Learning

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. Due to the spread of COVID-19, in fiscal 2020, we made the decision not to hold classes and instead prepared new teaching materials in accordance with the infection control manual set by the Ministry of Education, Culture, Sports, Science and Technology. We will continue to provide opportunities for fun learning.

● Assisting with Workshop of Robot

We provided the venue for "KakeRobo monozukuri classes," a workshop of robot organized by Kakehashi mirai, a non-profit organization, and continue to support it through the Foundation.

● 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 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, for high school and vocational college students.

● 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 2020, the donations were used for projects operated by the Kyoto Prefectural Fund to Protect and Convey Cultural Properties. The donations were also used for an ongoing project from the previous fiscal year to repair the front balcony of the former main building of the Kyoto Prefectural Hall, a national important cultural property.

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 2020 will be used for the repair of a stone pagoda (*Umazuka*) at the “National Historic Site of the Great Buddha Hall of Hoko-ji Temple, Stone Base and Stone Pagoda” 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 Pagoda (*Umazuka*) at Hoko-ji Temple

Assisting Exhibitions that Promote the Charm of *Kyomachiya* Houses

We participated in *Machiya Vision*, an exhibition held in collaboration with the Kyoto Center for Community Collaboration and the KYOTOGRAPHIE International Photography Festival* 2020, conveying the appeals and the future vision of *Kyomachiya* houses by assisting with coverage of Nissin Electric’s guesthouse, *Sekison-tei*.



Video exhibits about *Sekison-tei*

* KYOTOGRAPHIE International Photography Festival: Held in Kyoto, one of the few international photography festivals in Japan.
 * KYOTOGRAPHIE is a registered trademark of the KYOTOGRAPHIE Inc.

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

To support the conservation and restoration of cultural assets, the Foundation makes donations to the Kyoto City University of Arts’ support for future artists “100 People of Goodwill.”



Restoration work in progress

Assisting in COVID-19 Countermeasures

Assisting Kyoto Prefecture and Kyoto City’s Foundation to Fight COVID-19

In response to COVID-19, Nissin Electric made donations to the Kyoto Prefecture COVID-19 Countermeasures Support Fund and the Kyoto City COVID-19 Countermeasures Support Fund, helping to support medical institutions, medical personnel, and households raising children.

Assisting the Kansai COVID-19 Medical System Support Fund

The donation was made to the Kansai COVID-19 Medical System Support Fund established by the Kansai Economic Federation to help strengthen the medical system in the face of COVID-19, including monitoring infections in the Kansai wide area and developing a system to deal with patients who become seriously ill.

Assisting COVID-19 Countermeasures in China **GLOBAL**

Nissin Electric provided a monetary donation to Wuxi City, Jiangsu Province, China, where our group company is located. The donation included a contribution (matching gift) equal to internal fundraising performed by our employees, which was donated to the Daqiao Experimental School (Linghu school district) through Xinwu District Charity Federation, a charitable organization in Wuxi City. The donations were mainly used for the purchase of supplies to prevent infection and for related education and training.



Support through the Xinwu District Charity Federation

Cooperating with Local Environmental Conservation Activities

“Nissin Electric Forest” Preservation Activities in Kyoto and Maebashi

The Nissin Electric Group and the Foundation are conducting forest preservation activities together with local residents in the Nissin Electric Forest established in Nantan City, Kyoto Prefecture based on an agreement signed in support of the Kyoto Model Forest Movement to protect and nurture the forest of Kyoto.

We suspended our conservation activities in fiscal 2020 due to COVID-19 and proceeded to plan internet-based events to familiarize people with forests. These events are in line with the guidelines for activities in forests set by the National Land Afforestation Promotion Organization. We also continue to cooperate in preservation activities in the Nissin Electric Forest, located at the southern foot of Mt. Akagi in Maebashi City, Gunma Prefecture.



Partner Trust

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

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 Green Procurement Guideline, 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 this guideline.

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. Following the implementation of the survey at our headquarters region in fiscal 2018, a second survey was conducted in the Maebashi region in fiscal 2020. In the future, we are preparing to expand the scope of this survey to include our group companies' partners.

