

MEIKO CSR REPORT

2019



MEIKO CORPORATE SOCIAL RESPONSIBILITY

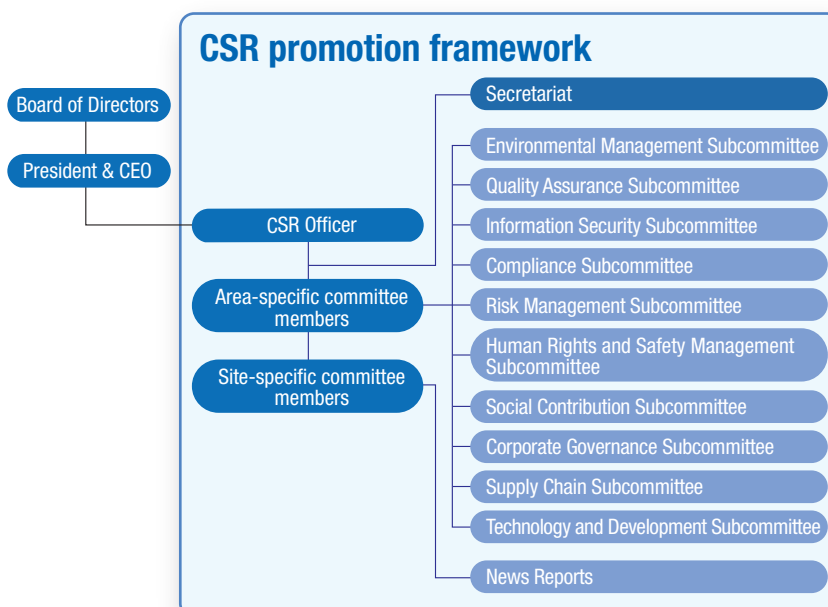
Meiko's ethical business practices are known throughout the world.

Meiko's CSR Declaration

Meiko's Business Principles and activities align with the global social responsibilities and in turn support an environmentally sustainable society

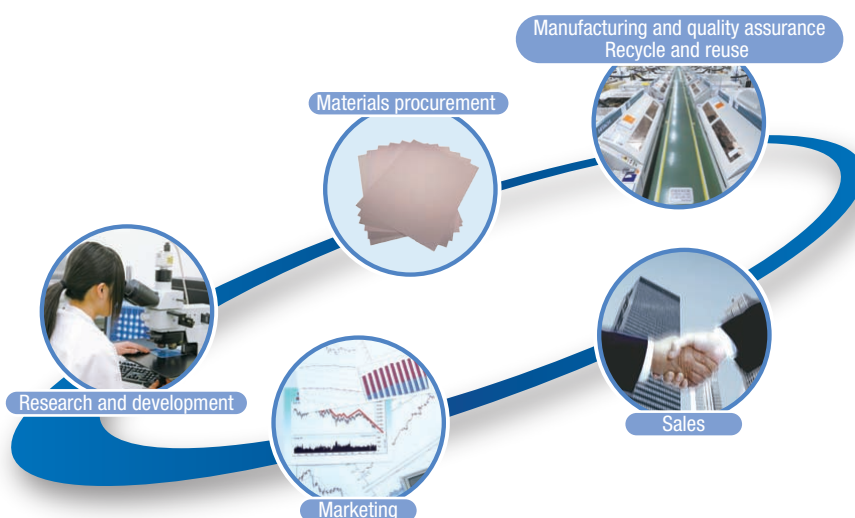
■ CSR promotion framework

Our CSR promotion framework is made up of site - specific committee members representing individual plants, sales offices and other premises and area-specific committee members operating on a group wide basis. This makes it possible to organize activities covering all areas of the group's operations in line with our CSR Declaration and respond in good faith to input from our stakeholders.



■ Conducting CSR activities throughout our value chain

Meiko fulfills its corporate social responsibility in the full range of its business activities, through materials procurement and manufacturing, as it delivers products to customers, and achieves further improvements through research and development. By conducting consistent CSR activities throughout our value chain, Meiko strives to conduct its business activities in a manner worthy of the trust of all relevant stakeholders.



Editorial policy

In publishing the CSR Report 2019 (English version)

We published CSR Report 2019, our twelfth CSR report, consisting of Message from the President, Sociality Report, Environmental Report and Management Report. We hope that many people will read this report, and will find in the Report that we are united in a constant commitment to earn your trust by acting responsibly as a good corporate citizen.

●Intended audience

All stakeholders with an interest in Meiko Electronics Co., Ltd.

●Coverage

Meiko Electronics Co., Ltd. and affiliated companies

●Reporting period

This report primarily refers to CSR activities undertaken during Fiscal 2018 (April 1, 2018 to March 31, 2019). Sections outlining past activities might include details relating to prior periods. Similarly, to provide the latest information, this report might also contain details occurring after April 2019.

●Reference guidelines

This report primarily refers to CSR activities undertaken during Fiscal 2018 (April 1, 2018 to March

31, 2019). Sections outlining past activities might include details relating to prior periods. Similarly, to provide the latest information, this report might also contain details occurring after April 2019.

●Reference guidelines

“Environmental Reporting Guideline (Fiscal Year 2018 Version)” (Ministry of the Environment)

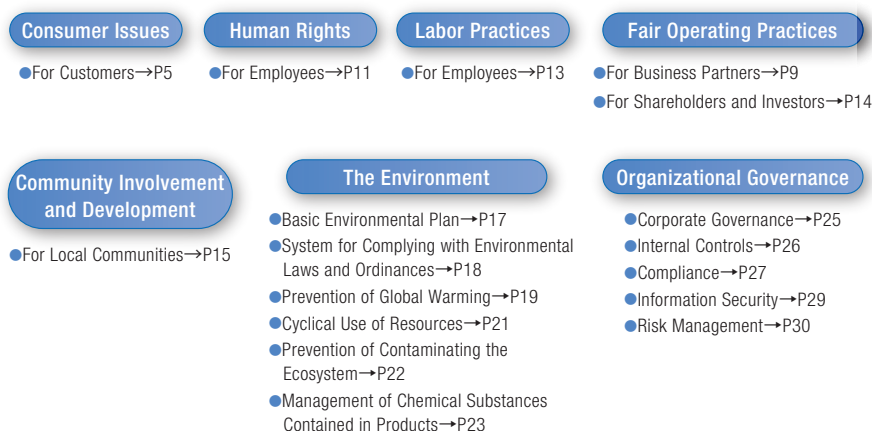
GRI “Sustainability Reporting Standards 2016”

●Date of publication

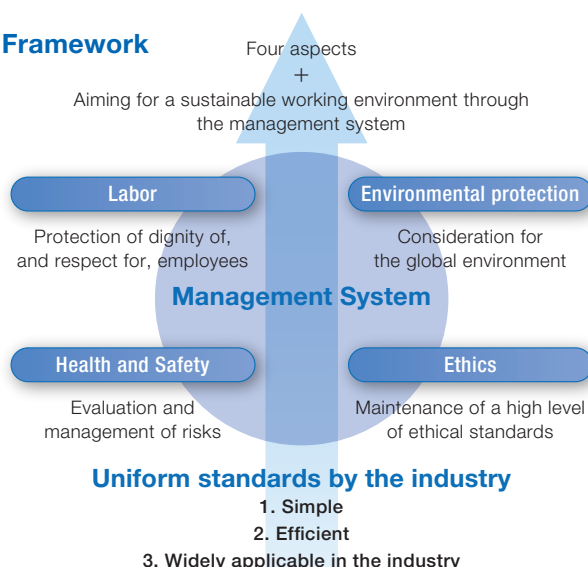
This report: February 2020

* For the purposes of this report, “Meiko” refers to the Meiko Group as a whole, consisting of Meiko Electronics Co., Ltd. and its affiliated companies.

