

Table showing environmental burdens

At Meiko, we take measures to gain an understanding of the full scope of our environmental burdens. The table below shows our environmental burdens for Fiscal 2015. We will aim to achieve greater by accurately classifying the inputs into energy, water, materials, and chemical agents, and the outputs into atmospheric release, water discharge, waste and resources, and recycling.

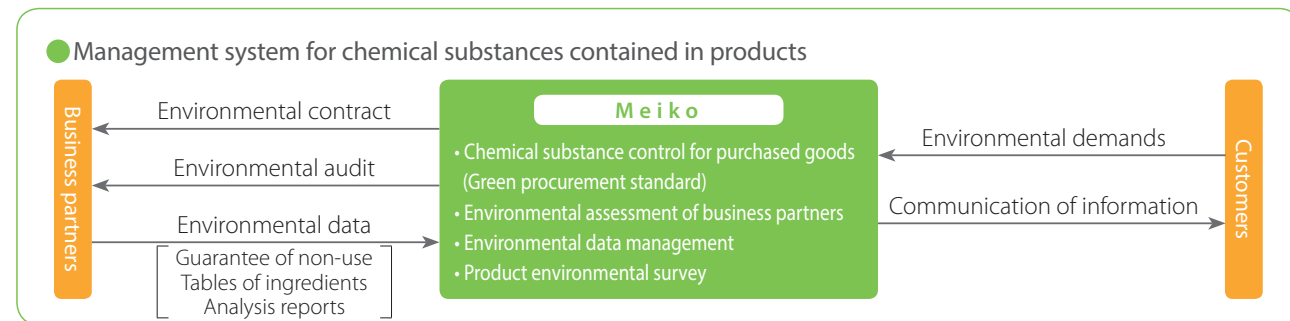
..... Environmental burdens of our business activities

Scope: Headquarters and the 7 major plants Period: Fiscal 2015 (April 1, 2015-March 31, 2016) Outline of business: Manufacture of PCBs

INPUT			OUTPUT		
Energy input	Electricity (MWh)	441,088	Atmospheric release	CO2 emissions (kt)	429
	Heavy oil (kl)	1,128		NOx emissions (t)	105
	Natural gas (km ³)	9,748		Soot and dust (t)	6.3
	Light oil (kl)	2,400		PRTR substances (t)	3.6
	Gasoline (kl)	108			
Resources	Water (km ³)	9,884	Discharge into water table	PRTR substances (t)	0.21
	Photocopying paper (thousand sheets)	8,015			
Chemical substances	PRTR substances (t)	329	Chemical substances	Amount of waste generated (t) (in Japan only)	3,435
				PRTR substances (t)	18

Management of Chemical Substances Contained in Products

In accordance with our Environmental Action Guidelines, we strictly manage our production process in accordance with our chemical substance control rules that stipulate prohibited substances to ensure that our products do not contain hazardous substances prohibited by the RoHS Directive and other laws and regulations. We request that our business partners submit environmental data such as guarantees of non-use and analysis reports, so that we can properly communicate this information in response to our customers' requests for research.



Rules for chemical substances contained in products

- * RoHS Directive: An EU regulation on hazardous substances used in electrical and electronic equipment
- * ELV Directive: An EU directive aimed at reducing the burden of end of life vehicles (ELV) on the environment
- * REACH Regulations: An EU regulation aimed at protecting people's health and the environment Chemical substance

Employee's VOICE

The Thang Long Plant began operations in September 2014 after passing the Vietnamese government's environmental assessment. In April 2015, the plant acquired the ISO 14001 certification.

Currently, I am engaged in environment-related jobs which include the operation of wastewater and exhaust treatment facilities, efforts for waste reduction, proper disposal of waste and energy conservation. Through these efforts to reduce the environmental burden, I would like to contribute not only to our plant but also to the betterment of Vietnamese society.