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 2020, we took thorough measures to prevent the spread of COVID-19, holding the meeting on a reduced scale, limiting the number of attendees from our partners.

We will continue to build partnerships with our partners by devising new ways of doing things in the new normal of COVID-19.



Partner meeting at the headquarters

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.

Only two meetings were held in fiscal 2020 due to COVID-19, but in addition to explanations regarding our operational status from our business divisions, we had lively discussions on the improvement of the drawings we provide to our partners and our responses to laws related to work style reform.

We will continue to hold the meetings of this council, responding to changes in the business environment with our partners through exchanges that transcend corporate boundaries.



Exchange of opinions at the council meeting

Supporting Our Business Partners to Introduce IT Equipment

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 included opening a dedicated help desk in our Information System Department for consultations relating to information security.

It was difficult to maintain close communication through visits to partners in fiscal 2020 due to COVID-19. To improve this situation, we provided technical support to our major partners regarding considerations related to introducing IT equipment such as tablets by advising them on information security.

We will continue to use IT equipment to communicate effectively with our partners during the new normal of COVID-19.

Partnerships with Distributors

Holding Engineering Seminars for Sales Personnel

We hold engineering seminars for sales personnel from our partners, such as distributors and partner companies, to deepen their knowledge and understanding of our products and technologies so they can use this information in their sales activities.

To continue holding this seminar—which acts as an important point of contact with our partners—in light of COVID-19, the event was held online in fiscal 2020, with approximately 180 people from 29 companies participating.

In addition to a briefing on our key products, we gave a lecture entitled “Making Sales in the Telework Era,” in which we introduced the new communication style with our customers in response to post-COVID-19. The new style includes changes that we are focusing on, such as using online remote technical meetings and remote on-site tests, as well as sales activities that utilize tools suited to the new normal of COVID-19.

In the midst of the new normal in the future, we will continue to work with business partners who have different markets, commercial channels, and networks, thereby expanding our orders.



Maintaining social distancing at the operating venue of the seminar



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.

Encourage Diverse Work Styles and Work-Life Balance

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%

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

Guidelines Drafted for Using the Work-Life Balance Support System

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.”

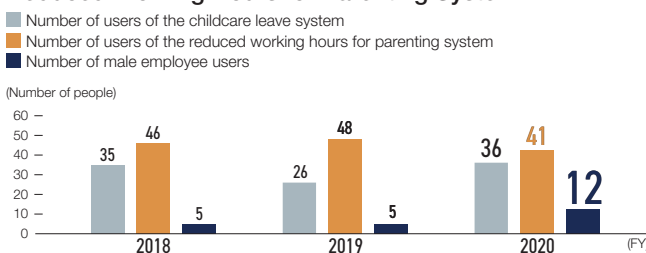
We created the “Labor-Management Expert Committee for the Promotion of Smart Activities,” and drafted guidelines for using the work-life balance support system in fiscal 2020.

The guidelines reflect the voices of those who use the work-life balance support system, their superiors, and those who support work-life balance in the workplace from their respective standpoints, based on the results of a questionnaire conducted on work-life balance support. Using these guidelines, we will continue to further focus on contributing to the wisdom of efficiency that is useful to everyone and new work styles in order to create work styles and systems that support a work-life balance, and creating a culture that recognizes diverse work styles and diversity.

Encourage Male Employees to Use Childcare Leave System

In order to create a workplace where both men and women can balance work and childcare, we have been sending “letters for childcare leave” to male employees who have children and their superiors from fiscal 2019. We are further promoting the use of the support system to support their spouses after birth and to share childcare, such as introducing the experiences of male employees who have taken childcare leave.