■ISO26000 Comparison



■EICC Framework



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Realizing a sustainable society through manufacturing

A company is closely tied to the communities and regions in which it operates, as well as to the earth, existing as a member of those social spheres. We at Meiko always bear in mind the role that we need to fulfill in these spheres as we seek to be accepted and grow to be a company worthy of the public's trust. Furthermore, we believe that it is an important social responsibility to actively disclose our results with regard to these issues and to create greater value through manufacturing.

At present, there are so many social issues in and outside Japan. The world economy is unstable with factors such as trade friction between the U.S. and China, slowdown of the Chinese economy, and U.K.'s withdrawal from the EU. On the other hand, there are issues such as global warming or exhausting of fossil fuel, as well as human rights issues, natural disasters and food shortages. As set in the UN resolution as SDGs (Sustainable Development Goals), the companies are expected to play even more active roles in solving these issues.

In our business field, we are called to work on not only the issues directly related to our business such as reducing the burden on the environment, but also on various social issues. Meiko realizes the importance to respond to such requirements and will strive to contribute to the realization of a sustainable society by creating new values.



President and CEO
Yuichiro Naya

Meiko Group Business Principle

Through manufacturing
Provide the best product and service to customers
Improve the well-being of our employees and society



Corporate Charter

The Meiko Group aims to become a useful presence to as many members of society as possible, while pursuing reasonable profit through fair competition.

Acting in accordance with the following nine principles, whether in or outside Japan, we respect human rights, observe laws, regulations, global rules and their spirits, and with high ideal aim to act as a global company contributing to the creation of a sustainable society.

- 1 We will develop and supply products and services that are both useful to society and highly reliable in order to guarantee customer satisfaction and earn their trust, paying full attention to quality, safety and customer data protection.
- 2 We will strive to develop creative technology and pave the way for new business in order to help create a brighter future.
- 3 We will engage in fair, free and transparent competition and fair trade and will maintain sound, healthy relationships with political and administrative bodies.
- 4 We will communicate with our shareholders, customers, investors, business partners, employees and other stakeholders and actively disclose corporate information in a fair and timely manner to ensure that our corporate activities are as transparent as possible.
- 5 We will respect diversity and individual employee's personalities and ensure that all working environments are safe, motivating and comfortable.
- 6 We will reduce environmental impact and contribute to the creation of a sustainable society, in recognition of the fact that we all need to do our part to tackle environmental issues.
- 7 We will actively engage in social contribution activities as a good corporate citizen, including research, education, environmental preservation and community services, and will resolutely oppose antisocial individuals and organizations.
- 8 We will comply with all applicable rules, laws and regulations, at both the local and global levels, as part of our international business activities and will respect local cultures and customs and contribute to the development.
- 9 Management will enforce this charter within the company, leading by example in recognition that it is their responsibility to put the spirit of this charter into practice, and raise awareness amongst group companies and suppliers. Management will continually monitor internal and external feedback, exercise effective governance and rigorously implement corporate ethics.

Stakeholders

A company's business revolves around interaction with the various stakeholders who have an interest in the company. Here at Meiko, all of our employees around the world recognize that CSR is central to every aspect of our business activities and fulfill their responsibilities at the local level as a member of society with the aim of establishing trust in the company.



SOCIAL REPORT

SOCIAL REPORT

At Meiko, we manufacture and sell PCBs, devices that are essential for industrial development, by interacting with diverse people in various countries, regions, and communities.

We recognize that we are a social entity, and we fulfill our responsibilities accordingly. At the same time, we give consideration to our stakeholders as we engage in our business activities.

For Customers Initiatives for Quality Assurance

Major Activities in 2018

- Aiming at “zero” market defects, measures were set against ongoing serious defects and shared with other factories.
- For the quality assurance of new products, checked the material reliability and confirmed the measures for change point through design review.
- Promoted the activities to prevent the occurrence of defective products by thorough check of manufacturing processes.
- Redressed the internal audit and shared with other factories.
- Promoted across-the-company standardization through Standardization Committee activities.

Future Plans

- Aiming at “zero” market defects, find out the true cause of serious defects, share and set measures across the company. Also continue to take measures to avoid recurrence and reduce chronic defects.
- Aiming to prevent the occurrence of defective products, conduct quality improvement activities from the designing stage (design review) and set measures to deal with the trends based on quality data analysis.
- To reduce the unevenness among factories, spot and improve the weak points through internal audit and also check improvements based on customer audit, share among factories.
- To maintain and improve the quality management system, issue quality management standard documents for customers.
- Promote across-the-company standardization through Standardization Committee activities.

At Meiko, we have defined a Quality Policy aimed at achieving one of our Business Principles: We will provide our customers with outstanding value and services and make a contribution to society. We improve the reliability of our products to guarantee the highest possible levels of customer satisfaction and contribute to society.

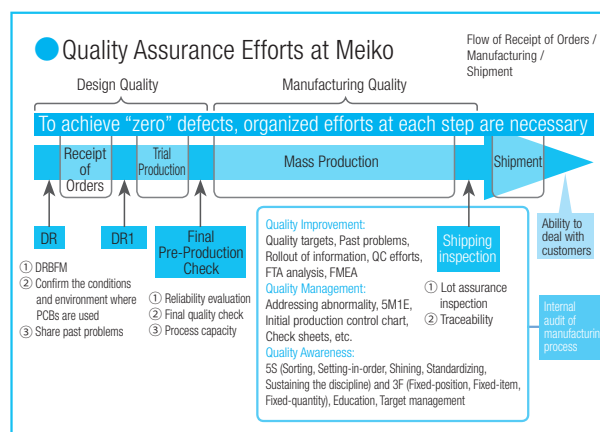
Our approach to quality assurance and organizational efforts to ensure high quality

Recently, market recalls due to defective automobile components have attracted media attention, which is becoming an increasingly serious risk that could threaten corporate management.

Because Meiko products are chiefly incorporated into automobiles and enjoy many other applications as well, ensuring high quality has increasingly become a critical issue. To address quality-related risk, we must totally change our conventional attitude and set our goal at achieving “zero” defects.

To enhance the quality of design and manufacturing, we are working to optimize our quality management systems at all stages to eliminate the occurrence of defective products.

Assurance of quality that meets customer needs Horizontal deployment of the group's four overseas factories



Based on the Fiscal 2019 Group management policy, we are proceeding with a product quality assurance system for both overseas and Japanese factories that ensures our products meet our customers' needs.

Aiming at enhanced quality assurance and management that includes plants around the globe, we will implement manufacturing practice to fulfill our customers' demands.

Receiving awards from our customers

●Toyota Motor Corporation Hirose Plant (April 28, 2018)

"Excellent Supply Quality Award" as a result of achieving "zero defect of supply parts".



●OMRON Automotive Electronics Co., Ltd. (May 21, 2018)

"Most Excellent Global Correspondence Contribution Award" for our global business system.



●Tianjin DENSO Electronics CO., LTD. (June 1, 2018)

"Excellent Quality Award" for our product quality.



●Fuji Xerox Co., Ltd. (January 11, 2019)

"Premium Partner BRONZE" for our services as a supplier.



●Nidec Elesys Corporation (February 22, 2019)

Appreciation Letter of "Product Quality Improvement Award" for our quality improvement activities at Guangzhou Plant and Yamagata Factory.



certifications, which are global standards, and are working on continuous improvements in quality management system.

