

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

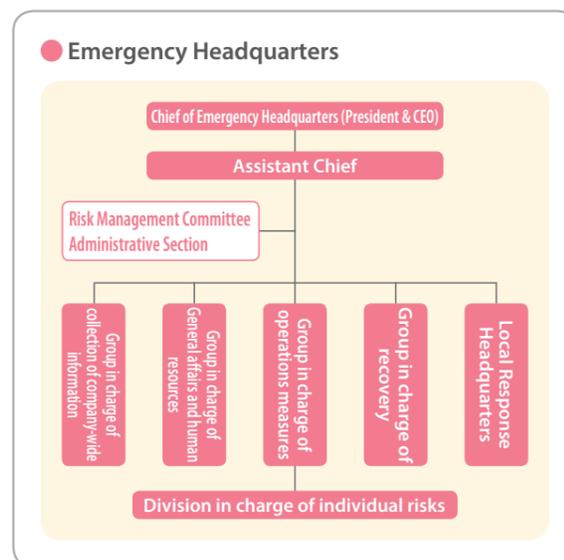
Many risks could potentially affect the Meiko's operating environment, including risks of natural disasters such as earthquakes and tsunamis, changes in the management environment such as currency fluctuations and changes in macroeconomic conditions, and country risk at overseas bases relating to politics, 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.



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 Iyamoto Senior Corporate Auditor

Arifumi Sunada Auditor

Takashi Harada Auditor

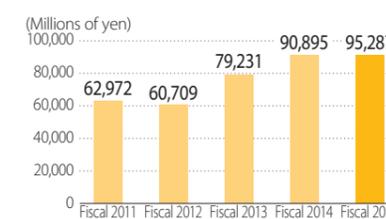
No. of Employees: 9,491 (consolidated)
(Japan: 786; Overseas: 8,705)
*As of March 31, 2016

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

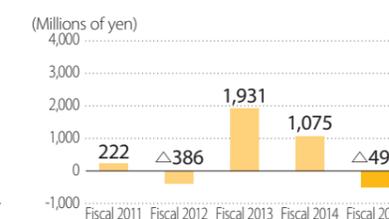
Five-year Financial Summary

	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)

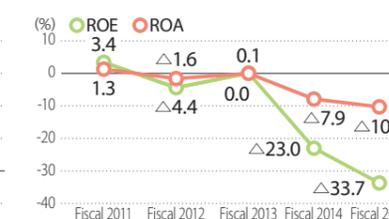
Changes in consolidated net sales



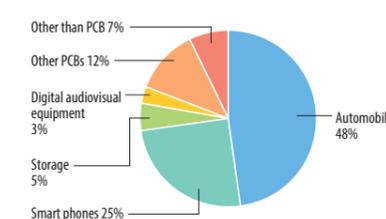
Changes in consolidated ordinary income



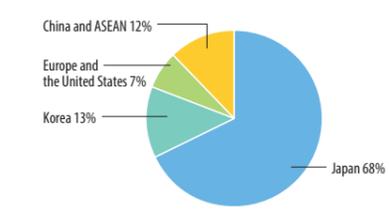
Changes in ROE/ROA



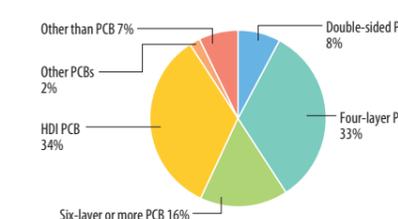
Sales composition by application (Fiscal 2015)



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



Sales composition by product (Fiscal 2015)



Product Lineup that Meet the New Needs of Our Changing World

Meiko's PCBs contribute to a richer society and more comfortable lives.

AnyLayer PCB

AnyLayer PCBs are HDI PCBs which permit unlimited connections between layers thanks to cutting edge technologies such as ultraprecise CO₂ lasers and filled plating. These PCBs are mainly used in smartphones.



Heavy copper PCB

Heavy copper PCBs are used in products which use large amounts of electricity, such as solar power generation equipment and high powered eco-friendly car motors. Their copper circuit patterns are far thicker than those of conventional PCBs, therefore they have improved the heat dissipation capacity.



Metal Base Heat Dissipation PCB

Metal base heat dissipation PCBs are long-lasting boards and are used for mounting environmentally friendly LED chips. They are used in home and office lighting, LCD television backlights, and automobile headlights, etc.



Double-sided/ Multi Layer PCB

There is a variety of double-sided, multi-layer PCBs, from two layer PCBs to ten layer PCBs, from standard PCBs to PCBs with special high heat dissipation or physical characteristics, to suit a wide range of applications.



HDI PCB

HDI PCBs are made by creating conductive patterns on insulation layers, and then stacking these layers to create a multi-layer board. The ability to place wires above connections on other layers makes it possible to achieve high density and integration. These PCBs can be used in mobile phones, digital cameras, and other devices which require high density wiring within a limited amount of space.



Embedded Passive Devices PCB

Embedded passive devices PCBs contain embedded devices such as chip capacitors and chip resistors. They use the shortest possible wiring distance between surface mounted ICs and embedded passive device PCBs to improve electrical characteristics.



Module PCB

Module PCBs are ultra-thin HDI PCBs which support bare chip mounting and high density mounting. They are used in package modules such as transmission and camera modules.