Number of Users of Childcare Leave and Reduced Working Hours for Parenting System



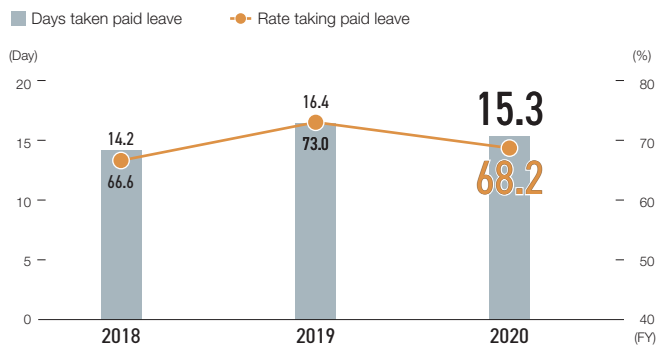
Encourage Employees to Take Various Paid Leave

We have introduced the following leave system to make it easy for employees to take time off for diverse life events and stages of their lives. We are encouraging employees to take paid leave. We have identified the how much time off each employee takes, and when we learn of individuals who have not taken much time off, an email is sent to the employee and their superior along with a request to create a plan for taking paid leave and confirm their leave status.

Main Leave Systems

- Paid leave by the hour system
- Planned paid leave system
- Special leave system
- Clear leave system
- Half-day leave system
- Memorial paid leave system among others

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.

This is a system in which companies that have been certified “Kurumin” by the Minister of Health, Labor and Welfare as a company supporting childcare have made higher-level efforts to support the balance between work and childcare for its employees.

Even after acquiring the certification Kurumin in 2012, we have achieved our goals of “encouraging male employees to take childcare leave,” “reviewing of labor-management agreement on overtime work”, and “encouraging employees to take annual paid leave,” stipulated as the action plan, and this certification recognizes the continued efforts we have made in this area.



Platinum Kurumin certification mark

Utilize a Diverse Workforce

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

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

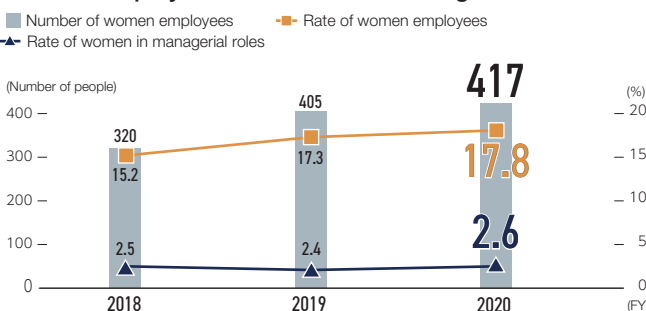
Encouraging Use of the Career Support System

In order to support female employees from both work and childcare so that they can play an active role in a wide range of fields at Nissin Electric, we have implemented a career support system that encourages their career development by career supporters. 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.

New Work-from-Home System to Promote Flexible Work Styles

We are promoting the use of reduced working hours and flextime systems so that everyone can work flexibly according to their own circumstances at any given time. We are conducting trials from fiscal 2020 toward establishing a work-from-home system for childcare, elderly care, and treatment of illness to support people who want to continue working, and to create an environment to support them by the entire workplace.

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



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

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.

In October 2019, The NHF Kyoto office moved to a large and new office space in anticipation of expanding its business, and currently employs 19 people (including 16 people with disabilities), where everyone is working to their fullest. In April 2019, we opened the NHF Maebashi office, which currently employs nine people (including six people with disabilities).

Both offices continue to conduct tours and practical training for supporting schools and organizations for future recruitment. In April 2020, we created a website to introduce the workplace to improve the credibility and name recognition of employees' families, educational institutions for people with disabilities, and supporters, and to increase employee motivation.

NHF undertakes a wide range of work that includes data entry (such as business cards and forms), managing green space at Nissin Electric, and business trips to the Human Resources Department, in addition to the digitization documents and drawings that it has accepted from the Nissin Electric Group since its inception. NHF has also been newly entrusted with catalog management and manufacturing assistance work. We will continue to work together to expand our business.

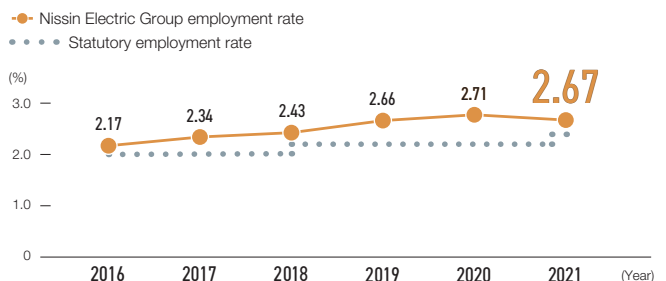


NHF Kyoto office



Catalog management

Employment Rate of People with Disabilities



Note: Figures up to 2020 are as of June 1 for each year, and figures for 2021 are to the end of March.