Nguyen Ba Cuong
Manager, Production
Engineering Section
Thang Long Plant

MANAGEMENT REPORT

To ensure that operations are efficient and appropriate, Meiko has improved its transparency and established a management framework that will earn the trust of its stakeholders, establishing a system that allows audits and internal control to function appropriately.

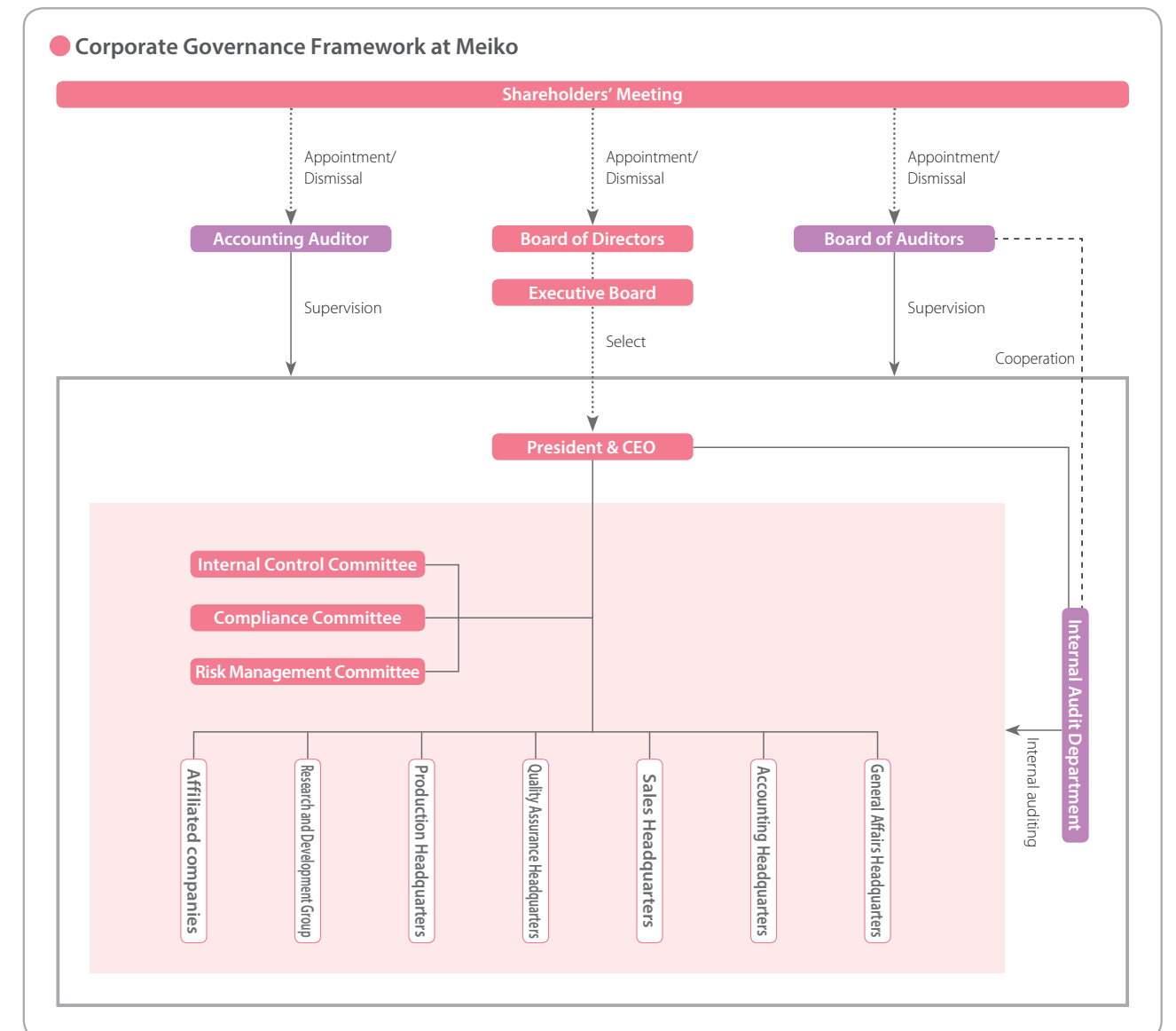
Corporate Governance

Our organization

At the Meiko Group, the Board of Directors and the Executive Board is the principal decision-making body.