●The ISO9001 and IATF16949 certifications we have obtained

ISO9001

May 13, 1997	Meiko Electronics Co., Ltd. obtained certification for its PCBs.
May 1, 2002	Guangzhou Plant in China obtained certification.
Jan. 27, 2003	ISO9001:2000 became the unified standard in Japan.
Jan. 27, 2003	Extended certification obtained by MD SYSTEMS Co., Ltd. (Design of PCBs).
Nov. 29, 2006	Wuhan Plant in China obtained certification.
Feb. 20, 2008	Extended certification obtained by Metal Mask Dept.
Jun. 18, 2010	Vietnam Plant obtained certification.
Jan. 15, 2014	Ishinomaki Factory obtained certification again.
Apr. 24, 2015	Thang Long Plant obtained certification.



ISO9001 (Japan)

IATF16949

Aug. 9, 2017	Guangzhou Plant in China obtained certification.
Feb. 14, 2018	Wuhan Plant in China obtained certification.
Sept. 14, 2018	Vietnam Plant obtained certification.



IATF16949
(Guangzhou Plant in China)

* The plants in Japan obtained certification from Japan Electrical Safety & Environment Technology Laboratories (JET). The plants in China obtained certification from TUV Rheinland. The Vietnam Plant obtained certification from Bureau Veritas Certification (BVC).

Customer Satisfaction Survey

Meiko performs a survey every year to measure customer satisfaction with its products and services in order to improve its product and service quality.

In Fiscal 2018, 57 companies answered the survey, responding to questions about (1) product quality, (2) product prices, (3) product delivery times, (4) service, and (5) technological response.

In their comments, many customers indicated satisfaction; some, however, expressed complaints, which we will take as a guide for the improvement of products and services as we strive to achieve even greater customer satisfaction in the future.

Acquisition of ISO9001 and IATF16949 certifications

At Meiko, we have obtained ISO9001 and IATF16949

Employee's VOICE

Quality Assurance Section 1,
Quality Assurance Department

Yuki Shimizu



I am Shimizu in charge of analysis at Quality Assurance Department. The scope of analysis extends from customer complaints to product quality improvement at the factories.

As taken up by the media, the absolute number of PCBs used for automobiles including automated driving system and omnidirectional camera is increasing. I realize that the requirement for the quality standard is also rising.

To meet such changes in the market, we at MEIKO strive to challenge for new specifications. Thus there is a possibility of defects which did not occur in the past, caused by new factors. Our role at the Head Office is to analyze promptly and accurately the new causes of defects. Since there may be cases where the past theories are not applicable, we gather information from various divisions and consider introduction of new methods.

To cope with defects and improve the situation, it is ideal to conduct analysis on site at the manufacturing factory based on "Three Reality Principle (the actual place, thing and reality)". The Head Office is equipped with high standard facilities for analysis and the analysis methods are accumulated. We plan to further standardize and keep building database for analysis and share with the factories.

We will strengthen the utilization and relation of the data so as to respond precisely to the needs for product quality in the new era.

For Customers PCBs Development

Major Activities in 2018

- Component development of high-speed/high-frequency PCBs
- Component development of copper inlay PCBs
- Development of metal base high heat releasing PCBs
- Development of embedded passive devices PCBs (Power IC)

Future Plans

- Trial development of high-speed/high-frequency PCBs
- Trial development of high-density multistage buildup PCBs
- Development of structure, heat releasing materials and manufacturing method of heat releasing PCBs

Meiko promotes product development aiming to provide the most appropriate PCBs to meet the customer needs by utilizing our PCB technology including those for automobile. Through optimization of materials, structures and manufacturing methods, we develop small-sized high-density products as well as products suitable for high-frequency and high-speed, or high-current and high-heat releasing, which are highly reliable PCBs.

PCBs for automobile use must be highly reliable. They are used in many onboard units including the safe driving system and play important roles. Onboard units are introduced in 4 categories as below.

Safe driving system

Aiming to enhance the accuracy of ADAS (Advanced Driver Assistance System) sensor, component development of hybrid structure PCB is in process using high frequency materials. Component development is also in process for impedance control PCBs for high-speed transmission usage aiming at system integration.

Information and communication system

In navigation and communication modules, multistage buildup high-density mother boards are used. In addition to the densification technology developed through smartphone, we aim to enhance the reliability of onboard standards. We are also developing PCBs realizing high-speed transmission with low loss that are suitable for 5G communication base.

Body system

Metal base heat releasing PCBs are used for LED head lamp. By developing low-elasticity heat releasing insulating resin materials, we realized high reliability. On top of that, cavity PCB has been developed for adaptive head lamp use. We also provide copper inlay PCBs as a heat releasing channel of heating element used for control system.

Power train system

As for inverter, converter and junction box, Power IC bare chips were embedded to the passive devices PCBs to reduce inductance on the circuit board and improve switching quality. Operation check on the actual inverter PCB showed improved reliability. Apart from this we are developing the manufacturing method for heavy copper PCBs to meet the demands for heavy current.

High quality PCBs which support the advancement of automobiles are used in many forms and many ways. We will strive to extend the usage of PCBs by promoting development of 5G-compatible PCBs which support the next generation connected car and mobile communication of information society. At the same time we aim to advance the PCBs into a new technology to meet the changes in the digital society such as IoT.

〈Automotive technology〉		〈PCB technology〉	〈Status〉
Safe driving system	High-frequency compatible	High frequency material PCB	Trial
	High-speed transmission	Impedance control PCB	Trial
Information and communication system	0.4/0.5 pitch CSP	Multistage buildup PCB	Evaluated
	Communication module	High-density module PCB	Evaluated
Body system	High heat release	Metal base heat releasing PCB	Evaluated
	Partial heat release	Copper inlay heat releasing PCB	Trial
Power train system	Power IC higher efficiency	Power device embedded PCB	Development

For Business Partners Supply Chain

Major Activities in 2018

- Established purchasing crisis management standards and carried out purchasing audits in an effort to minimize procurement risks
- Deepened communication through Suppliers Meeting held in May 2018
- Performed an environmental measure survey based on the latest version of regulations such as REACH regulations <SVHC169 substances>

Future Plans

- Continue performing purchasing audits based on purchasing crisis management standards
- Perform continued investigation for manufacturers for whom sourcing locations are unknown
- Promote green-house gas reduction through supply chain

Currently, a company is required to have, as its basic framework, a consistent supply chain covering the entire process from material procurement from business partners through to production, distribution, and sales of products.

Basic Procurement Policy

At Meiko, we encourage the continuation of procurement activities based on the Basic Procurement Policy below. In line with this trend, we at Meiko believe that the most important aspect of our procurement activities is to establish win-win relationships and relationships of mutual trust with our business partners. We ensure cooperation not only between the production and sales bases in Japan but also with overseas bases, and select business partners through a comprehensive assessment of quality, delivery punctuality, price, and management, as well as business continuity in case of an accident and a disaster under the basic principles of (1) understanding our Basic Procurement Policy, (2) compliance with laws, ordinances, and social norms, (3) environmental protection, (4) exclusion of antisocial forces and (5) RBA (the former EICC) Code of Conduct. In this way, we are strongly emphasizing CSR practices within our supply chain.

● Basic Procurement Policy

1. Procurement activities optimized for our global production in accordance with the Action Guidelines for Purchasing Deals
2. Smooth, fair, appropriate procurement activities based on closer communication and strengthened cooperation with our business partners
3. Strengthened environmental measures (chemical substances / green procurement)
4. Promotion of elimination of conflict minerals based on RBA and surveys on the employment of young workers.