Scope of data:
Up to 2016: Nissin Electric Co., Ltd., non-consolidated.
From 2017: Nissin Electric Co., Ltd., Nissin Ion Equipment Co., Ltd., Nissin Systems Co., Ltd., Nippon ITF Inc., and Nissin Heartful Friend Co., Ltd.



Employee Mutual Trust

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 curriculum consists of General Training, Business Skills Course, Technology and Skills Course, and Departmental and Group Company Internal Training. All employees can receive the necessary education centered around education based on rank so that all employees can acquire the knowledge and thinking required for their position and job level.

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

Conducting Employee Training and Education Within the Group and Globally

Diverse Styles of Training

In fiscal 2020, we conducted group training, such as training for new employees, by taking thorough preventive measures against COVID-19. This included dividing classrooms to avoid the Three Cs, ensuring proper ventilation, and having everyone wear a mask. To make it easier for instructors and students to communicate with each other, employee training, which was increasingly held online, was conducted by asking students to type their feelings and questions in chat, while the instructor proceeded with the lecture while checking the students' facial expressions and gestures on camera.



Training for new employees in fiscal 2020

Employee Training at Overseas Group Companies **GLOBAL**

Nissin Electric Vietnam Co., Ltd. conducts training by video conferencing. It is held in collaboration with local interpreters, and focuses on learning business skills, such as how to use computer software, presentations, and logical thinking.

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 competition in October 2020 was held with sufficient precautions to prevent COVID-19 infections, and 112 engineers from Japanese and overseas group companies and partner companies participated. The four practical competitions (screw-tightened assembly, crimping and wiring connection, forklift truck, and reach forklift truck) were conducted via live relay at the Nissin Academy Training Center. 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. 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 November 2020, a total of six teams—four from Japan, one Chinese-speaking team, 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.

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 2020 survey targeted around 3,000 people and received a response rate of 93.3% that included numerous opinions. This survey also included questions about work from home due to the spread of COVID-19. From the results of the survey, we will identify the issues of the group overall and use them to implement measures to further improve the work environment for employees.

Promote Safety and Health Awareness

Basic Safety Management Policy

Safety takes precedence over all else

Basic Goals for Fiscal 2020

- Accidents with absence: Zero
- Accidents without absence: 2 incidents or less
- Occupational illness: Zero
- Commuting accidents: Less than half of fiscal 2019 results
- Company car accidents: Less than half of fiscal 2019 results

Workplace Safety and Health Inspection Efforts **GLOBAL**

The Nissin Electric Group will practice “determining, following, 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. Nissin Electric (Thailand) Co., Ltd., Nissin Electric Vietnam Co., Ltd., and Nissin Electric Myanmar Co., Ltd. carry out online factory inspections, and we are working to improve sensitivity to safety and provide guidance on what to look for during inspections to safety managers at each company.

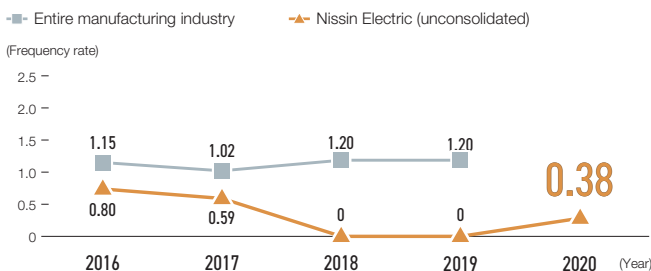


President’s safety inspection

Implementing Safety Education

The Nissin Electric Group focuses on safety education, such as risk hands-on training. In fiscal 2020, we held training by taking measures to prevent COVID-19 infections, including limiting the number of participants according to the size of the training area. 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)*



(as of December 31, every year)

Note: The figures for the entire manufacturing industry in 2020 are omitted because they were not yet announced by the Ministry of Health, Labor and Welfare as of March 2021 when this graph was created.