Our auditors audit and check the execution of duties by each Director and Executive Officers in accordance

with the policies of our Board of Auditors. The Internal Audit Department improves and expands our internal check system and ensures that corporate governance and compliance function effectively based on the policy for our internal control system.



Internal Control

Major Activities in 2015

- ▶ Compliance with J-SOX
- ▶ Performed J-SOX evaluation of Chinese subsidiaries
- ▶ Expanded J-SOX evaluation to subsidiaries in Vietnam and the United States

Future Plans

- ▶ Facilitate and implement internal controls on consolidated overseas subsidiaries

Meiko's corporate governance system includes external directors, auditors as corporate monitoring function, accounting auditors, and the Internal Audit Department for ensuring fair management and high level of transparency. These coordinate with each other to establish corporate governance. Internal control, as part of corporate governance, is essential for ensuring increased management efficiency and the fairness of all company activities. The effectiveness of Meiko's internal control is evaluated, and the results of these evaluations are used to make further management improvements. This is our mission to fulfill our corporate social responsibility and we, as the Meiko Group, will promote these activities.

Internal Control System

Our Board of Directors passes resolutions and seeks to refine the following aspects of our system (Basic policy on Internal Control System) for ensuring proper operations in accordance with the Companies Act and Ordinance for Enforcement of the Companies Act.

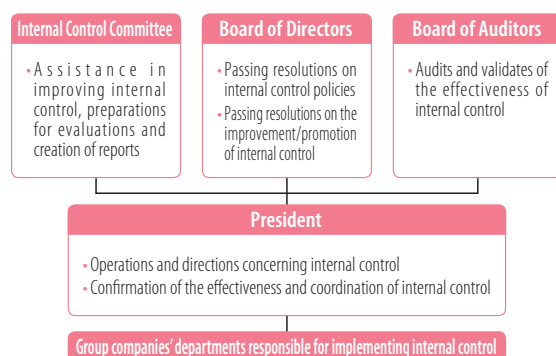
● Basic Policy on Internal Control System

1. A system for ensuring that the duties of our Directors and employees comply with laws and regulations and our Articles of Incorporation
2. A system for storage and management of information concerning the execution of duties by our Directors
3. A system regarding rules, etc., on the management of the risk of loss
4. A system for ensuring that the duties of our Directors are executed efficiently
5. A system for ensuring proper operations by the Meiko Group
6. Matters relating to employees if their placement has been requested by Auditors to assist with their duties
7. Matters relating to the independence of employees assisting with the duties of Auditors from Directors
8. Matters relating to ensuring the effectiveness of directions from Auditors to employees assisting with the duties thereof
9. A system for reporting to Auditors by Directors and employees and other systems related to the reporting to Auditors
10. A system for ensuring that the person who has reported to Auditors shall not be treated adversely by reason of such report
11. Matters regarding the procedures for the advancement or indemnification of expenses arising from the execution of Auditors' duties and the policy for processing of expenses or liabilities arising from the execution of other duties
12. A system for ensuring the effective execution of audits by Auditors

Internal control concerning financial reporting

Under its Basic Policy on Internal Control System and according to the Practice Standards for Management Assessment and Audit concerning Internal Control over Financial Reporting set by the Financial Services Agency, Meiko developed policies and plans concerning the policy, procedures and methods for evaluating our internal control, the framework of evaluations, the scope of evaluations, evaluation schedules and recording and storage of evaluation results, and we have set a framework for evaluations led by management. In line with these policies and plans, following Fiscal 2014, we evaluated the effectiveness of our Companywide internal controls (including account settlement and financial reporting processes) that could have a substantial effect on our consolidated financial reporting once again in Fiscal 2015. As a result of this evaluation, we stated that "Our internal control over financial reporting has been effective" in our internal control report for Fiscal 2015 and received appropriate opinions from our auditors.