Request to our business partners

In accordance with the measures for the environment included in our Basic Procurement Policy, we are calling for more than 800 business partners to understand and practice matters concerning the four points below. In addition to control of greenhouse gas emissions, waste reduction, and management of specified chemical substances, which we naturally undertake in our internal production activities, we also implement a variety of measures to ensure environmentally friendly procurement. We ask our business partners to implement and recommend green procurement, and also request that distribution and sales activities be undertaken in an environmentally friendly manner. Specific results of activities for 2018 include the implementation of initiatives such as establishing purchasing crisis management standards and conducting purchasing audits to minimize procurement risks, conflict mineral surveys and surveys on employment of young workers based on the RBA standard format and environmental measure surveys based on the latest version of regulations such as REACH regulations.

● Basic Procurement Policy

1. Focus on green procurement, compliance with the green procurement standard, provision of information concerning "eco products"
2. No idling
3. Waste reduction
4. Cooperation with contact in case of an emergency

Business Partner's VOICE

Johnny Wang
Sales & Marketing Dept. Chief
Elite Material Co., Ltd.

We are sincerely grateful to Meiko electronics Co., Ltd. for long time procurement of our halogen-free CCL and Prepreg at Meiko's business in Japan, China and Vietnam. Complying with Meiko's CSR policy, we are committed to sustainability management and minimizing the impact of our operations to the environment. Some highlights of our commitment to the environment are:

- We adopt ESH (Environmental, Safety, and Health) philosophy and management system. Moreover, two systems, OHSAS18001 and ISO14001, are implemented in the working place.
- The design of our products are improved in a responsive way in order to meet international environmental standards such as RoHS and the HSF (Hazardous Substance Free) which required by customers and ourselves.
- We strictly comply with relevant environmental laws and regulations, including, but are not limited to, Waste Disposal Act, Water Pollution Control Measures and Testing Reporting Management Regulations, and Air Pollution Control Act.
- Since established in 1990, EMC keep focus on development of halogen free material, then became top1 halogen-free laminate vender in the world in 2013. Along with halogen-free material adoption in mobile, we see the same trend in server, networking and automotive industry.

It's our pleasure to have Meiko as business partner and we also look forward to grow with Meiko for both adoption and contribution to our environment.

Measures concerning purchasing and procurement

Internal control and compliance

At Meiko, we undertake smooth operations with our business partners by complying with the following rules on purchasing and procurement activities. At Meiko, we undertake smooth operations with our business partners by complying with the following rules on purchasing and procurement. We carry out appropriate transactions with our business partners by undertaking internal training and confirming compliance in relation to adherence to laws, ordinances, and social codes, including the Act against Delays in the Payment of Subcontract Proceeds to Subcontracts in Japan, as well as compliance with customs regulations and the relevant regional and national laws, ordinances, and social codes in our global procurement activities.

1. Fair, appropriate operations with business partners shall be undertaken through compliance with laws and ordinances concerning purchasing and procurement activities.

2. Business partners' information that we obtain through purchasing and procurement activities shall be kept confidential and the information security system for preventing the leakage of confidential and personal information shall be strengthened.
3. Entertainment and gifts for business partners shall be permitted to the extent that would normally be considered reasonable, but shall be prohibited if such acts result in personal profits.
4. Efforts shall be geared toward eliminating antisocial forces, procurement of conflict minerals and young labor.

Environmental measures (green procurement)

In accordance with the "standards concerning the environment," we encourage environmentally-friendly purchasing and procurement activities together with our business partners.

1. We confirm laws and regulations (RoHS Directive, ELV Directive, and REACH Regulations) and the content of environmentally hazardous substances to encourage the procurement of compliant products and maintain and improve the environmental quality of our products.
 - (1) RoHS Directive:
EU restriction on the use of certain hazardous substances in electrical and electronic equipment
 - (2) ELV Directive:
A directive adopted by the EU to reduce the environmental burdens of end-of-life vehicles
 - (3) REACH Regulations:
EU law for protecting people's health and the environment
 - (4) JIG (1-R):
Legally controlled substances specified in the guidelines concerning the disclosure of information regarding chemical substances contained in electrical and electronic equipment
 - (5) Customers' standards
2. We encourage the signing of the Memorandum on Environmental Protection and Guarantee of Non-Use of Environmentally Hazardous Substances to ensure environmental protection together with our business partners. We are pursuing the signing this Memorandum and Guarantee with our major business partners, including manufacturers to whom we outsource processing.
3. We strive to reduce the discharge of industrial waste and encourage the use of this waste as a valuable resource by recycling it or using it in other ways together with our business partners.

Procurement Policy based on RBA

RBA (Responsible Business Alliance, formerly Electronic Industry Citizenship Coalition, EICC) states the standards to ensure that within the supply chain of the electronic device industry, the labor environment is safe, the workers are respected with dignity, and the manufacturing processes are responsible for the burden on the environment. While maintaining a win-win relationship with the suppliers, Meiko will fulfill its social responsibility in continuing the business.

For Employees Creation of a Comfortable Working Environment

Major Activities in 2018

- Promoted the creation of a comfortable working environment and system for women
- Developed next-generation leaders who epitomize the values to be shared by all employees, management training for employees stationed overseas and dispatch of employees to overseas locations

Future Plans

- Cultivate next-generation management, provide intensive education on manufacturing technologies and reinforce self-development programs

In line with the concept that “the greatest asset of a company is its human resources,” we focus on the creation of a comfortable working environment that is safe, secure, hygienic for all our employees, respects their diversity, and allows them to develop.

Respect for diversity

At Meiko, we respect human rights and strive to recruit, evaluate, and treat our employees without discrimination on the basis of race, creed, religion, nationality, age, gender, disability, and other attributes, so that diverse employees are able to exercise their abilities. For women employees, a reduced work hour system is promoted for those returning from maternity or parental leave. In fiscal 2018, 10 employees took parental leave, 7 employees returned to work and 14 used the reduced work hour system (excluding Group companies).

Parental Leave and Reduced Work Hour System User's VOICE

Quality Assurance Section 2, Quality Assurance Department, Quality Assurance Division

Megumi Sagara



I gave birth to my son in July 2012 and took parental leave until he entered the nursery school in April 2013.

Right after returning to work I used reduced work hour system for child care, working from 9:00 to 16:00. At that time, I was working at the R&D Center located in Sugikubo, Ebina City. Starting late in the morning than normal was very helpful.

At present, since we are given the choice for our working hours, I work from 9:15 to 16:15 so that I can see my son off to elementary school, which I am so grateful for.

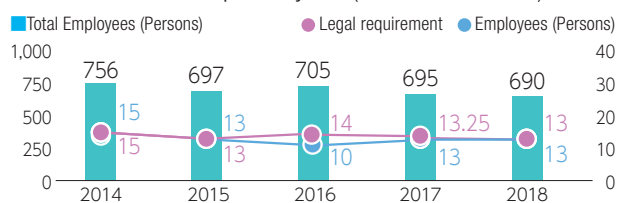
Although I have the responsibility for my work, sometimes I am forced to take a day off or leave early when my son is sick, etc. In such case the reduced work hour system and my colleagues' understandings help me so much.

I hope that I can contribute to creating an environment where each person using the parental leave or reduced work hour system can utilize it in a way to suit his/her lifestyle.

Employment of persons with disabilities

Since Fiscal 1991, Meiko Electronics Co., Ltd. (excluding its Group companies) has continued to achieve the legally required number of employees with disabilities in accordance with the Act on Encouraging the Employment of Persons with Disabilities, except for Fiscal 2010 and Fiscal 2011. Since Fiscal 2017, however, we have not been able to meet the legal requirement, because the overall number of employees increased while some employees with disabilities retired. We will make efforts to fulfill the legal requirement for the number of employees with disabilities in Fiscal 2019.