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

* Frequency rate = (number of casualties due to industrial accidents ÷ total number of actual working hours) x 1,000,000

Measures to Fight COVID-19 in Work Styles and Workplaces

The Nissin Electric Group has established the “COVID-19 Response Headquarters” and places the highest priority on ensuring the health and safety of local residents, customers, partners, employees working in the Nissin Electric Group, their families, and all other stakeholders. We are working on various measures based on our basic policy.*

We have implemented the following measures in conjunction with the guidelines of national and local governments from the perspective preventing the spread of infection in work styles and in the workplace.

Main Measures Implemented in Fiscal 2020

- Work from home
- Staggered work
- Staggered breaks
- Measures to prevent infection from droplets (installation of acrylic panels)
- Prohibited entertaining and social gatherings
- Use of ICT to hold meetings and training
- Adjusted the arrival date of new employees
- Changed scheduled holidays at the request of the government
- Closed welfare facilities (Saganoso and Shikishima Hall) among others

We will continue to take flexible measures in light of the ever-changing state of infections.

* See p.48 for the group’s company-wide efforts to prevent the spread of COVID-19.

Health Management

External Evaluations

Certified 2021 Outstanding Health and Productivity Management Organization by the Ministry of Economy, Trade and Industry

The Ministry of Economy, Trade and Industry, in collaboration with the Nippon Kenko Kaigi, established the Certified Health and Productivity Management Organization Recognition Program to recognize corporations that practice excellent health management based on efforts that are in line with various health issues. Nissin Electric was certified for 2021 Outstanding Health and Productivity Management Organization for large enterprise category under the program. Continuing from the previous 2020 certification, in addition to Nissin Electric Co., Ltd., this certification includes NHV Corporation, Nissin Business Promote Co., Ltd., and Nissin Denki Shouji Co., Ltd. We have been recognized for our proactive measures to improve mental and physical health, and to enhance our health management system.

Nissin Systems Co., Ltd. and Nissin Pulse Electronics Co., Ltd. received certifications for SME category.



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 is to build relationships of trust with stakeholders (customers, shareholders, society, partners, employees), and the Nissin Electric Group's Corporate Philosophy is, through corporate activities that support the foundations of society and industry, to harmonize with the environment and contribute toward realizing a vibrant society.

We established our "Corporate Governance Guidelines" to show the basic philosophy and policy on corporate governance, which are disclosed on our website. In addition, we have implemented and complied with all the principles of Japan's Corporate Governance Code (June 2018 edition).

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

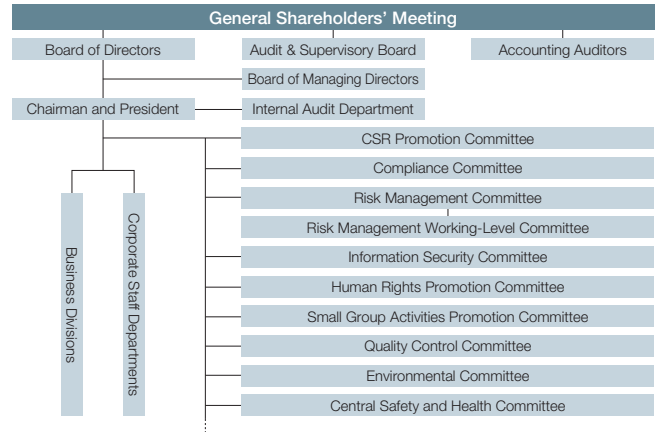
- ① We will create an environment in which shareholders can exercise their rights appropriately and ensure the equality of shareholders.
- ② We will strive to build relationships of trust with stakeholders, such as customers and shareholders.
- ③ We will disclose company information in a timely and appropriate 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.

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). As the ultimate decision-making body in management, the Board of Directors discusses and makes decisions on important matters, and the directors supervises the execution of duties. Working together with auditors and accounting auditors, the Internal Audit Department, which directly reports to the president, conducts internal audits of the entire Nissin Electric Group, including overseas companies.