● Internal Control of the Meiko Group in Fiscal 2015



Measures for Ensuring Compliance

Major Activities in 2015

- ▶ Provided monthly updates showing examples that are helpful in compliance promotion activities on Meiko's internal website (examples are provided in easy-to-understand formats such as "e-mail magazines" and "four-frame cartoons")

Future Plans

- ▶ Promote the training of compliance leaders

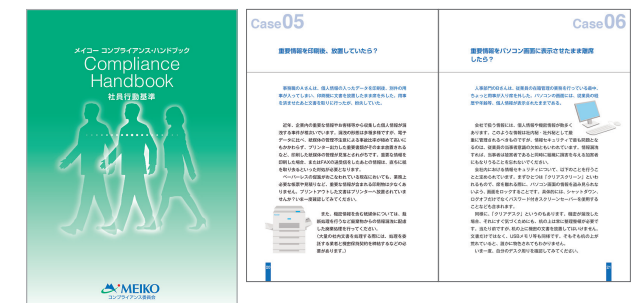
Meiko positions compliance as a critical aspect of management. Each of our employees complies with laws and ordinances, social ethics, and morals in their work. We have codified our standards in the Corporate Charter of the Meiko Group and the Code of Conduct. We also explain the framework of our activities in our Compliance Regulations, while the Compliance Handbook shows more specific compliance rules to be observed by the Company and its employees.

Compliance Regulations

The regulation rules, systems, and procedures regarding compliance rules of the Company and its affiliates are stipulated in the Compliance Regulations which explains in detail the rules to be observed by the executive and employees.

Compliance Handbook

In order to raise awareness of compliance, the Company's own unique Compliance Handbook is distributed to all executives and employees.



Compliance Handbook

● Compliance Manual (Areas Requiring Compliance)

1. **Compliance for our customers**
 - (1) Confidentiality obligation (2) Sincere attitudes (3) Product liability
 - (4) Eliminating inappropriate relationships with customers
 - (5) Prohibiting transactions based on personal considerations
2. **Compliance for our suppliers**
 - (1) Fair selection of business partners
 - (2) Prohibition of requests for kickbacks
 - (3) Prohibition of excessive gifts and entertainment
 - (4) Prohibition of the reception of other conveniences and facilities
3. **Compliance for our investors**
 - (1) Disclosure of appropriate corporate information
 - (2) Correct recording (3) Comprehensive internal auditing
4. **Compliance for our community**
 - (1) Compliance with related laws and ordinances, etc.
 - (2) Compliance with the Antimonopoly Act
 - (3) Compliance with the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors
 - (4) Compliance with laws and ordinances on insider trading
 - (5) Respect for intellectual property rights
 - (6) Confrontation with antisocial forces
5. **Compliance for our employees**
 - (1) Respect for human rights (2) Prohibition of sexual harassment
 - (3) Prohibition of power harassment (4) Protection of personal information
 - (5) Compliance with labor laws
6. **Compliance for the profits and assets of the Company**
 - (1) Compliance with internal rules (2) Prohibition of conflicts of interest
 - (3) Respect for the Company's assets (4) Fair reporting of expenses

Provision of compliance education

At Meiko, we provide compliance education because we believe that the idea of compliance will be effective only when it is adopted by all executives and employees across the entire organization. We issue warnings on insider trading to all employees at the time of quarterly settlement. In addition, efforts are made to raise awareness by providing examples of compliance violations, in our newsletters and on our in-house website.