- Changes in the number of our employees with disabilities and the number required by law (Fiscal 2014–2018)



(Note) Legally required number of employees with disabilities =
Number of permanent employees × Legal rate of employment
(rounded down to the nearest whole number)

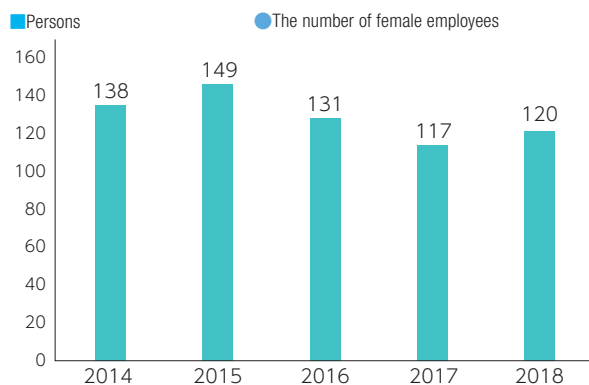
Employment and exchanges of global human resources

Currently, approximately 42 employees from overseas countries, including China and Vietnam, are working at Meiko's business establishments in Japan, while 76 Japanese employees are working overseas. As of end of August 2019, total of 294 persons have completed the language and skill training in Japan intended for future executives of our overseas subsidiaries, which has been offered every year since Fiscal 2003. We transfer personnel and exchange employees between Meiko Group companies, both in Japan and overseas, to develop global human resources and stimulate the further revitalization of our human resources.

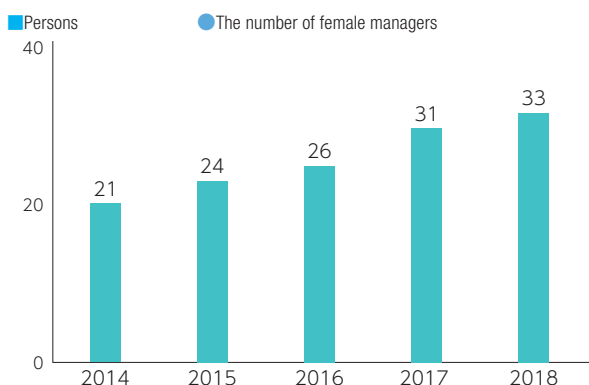
Promotion of women's participation and advancement

The ratio of female employee to total at Meiko have shifted around 17 to 19% level in the past 5 years. As of the end of Fiscal 2018 it was approximately 18%.

The number of female managers is growing year by year, showing 57% increase in 5 years. We will work on changing of mindset of the managers and male employees, as well as reforming the organizational culture including the work style as a whole.



- App. 18% as of end of Fiscal 2018
- The number of managers including chiefs and above is increasing yearly



“Seminar for women to work lively”

Meiko held its first trial targeting female employees, “Seminar for women to work lively”.

As the labor population continues to decline it is essential for women to play an active part. It is also necessary and important for Meiko to extend the opportunity for female employees to take part. The Seminar focused on various aspects for the participants to consider about their own lifestyle and work style.

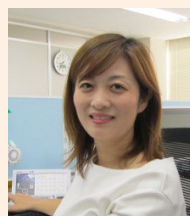
Specifically, the Seminar pointed out the future working circumstance of a group work, the changes which females experience with their body and how to cope with them, etc. These were explained by the lecturer referring to her own experiences. Practical lectures such as learning the difference between male and female regarding communication methods, thinking about career building was also provided. It was a fruitful seminar.



Global Employee's VOICE

Sales Section 1, Osaka Sales Office

Ji Nan



I graduated from a Japanese university and joined Meiko as a new graduate in April 2008. I was assigned to Osaka Sales Office and work as an assistant at Sales Section 1. My duty includes dealing with orders received through the salesforce, product completion management, shipping and delivery. Using my mother language, I communicate with the factories in China and our customers in China, Taiwan and Hong Kong. It gives me a great pleasure to work between my country and Japan which I love. As a way to improve sales productivity, we sales assistants function as “inside sales”. Bearing in mind the goal to “enhance the work efficiency of the sales office as a whole” I will continue to work hard.

Educational Programs

At Meiko, we provide job-class-specific training to new recruits, midcareer employees, and executives. We also hold departmental training specific to functions and job categories. These training programs are aimed at extracting the potential ability of individual employees, strengthening their ability to work in teams, and improving their overall abilities that are universal to all organizations. In addition, we offer qualification programs and provide financial assistance with correspondence courses to help our employees with their self-development and encourage them to obtain technical qualifications. In particular, we position training for next generation leaders as a primary task, and promote a one-of-a-kind research to extract the shared distinctive values that must be passed on from the leaders of today to those of next generation, and to reflect these to the training program.

In addition, we offer qualification programs and provide financial assistance with correspondence courses to help our employees with their self-development and encourage them to obtain technical qualifications, as well as operate foundation schools by foreign instructors and full financial assistance of examination fees for TOEIC Institutional Test. Moreover, we are also developing employees who are able to work globally at the forefront of overseas establishments which are increasing its importance, by improving and expanding foreign language training programs for domestic workers and the training of overseas workers in Japan. In addition, we are planning to develop management ability as well as overseas assignment (trainee system).

Employee safety and health initiatives

We conduct safety and health initiatives at Meiko based on our Industrial Safety and Health Guidelines for the purpose of eliminating work accidents and improving the working environment in all workplaces, and encouraging the good health of all employees. To ensure that problems are found efficiently, not to mention prevent work accidents, we have arranged for our workplaces to be audited by industrial physicians, industrial health consultants, and other experts. In addition, our Safety and Health Committee members undertake audits of the plants. What is more, we estimate risks through risk assessments, based upon which we implement measures to prevent work accidents and improve the level of our safety and health management.

Job-class-specific training

New Recruits

- Business simulation training
- Manufacturing and sales hands-on training and problem-solving

Mid-career employees

- MBA (Meiko Board Academy)
- Cultivation of next-generation management

Managerial employees

- MAPS (Management Academy for Problem Solving)
- Problem solving capability improvement

Department heads

- President school
- Cultivation of an implementer of Meiko's corporate DNA in order to produce even greater results

Field-specific training

Technical personnel training

- Meiko PCB school (basic and advanced courses)
- Improve technical abilities of new recruits, midcareer employees, and core technical personnel

Global training

- Regular TOEIC Institutional Tests and incentive system
- English training for selected employees
- Chinese and Vietnamese language trainings

Self-development

Distance learning

- Subsidize 80% of fees when language courses are completed

Industrial Safety and Health Guideline

In line with the concept that "the greatest asset of a company is its human resources," at Meiko Group we focus on the creation of a working environment that is safe and secure for the mental and physical health of all our employees, and allows them to fully demonstrate their individual capabilities.

1. We will comply with the regulations and in-house rules related to industrial health and safety as we endeavor to eliminate dangers in all workplaces.
2. We will conduct risk assessments for our workplaces, set goals for work environment improvements and continually work toward reducing work accident risks.
3. We will ensure that each and every employee is aware of industrial safety and health initiatives as we endeavor to improve awareness of safety and health.
4. We will endeavor to actively support the maintenance and improvement of the mental and physical health of our employees.

TOPIC Lifetime events

Meiko promotes to create environments for employees to work flexibly according to various values and lifetime events.