We also operate a voluntary Nomination and Compensation Committee for the appointment and dismissal of executive officers and the compensation for directors.

Corporate Governance Structure



Thorough Compliance

Basic Policy on Compliance

The Nissin Electric Group believes that compliance forms the very heart of its management and an absolute foundation for its future continuity and growth. As such, we aim to realize our Corporate Philosophy by working to fully comply with laws and ordinances and striving to build relationships of trust with stakeholders as our Principles of Activities based on our Business Mindset. In addition, Nissin Electric will further focus on developing business globally, and will ensure that the actions of each employee comply with and respects human rights, international rules, and the laws and cultures of various countries.

Maintaining the Excellence of Our Compliance System

We established the "Nissin Electric Group Corporate Behavior Charter" based on our Corporate Philosophy, Principles of Activities, and Business Mindset. The Compliance Committee works with the "Area Compliance Managers*" of each workplace and group company to roll out measures and training or awareness related to the enhancement of compliance. The Nissin Electric Group has not had any legal violation for approximately 12 years since 2009 and thus has not been subject to any penalties.

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

Expansion of the Whistleblower Reporting System

We have established a "Help Line Desk" (three lines: general, female contact line, and outside lawyer) as a compliance-related whistleblower/consultation service that covers all human rights and harassment, with the Legal Department overseeing operation as secretariat. The Help Line Desk received 10 consultations in fiscal 2018, 23 in fiscal 2019, and 17 in fiscal 2020, and we are working to correct and resolve problems on our own before they become serious.

In response to the revised Labor Policy Comprehensive Promotion Act that came into effect in June 2020, we have notified the entire company of the policy prohibiting harassment and revised

our employment rules as the revised law requires companies to take employment management measures to prevent power harassment. All harassment, including power harassment, is subject to disciplinary action. We will continue to handle calls to the Help Line Desk in earnest.

Promotion of Compliance Education

In fiscal 2020, we held a nationwide compliance training session for group employees in Japan on the themes of thorough compliance with the ban on cartels and ban on harassment in an online seminar as a measure to avoid COVID-19 infections. In addition, we increased the number of compliance training sessions for executive officers from once a year to twice a year, and held them on the themes of preventing harassment and Anti-Monopoly Act.

Respect for Human Rights

At the Nissin Electric Group, we have established the “Human Rights Promotion Committee” as a company-wide cross-functional organization that promises to respect basic human rights and not to discriminate as set forth in the Nissin Electric Group Corporate Behavior Charter and the Nissin Electric Group Employee Conduct Guidelines. In fiscal 2020, we thoroughly implemented measures to fight COVID-19, and provided rank-based training and power harassment training for all employees.

Risk Management

Thorough Risk Management

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

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

Risk Management Structure



Efforts to Prevent the Spread of COVID-19

The Nissin Electric Group has established the “COVID-19 Response Headquarters,” formulated the following policies, and is working on various measures to disseminate information as appropriate.

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.

According to the state of COVID-19 infections, we have actively adopted work from home, staggered work, and an electronic approval system, etc., and have tightened regulations on matters such as business trips and social gatherings. We also are proactively promoting flexible responses such as remote customer support, technical guidance, product on-site inspections, education and training, etc. so as to avoid the Three Cs in business. As this is the Nissin Electric Group’s New Normal, we will further strengthen management and promote business reforms that are in line with changes in the business environment.

Utilizing ICT and Thorough Information Security

The Nissin Electric Group established the Information Security Committee, chaired by the executive officer in charge of information systems. It prepares various measures to prevent information leaks and conducts security training for employees and partners, in addition to promptly revising information security rules and regulations in line with the social situation. In fiscal 2020, we are working to ensure thorough security management, such as strengthening the telework environment and expanding log monitoring due to the expansion of work from home in the midst of the COVID-19 pandemic.