In-house newsletter

Introduction of the Help Line

We have introduced a whistleblowing system (Helpline), which permits our employees to report violations or possible violations of laws, ordinances, or other regulations without hesitations. We protect information and conduct fact-finding with particular care so as to protect whistleblowers from any disadvantages. Whistleblowers can choose to remain anonymous.

Antisocial forces

Meiko refuses to have anything to do with any individuals and organizations perceived as antisocial forces that threaten the social order and safety, not only its attributes, but pursuit of economic gain using violence, force or fraudulent techniques or its use, and is resolutely determined to work in close cooperation with external dedicated institutions such as the police in accordance with "Regulations for dealing with antisocial forces" and various "Manuals."

Compliance Organizations

The Compliance Committee has been established as an organization that ensures compliance is being faithfully conducted throughout the Meiko Group. The Committee is convened regularly every year or as otherwise required by the Compliance Officer and Administrative Section (General Affairs Department), with activities focusing on the Auditors and other responsible executives from General Affairs Department, Human Resources Department, and the relevant departments.

VOICE

VOICE from Person in Charge

The Meiko Group complies with laws and ordinances, and internal regulations, led by the spirit of the Company, encapsulated in our Business Principles and Corporate Charter. Our company activities place heavy emphasis on social and corporate ethics.

Our compliance initiatives are not meant merely to prevent misconduct and incidents, but to help us carry out our responsibilities as members of society, earning the trust of our customers, shareholders, investors, business partners, local communities, and employees. We consider these compliance initiatives to be essential to our continuing business operations.

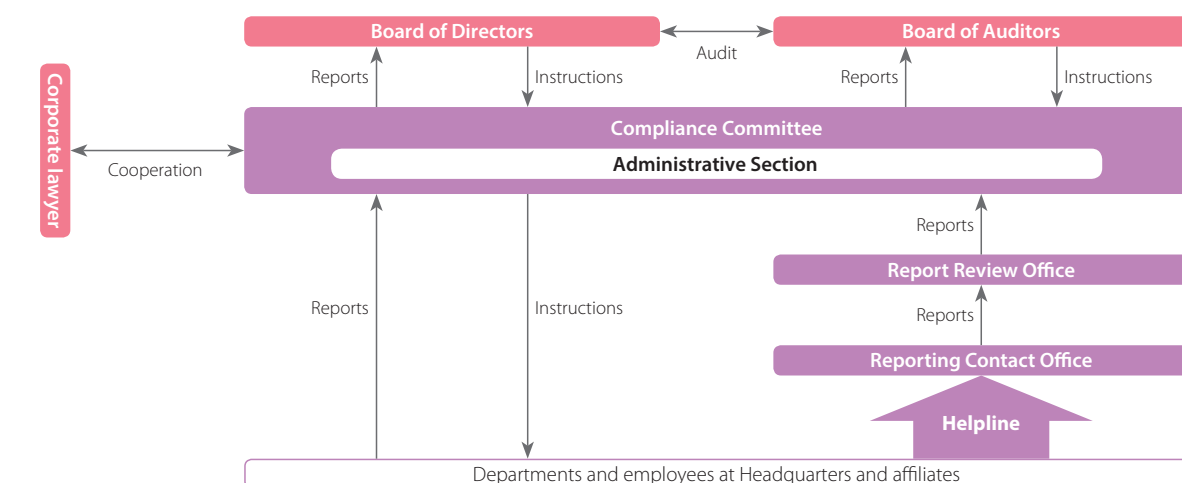
Our Group has both large scale manufacturing sites in China and Vietnam, as well as sales bases in the Americas, Europe, and ASEAN countries. This is why it is extremely important for us to cultivate a high level of ethics and spirit of legal compliance worldwide.

We will continue coordination between the departments in charge at each of our sites and committees of experts, such as the Compliance Committee, and provide ongoing, systematic education, training and awareness raising activities aimed at both executives and employees to build a compliance system well adapted to changing business and social environments, thereby promoting our growth in a harmonious way with society.