	Marriage	Pregnancy, Childbirth	Childcare	Nursing care	Retirement
Work style, holiday, leave system	Marriage holiday	Maternity leave Special holiday for partner's childbirth Special holiday for medical check (while pregnant or up to 1 year after childbirth)	〈Up to 1-year-old〉 Childcare hour 〈Up to 1 (in some case 2)-year-old〉 Childcare leave 〈Up to 3rd grade〉 Limit extra-time labor Limit night work Reduced working hour system Child sick care holiday (5 days/year/child)	〈Up to 93 days〉 Limit extra-time labor Limit night work Exempt from irregular work Nursing care leave (93 days max) Nursing care holiday (5 days/year/person)	Reemployment system

For Shareholders and Investors Improvement and Expansion of IR

Major activities in 2018

- Held meetings including results briefings for institutional investors, analyst meetings, and small meetings, also made several investor calls
- Produced English versions of IR tools for foreign investors

Future Plans

- Continue holding explanatory meetings
- Continue globalization and deliver valuable information for investors

One of the pledges made in our Code of Conduct is:

“We will ensure that our corporate activities and management practices are sound and transparent, and we will continue to be a trustworthy company to our shareholders and investors to generate corporate value.” Based on this pledge, we are striving to maximize our corporate value by engaging in sound, fair corporate activities while complying with laws and ordinances.

Timely and adequate disclosure of information

In accordance with the timely disclosure regulations, we adequately disclose key information considered to influence the investment decisions of our shareholders and investors. We also disclose other key information via prompt, adequate, and fair means to ensure the transparency of our management practices.

For foreign investors

In order for foreign investors to have a better understanding of our business activities, we have been promoting the globalization of IR activities, including the production of IR tools in English, such as convocation notice of the shareholders' meeting, presentation documents, shareholders' report and documents for results briefing.

Shareholders' report

To ensure a better understanding of Meiko, we publish the MEIKO REPORT twice a year to provide shareholders with information on Meiko.



MEIKO REPORT

For Local Communities Social Contribution

Major activities in 2018

- Implemented CSR activities addressing local issues at each site
- Improved information sharing to enable sites to implement activities performed at other sites.

Future Plans

- Create a framework that enables more employees to participate autonomously

At Meiko, we encourage social contributions by our Headquarters and group companies to build close relationships with local communities. We will continue to actively participate in environmental beautification activities and other events organized by the local governments in the various areas. At the same time, we will fulfill our responsibility as a good corporate citizen by encouraging social contribution activities in each local community.

Wuhan Plant, China

- Donation of air conditioner to Xiao Si Xiang Nursing Home

Thang Long Plant, Vietnam

- Local clean-up activities

Vietnam Plant

- Donation of gift to the Phung Xa Village people who are sick and wounded from war
- Donation of cakes for Mid-Autumn Festival to the children of Phung Xa company
- Donation of cakes for the New Year to the social support center, victims of the agent orange
- Donation of cakes for the New Year to families in need of financial support in Phung Xa Village
- Support the New Year's activities of Phung Xa Village People's Council
- Donation of notebook computers at the New Year's traditional wrestling tournament in Bung Village

Guangzhou Plant, China

- Greetings to the Security Police and the Fire Department on the Army Day
- Greetings to the Security Police and the Fire Department on the Mid-Autumn Festival
- Participation to the local activities for the elderly
- Participation to the local blood donation activities



Ishinomaki Factory

- Local clean-up activities

Yamagata Factory

- Sponsorship of Yachi Donga Festival
- Sponsorship of Kahoku Hokuoku Festival
- Provision of factory visits and internships for students of local high schools
- Participation in blood donation activities (14 participants in February)
- Donation of photo news board to neighboring elementary school

Fukushima Factory

- Participation in blood donation activities
- Accepted internships
- Co-sponsoring the Hirono-cho Summer Festival 2019 celebrating the Reiwa Era

Headquarters and Kanagawa Factory

- Co-sponsoring the Ayase Environmental Network
- Co-sponsoring the Ayase Commerce and Industry Fair
- Co-sponsoring the "Ayase Fureai-no-ie" managed by the Ayase Council of Social Welfare
- Co-sponsoring the Ayase City Fireworks Display
- Held the spring game of the Ayase City Children's Baseball Foundation and the Meiko Cup
- Co-sponsoring the 17th Kanagawa Prefecture's Skills Competition for People with Disabilities, Abilympics 2019
- "Prevention of car accident" campaign, donation to neighboring elementary and middle schools

**Action
1**
Agricultural experience for children in Vietnam

Since 2018 Meiko has developed its agricultural business GENKI FARM in Hanoi, Vietnam. Taking the advantage of Japanese organic farming and technology, organic vegetables are grown and sold to shops in the city. At harvest time, farm experience workshops are held for students at local Vietnamese elementary schools and Japanese schools.


**Action
2**
Supporting the local people in Vietnam

At Vietnam Thach That Plant, activities to support the local people are practiced, such as sending gifts to families in need of financial support or those who are sick and wounded from war, donating notebook computers to the local traditional wrestling tournament.


**Action
3**
Clean-up activities

At Vietnam Thang Long Plant we are engaged in clean-up activities of the surrounding area every year.



ENVIRONMENT REPORT

ENVIRONMENT REPORT

At Meiko, we believe that minimizing the environmental burdens of our business activities is our mission and our responsibility as a company helping to achieve a sustainable society.

Major activities in 2018

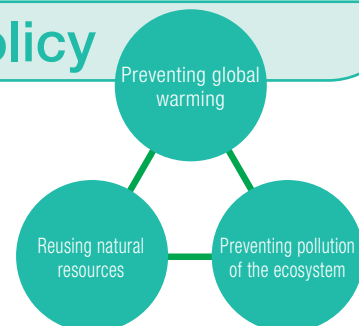
- CO₂ emissions increased slightly compared with the previous year
- Added eco-friendly cars to the company-owned vehicle fleet
- Maintained a 99% or higher waste recycling rate (Plants in Japan only)
- Employed systems such as our waste exchange system to utilize disused items
- Stayed abreast of the added SVHCs and performed supplier surveys

Future Plans

- Reduce energy per production volume by 1% or more
- Promote the replacement of fluorescent lamps with LED lamps
- Strive for 100% waste recycling rate
- Stay abreast of additional restricted substances under the RoHS Directive and perform supplier surveys

Basic Environmental Policy

“Meiko recognizes that protecting the global environment and committing to clean air and water are critical responsibilities that we have for the generations that come after us. We use resources effectively and operate in a way that is compatible with our living environment.”



● Environmental Action Guideline

Meiko's businesses include the pattern design and manufacturing of printed wiring boards and the manufacturing of metal masks, as well as the development and manufacturing of electronic devices. We consider the implications of these activities for the environment, and emphasize the importance of reducing their impact in terms of prevention of global warming, cyclical use of resources and prevention of contaminating the ecosystem.

In accordance with our basic environmental policy, we fully comprehend the impact our business activities have on the environment. We make every effort to prevent environmental pollution and reduce our environmental footprint through the following measures:

1. We have established a structure for strengthening our environmental conservation activities, and we develop and revise our environmental management system, operate the system appropriately to reduce our impact on the environment, and work continuously to improve both.
2. We contribute to environmental conservation by making efforts to conserve resources and energy, reduce waste, and encourage recycling.
3. We will properly manage chemical substances in products so that the product does not contain harmful chemicals.
4. We properly manage chemical substances contained in our products and make sure our products do not contain toxic chemical substances.
5. We properly manage chemical substances in the production process to limit their usage and reduce their environmental impact.
6. We observe all laws, regulations, ordinances, and other requirements concerning the environment.
7. We set environmental goals and objectives, conduct environmental conservation activities, and strive to improve these activities.
8. We provide training and instruction to all our employees with the aim of instilling a strong awareness of environmental conservation activities in them.
9. We are documenting this environmental policy and distributing it to all our employees, and are also making it available to the public.