External Main Awards and Certifications

2020

Jun. **Nissin Electric Co., Ltd.**
 (Undertaking) Substation Equipment Construction of
 Yokohama Ring Expressway North-West Line
 President's
 Commendation
 Metropolitan Expressway
 Company Limited



Aug. **Nissin Electric Co., Ltd.**
 Hanshin Expressway Yamatogawa Route Project
 Certificate of Appreciation
 Hanshin Expressway
 Company Limited



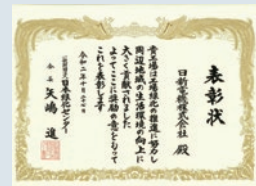
Nissin Allis Electric Co., Ltd.
GLOBAL
 Outstanding business entity
 for using uniform invoices
 honestly in 2020, and publicly
 praised to encourage peers to
 emulate these efforts
 National Taxation Bureau of
 Taipei Ministry of Finance



Sep. **Nissin Electric Group Foundation
 for Social Contribution**
 Kyoto Prefecture Donor Recognition
 Kyoto Prefecture

Oct. **Nissin Electric Co., Ltd.**
 The 69th Electric Industry Technology Achievement Awards
 Encouragement Award
 Development and Practical Application of Accumulated
 Dust Detection Switches
 Japan Electrical Manufacturers' Association (JEMA)

Nissin Electric Co., Ltd. Head Office & Works
 The 2020 Commendation for Outstanding
 Green Space Environment Factory
 The President Award for Encouragement by Japan
 Greenery Research
 and Development
 Center
 Japan Greenery
 Research and
 Development Center



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

Dec. **Nissin Electric Co., Ltd.**
 Business Emission
 Reduction Plan System
 Excellent Business
 Operator Award
 City of Kyoto



Nissin Electric Co., Ltd.
 "Platinum Kurumin" certification based
 on the Act on Advancement of
 Measures to Support Raising
 Next-Generation Children
 Ministry of Health, Labour and Welfare



2021

Mar. **Nissin Electric Co., Ltd., NHV Corporation,
 Nissin Business Promote Co., Ltd.,
 Nissin Denki Shouji Co., Ltd.**
 2021 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.**
 2021 Outstanding Health and
 Productivity Management
 Organization (SME category)
 certification
 Ministry of Economy, Trade and Industry



External Evaluations

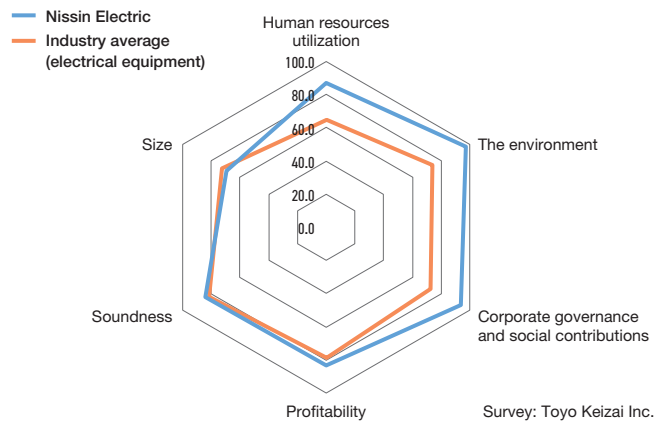
Nissin Electric responds to various surveys used as one indicator for evaluating a corporation. We consider questions appearing in these surveys to cover themes of great interest to society, and thus, we reference them in developing our CSR activity plan. Also, survey results enable us to check our position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

15th CSR Rankings (Weekly Toyo Keizai, March 6, 2021 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 2020, Nissin Electric ranked 159th (161st in 2019) in the 15th CSR rankings that targeted 1,614 companies (1,348 valid responses). Our overall ranking has risen relatively, and all four categories of our CSR efforts have received AAA score as in the previous year.

Score Radar Chart for 2020



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 2020, following the plan and results indicated on pages 27 and 28.

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, 2020, to March 31, 2021

Reference Guidelines

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

Forge a bright future for both people and technology



47, Umezu-Takase-cho, Ukyo-ku, Kyoto 615-8686, Japan
Tel:+81(75)-861-3151 Fax:+81(75)-864-8312
URL <https://nissin.jp/e/>



Sekison-tei

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

When the Nissin Electric Group, bound by fate, took over the residence in 1956, Tanizaki renamed it "Sekison-tei." For over half a century until now, 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.