Naoki Saito
Deputy General Manager
General Affairs Group
Human Resources & General
Affairs Department

Organizational Chart on Compliance



Measures for Information Security

Major Activities in 2015

- ▶ Responded to the My Number System (by establishing regulations and developing the safety management system)

Future Plans

- ▶ Renewed ISO27001 certification

Our business is the manufacture and sales of electronic PCBs. To continue our business, we believe that it is essential that our customers have faith that we properly manage customers' important information. As a company-wide initiative on information security, we have obtained ISO27001 certification in Information Security Management System (ISMS), with which we will establish, maintain and strengthen information management systems with our customers.

Information Security Policy

Based on our Business Principles, we implement measures to strengthen our information security system in order to protect our customer information and information assets from threats including fraudulent access, disasters and criminal acts. We also take steps to raise awareness about information security amongst the management and employees. To this end, we have set out the following policy on information security and declare that, in line with our Business Principles, all management and employees should devote concerted efforts to implementing these policies.

1. We pursue continuous improvement in our information security system.
2. We provide every protection of our information assets and continuously enhance the information management function.
3. We comply with laws, ordinances, and norms and fulfill social responsibilities.
4. We conduct continuous education and training for the management and employees.
5. We swiftly respond to a problem as soon as it occurs and conduct risk management practices.

Protection of personal information

To comply with laws concerning the protection of personal information and to handle personal information appropriately, Meiko has adopted the "Personal Information Protection Regulations." Based on these regulations, we handle information with particular care. In addition, Meiko has established policies and internal regulations and developed safety management measures in accordance with the guidelines prescribed by laws and regulations, etc. to cope with the My Number System that was introduced from Fiscal 2015.

Past information security initiatives

At Meiko, we receive important information from customers. We therefore recognize the importance of information security, and the Information System Division of our Headquarters obtained ISO27001 certification in 2006. Since then, we have been taking steps so that our entire company can obtain the certification.

January 2006	The Information System Division of our Headquarters obtained BS7799-2 certification.
October 2009	Four applicable departments at Wuhan Plant in China obtained the certification.
December 2010	Six applicable departments at the Guangzhou Plant in China obtained the certification.
November 2012	Renewal of ISO27001 certification has been completed for business locations in Japan.
December 2014	Transition to ISO27001:2013 certification has been completed for business locations in Japan and six departments of the Guangzhou Plant.
February 2015	Transition to ISO27001:2013 certification has been completed for four departments of the Wuhan Plant.

Protecting customer information

We take comprehensive measures to protect the confidential information of our customer in accordance with our Information Security Policy.

Information Security Education

At Meiko, we hold an annual training program on information security through e-learning and lectures so as to ensure that internal rules are thoroughly complied.



Information security lecture

Measures for Risk Management

Major Activities in 2015

- ▶ Conducted safety confirmation drills twice during the year
- ▶ Conducted a risk survey by a third-party organization

Future Plans

- ▶ Keep business continuity plans (BCPs) updated and re-organize the risk management system at each business site to properly address a variety of risks
- ▶ Establish an information-gathering system using the internal network

Meiko has created a set of Crisis Management Regulations, and also BCP Basic Policy and Emergency Manual thereunder, which assume a variety of risks associated with environments, disasters, quality and information security. We have also created a Business Continuity Plan (BCP) for each of our factories to minimize impact on the customer's production plan in preparation for emergencies. As a measure to prevent information related crises, we have set up a server at the Yamagata Factory as well as at Headquarters and we constantly back up our data to the additional server.

In the event of a disaster or accident, we will immediately set up an Emergency Headquarters led by the President & CEO, and we have prepared an organization to determine the cause, assess the situation and take comprehensive future measures, to quickly cope with risk and prevent reoccurrence.