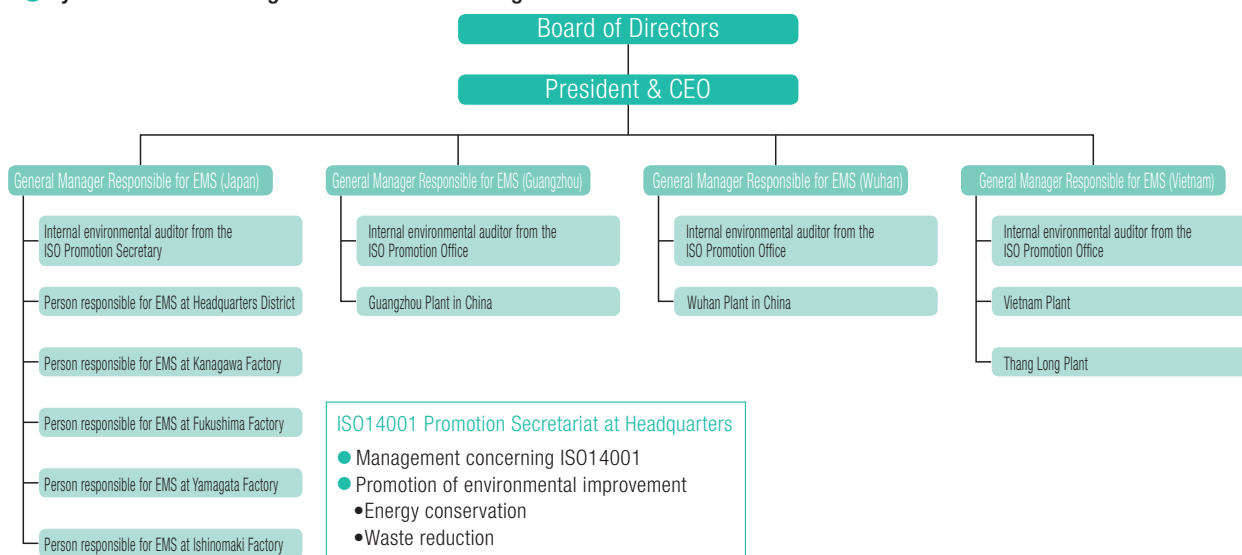
October 19, 2017

President & CEO Yuichiro Naya

System for complying with environmental laws and ordinances

To implement our Basic Environmental Policy, we have established an ISO environmental management system, and have appointed a person responsible for controlling the environmental management system (EMS) at each plant in Japan and overseas. We also strive to protect the environment through CO2 reduction and zero emissions activities, etc. conducted by the cross-company Energy Saving Committee.

System for furthering Environmental Management



Acquisition of ISO14001 certification

We view ISO14001 as an important standard for environmental management, began to take action toward obtaining certification in Fiscal 2000, and have since continued these initiatives at our plants in Japan and overseas.

Our acquisition of ISO14001 certification

Mar. 27, 2001	Headquarters and Kanagawa Factory
Sept. 25, 2001	Yamagata Factory
Apr. 17, 2003	Extended certification obtained by the Fukushima Factory
Apr. 30, 2003	Guangzhou Plant in China obtained certification
Apr. 22, 2005	Integrated certification obtained by the three Factories in Japan
Apr. 22, 2005	Extended certification obtained by M. D. Systems Co., Ltd.
Apr. 28, 2006	Extended certification obtained by Solder Stencil Dept.
Feb. 20, 2007	Wuhan Plant in China obtained certification
Mar. 26, 2009	Extended certification obtained by Meiko Research and Development Center, Yamato Technology Center
Jun. 18, 2010	Extended certification obtained by Thach That Plant in Vietnam
Jan. 15, 2014	Ishinomaki Factory obtained certification again
Apr. 24, 2015	Thang Long Plant in Vietnam obtained certification
Jan. 27, 2017	All plants completed transition to 2015 version of ISO14001

* The factories in Japan obtained certification from Japan Electrical Safety & Environment Technology Laboratories (JET). The plants in China obtained certification from TÜV Rheinland. The Vietnam Plant obtained certification from Bureau Veritas Certification (BVC).



ISO14001 Certificate for factories in Japan



ISO14001 Certificate for Guangzhou Plant in China



ISO14001 Certificate for Wuhan Plant in China



ISO14001 Certificate for Thang Long Plant in Vietnam

Complying with environmental laws and Ordinance

Environmental laws and ordinances have been amended due to increasing awareness of environmental impact. We believe that ensuring our compliance with all the amended laws and ordinances of individual regions will lead to our contributing to environmental protection in each local community. In accordance with ISO14001, we identify the laws and ordinances of individual regions that are related to our business activities, and watch for any amendments to ensure full compliance.

Promotion of environmental targets plan

Meiko conducted an assessment of the environmental impact of our corporate activities. As a result, we found that the types of energy that have a significant impact on the environment including electricity, heavy oil, gas, and gasoline. Also closely related to environmental impact are resources such as raw materials, water, and paper, and waste, including plastic waste, sludge, waste acid, and waste alkali. In Fiscal 2018, we reset the benchmark and targets and continued action toward the new targets. We will continue to improve production efficiency and conduct further energy-saving initiatives to achieve steady reductions in per production volume metrics.

Management's VOICE

General Manager Responsible for EMS
Director and Managing Executive Officer

Takahiro Matsuda



The recent abnormal weather condition which is said to be due to global warming is causing tremendous natural disasters and serious damages. Environmental destruction by waste pollution is also drawing considerable attention. Under such circumstances, Meiko is taking measures based on our Environmental Policy to conserve resources and energy, reduce waste, encourage recycling and properly manage chemical substances contained in products, as well as those in the production processes, to limit their usage and reduce their environmental impact.

In this Fiscal Year 2018 we have focused on improving our third plant in Vietnam and others into "smart factories". By utilizing IoT and robot technologies and linking the system with our in-house core system, we enhance productivity, product quality, optimize the facility and utility, as well as reduce waste, conserve resources and energy.

This development will be adopted starting from overseas plants to all factories.

Investment are also made to our factories in Japan for renovation to replace the old equipment with new ones. At Fukushima Factory heavy oil boiler was abolished and production equipment without using steam was introduced. At Kanagawa Factory the heavy oil boiler was replaced by gas boiler. These changes will reduce CO2 emission.

We will continue to harmonize our business and the global environment to promote environmentally friendly business activities.

Prevention of Global Warming

Meiko views the issue of greenhouse gases as a significant threat to our precious earth. Efforts to prevent global warming constitute energy saving activities to reduce the amount of CO2 emissions generated from energy consumption.

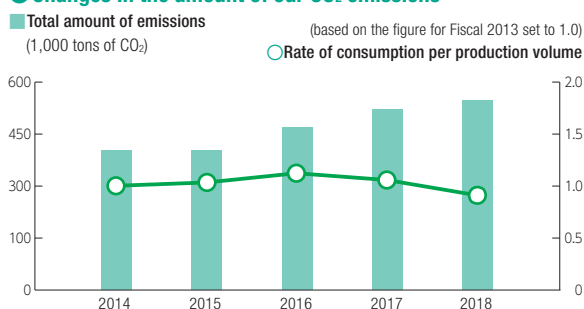
We have formulated and promoted the annual plans and the medium-to-long term plan to reduce the amount of CO2 emissions in accordance with laws and regulations not only in Japan but also in overseas plants, through which we promote global activities to prevent global warming.

In Fiscal 2018, we conducted further energy saving activities at Plants and Administration Division. While some individual improvements were achieved, we could not achieve the target for reduction in energy per production volume as a whole, due to fluctuation in production volume. We will continue our efforts to reach the goal of energy saving.