Type of crises and risks

Many risks could potentially affect the Meiko's operating environment, including risks of natural disasters such as earthquakes and tsunamis, changes in the management environment such as currency fluctuations and changes in macroeconomic conditions, and country risk at overseas bases relating to politics, economics, and infrastructure. Meiko has created the Business Continuity Plan (BCP) for each site in preparation for emergencies. These plans describe various measures against relevant risk factors, ranging from a consideration of risk prevention measures to post-disaster recovery work.

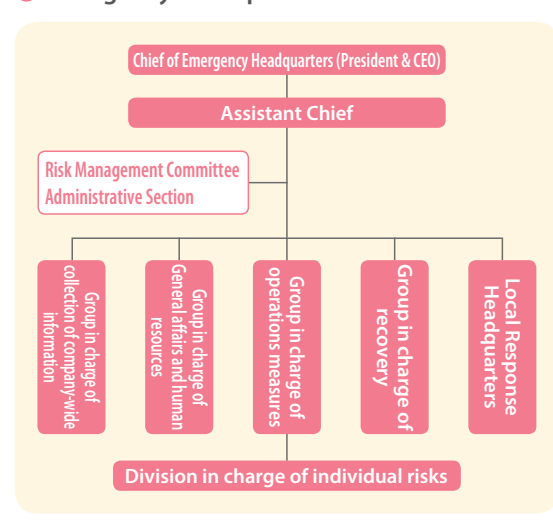
Introduction of employee safety confirmation system

We introduced a safety confirmation system for all employees in Group companies in Japan, as well as employees stationed overseas, in order to confirm the safety of employees and convey information in the event of an earthquake with a seismic intensity of 5 lower or higher, or other disasters or accidents. We perform company-wide educational training twice a year to ensure effective use of the system in the event of disasters.

Creation of Group BCP

Meiko conducts business impact analyses of various risk factors, and creates manuals for each site setting the recovery time objective (RTO) and simulating initial emergency response systems. We will continue to regularly perform BCP reviews as well as simulation drills, equipment and supply preparation, and employee awareness raising in order to ensure that BCP can be carried out smoothly.

Emergency Headquarters



Corporate Profile (As of June 28, 2016)

Headquarters 5-14-15, Ogami, Ayase, Kanagawa, Japan 252-1104

Production Sites

- Kanagawa Factory
5-14-15, Ogami, Ayase, Kanagawa, Japan 252-1104

- Fukushima Factory
1-2, Iwasawa, Kamikitaba, Hirono-cho, Futaba-gun, Fukushima Prefecture, Japan 979-0401

- Ishinomaki Branch Factory (Yamagata Meiko Electronics Co., Ltd.)
8-5, Shigeyoshi-cho, Ishinomaki, Miyagi, Japan 986-0844

- Yamagata Factory (Yamagata Meiko Electronics Co., Ltd.)
250, Maki, Yachi, Kahoku-cho, Nishimurayama-gun, Yamagata, Japan 999-3511

- MEIKO Research and Development Center
3-35-6, Sugikubo-minami, Ebina, Kanagawa, Japan 243-0414

- Guangzhou Plant (Meiko Electronics (Guangzhou Nansha) Co., Ltd.)
No.2 Guangsheng Road, Western Industrial District, Nansha Economic and Technological Development Zone, Guangzhou, Guangdong Province, P. R. China

- Wuhan Plant (Meiko Electronics (Wuhan) Co., Ltd.)
No.9 Shenlong Road, Wuhan Economic and Technological Development Zone, Hubei Province, P. R. China

- Vietnam Plant (Meiko Electronics Vietnam Co., Ltd.)
Lot LD4, Thach That -Quoc Oai Industrial Zone, Hanoi

- Thang Long Plant (Meiko Electronics Thang Long Co., Ltd.)
Lot J1-J2, Thang Long Industrial Park, Vong La Commune, Dong Anh district, Hanoi City

- M. D. Systems Co., Ltd.
4-9-14, Naka-machi, Atsugi, Kanagawa, Japan 243-0018

- Meiko Techno Co., Ltd.
1-14-1, Daikan, Yamato, Kanagawa, Japan 242-0025

Established November 25, 1975

Capital 12,888.47 million yen

Executives Yuichiro Naya President & CEO

Takahide Hirayama Director and Senior Managing Executive Officer

Masakuni Shinozaki Director and Senior Managing Executive Officer

Seiichi Naya Director

Maren Schweizer Director

Yoon Ho, Shin Director

Hajime Nakano Director

Hitoshi Iyomoto Senior Corporate Auditor

Arifumi Sunada Auditor

Takashi Harada Auditor

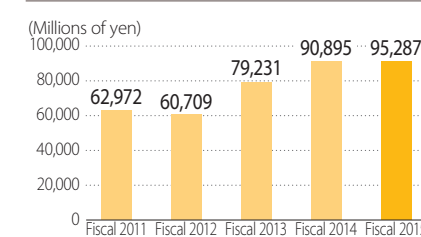
No. of Employees: 9,491 (consolidated)
(Japan: 786; Overseas: 8,705)
*As of March 31, 2016

Main Business Design, manufacturing and sales of PCBs, associated electronics-related businesses and mounting of PCBs

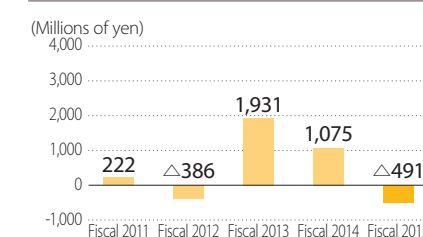
Five-year Financial Summary

	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015
Net sales (Millions of yen)	62,972	60,709	79,231	90,895	95,287
Operating income (Millions of yen)	812	(605)	922	(2,865)	3,325
Operating margin (%)	1.3	(1.0)	1.2	(3.2)	3.5
Ordinary income (Millions of yen)	222	(386)	1,931	1,075	(491)
Ordinary income margin (%)	0.4	(0.6)	2.4	1.2	(0.5)
Net income (loss) attributable to owners of the Company (Millions of yen)	1,158	(1,567)	23	(9,573)	(11,250)
Net margin (%)	1.8	(2.6)	0.0	(10.5)	(11.8)
Net income (loss) per share (Millions of yen)	61.73	(83.52)	1.11	(365.76)	(429.83)
ROE (%)	3.4	(4.4)	0.1	(23.0)	(33.7)
ROA (%)	1.3	(1.6)	0.0	(7.9)	(10.3)

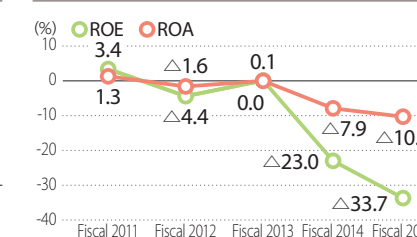
Changes in consolidated net sales



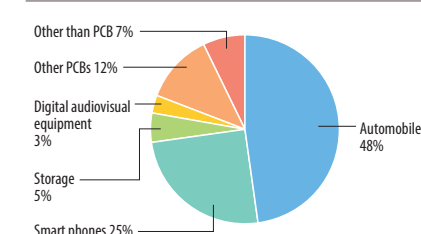
Changes in consolidated ordinary income



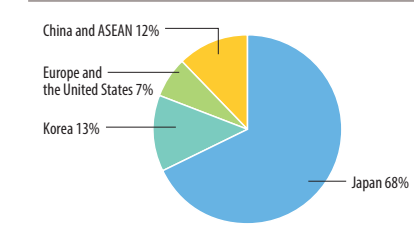
Changes in ROE/ROA



Sales composition by application (Fiscal 2015)



Sales composition by customer's national origin (Fiscal 2015)



Sales composition by product (Fiscal 2015)