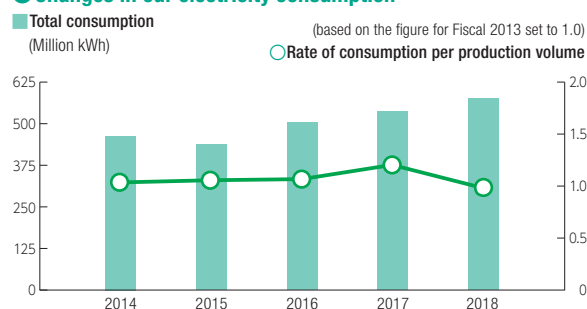


Energy Saving Committee

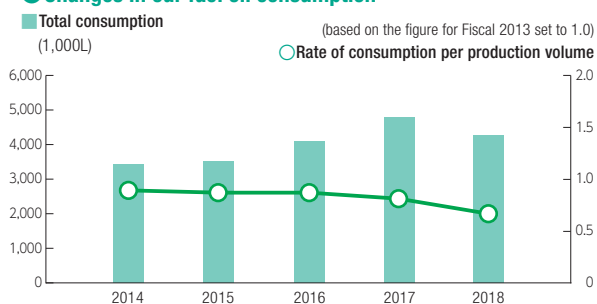
Changes in the amount of our CO₂ emissions



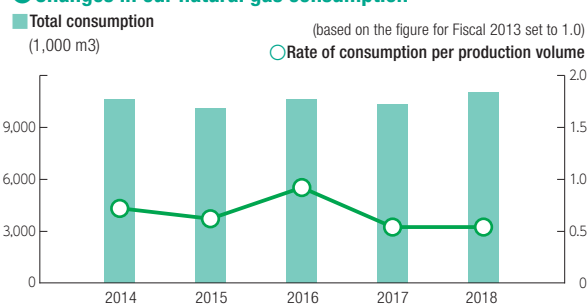
Changes in our electricity consumption



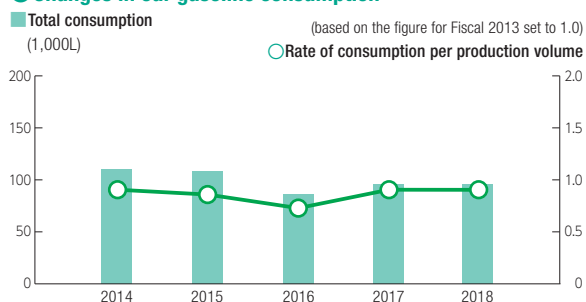
Changes in our fuel oil consumption



Changes in our natural gas consumption



Changes in our gasoline consumption



* Results of the Vietnam Plant are included in the data since Fiscal 2012, Ishinomaki Factory since Fiscal 2013, and Thang Long Plant since Fiscal 2016, respectively.

* Although the volume of energy consumption has recently increased due to growth in production volume, the rate of consumption per production volume remains unchanged.

Examples of energy saving improvements

Improvement example at Fukushima Factory

Improvement example at Fukushima Factory

Steam boiler (heavy oil A) as a heat source was used in the blacking process line (preprocessing for laminating press). The line was renewed to V bond line operated by electricity instead of heavy oil, which effectively reduced the emission of CO₂. While usage of electricity increased over the previous year to 150,350KW (6 months total), the CO₂ emission marked 71 tons, which means that using electricity reduces CO₂ emission. In this way the exhaustion of natural resources is prevented.



- Heavy oil used per year was reduced from **70,900 liters** to **zero**
- CO₂ emission was reduced by **200 tons** per year

Cyclical Use of Resources

Water Consumption

A large amount of water is used in the manufacture of PCBs for cleaning. We have reduced the amount of water used by managing the amount used at each facility and using reverse osmosis (RO) water*.

We continue to carry out efforts to use the minimum amount of water required to maintain product quality in each process and to use discharged water through the introduction of a RO concentrated water system. These efforts have proven effective in achieving reductions.

* RO water refers to water purified using reverse osmosis. It is used for cleaning the PCBs

Paper Consumption

We have been making comprehensive efforts by employing electronic media for all company data, eliminating unnecessary copying, and introducing electronic certification system, etc., to help protect forest resources.

*Effective 2018 the figures of Vietnam Plant and Thang Long Plant are added.

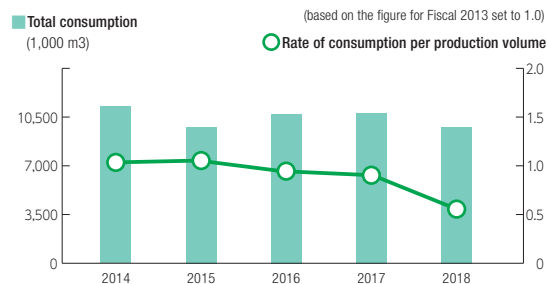
Reduction and recycling of waste

We have been reducing waste based on the 3R strategy (reuse, reduce, and recycle). Continuing on from Fiscal 2017, efforts were actively made to recycle waste into valuable resources. The recycling rate of waste, the percentage of waste that was used for purposes other than landfill, exceeded 99% at our plants in Japan in Fiscal 2018.

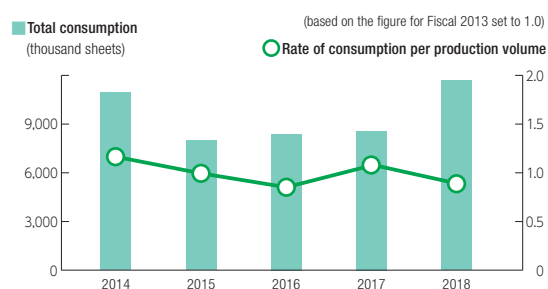
* "Recycling" above includes thermal recycling

* The recycling rates at our plants in China (Guangzhou and Wuhan) and Vietnam (Vietnam and Thang Long) are excluded.

Changes in our water consumption



Changes in our photocopying paper consumption



Examples of waste reduction efforts

Internal resource recovery

We collect resources from some industrial wastes generated in our plants through treatment plants and facilities established within the premises of the Company.

1. Collecting gold from gold plating waste liquid
2. Collecting copper from soft etching waste liquid
3. Collecting copper carbonate and copper sulfate generated from copper collected from etching waste liquid

The cyclical use of resources prevents the exhaustion of natural resources and contributes to the protection of the global environment.



Photo: Soft etching waste liquid processing equipment in Guangzhou Plant.

Preventing Pollution of the Ecosystem

Measures for Reducing Environmental Burdens

Meiko is aware of the significance of the impact of its plant operations on the local environment and believes it has a duty to reduce these burdens. Specifically, we comply strictly with laws and ordinances for preventing pollution and the standards agreed on with local communities. We are also striving to reduce the total emissions, water consumption, and paper consumption confirmed in accordance with the PRTR Act.

Activities for reducing environmentally hazardous emissions

We control the quality of the water we discharge and the state of the gases we emit into the atmosphere by measuring them on a regular basis to help maintain the local environment. The table below shows the levels of the substances we have emitted from our plants, all of which are below the standard.

Plant name	Water quality					Atmosphere			
		pH	BOD	COD	SS	Equipment	Substance	Soot and dust concentration	Nitrogen oxide concentration (NOx)
Kanagawa Factory	Measurement unit	-	mg/L	mg/L	mg/L	Steam boiler	Measurement unit	g/m ³ N	v/v ppm
	Actual value	7.22	10.1	16.3	-		Actual value	0.002	54
	Standard value	5.7~8.6	25	25	70		Standard value	0.3 Air Pollution Control Act	180 Air Pollution Control Act
Fukushima Factory	Measurement unit	-	mg/L	mg/L	mg/L	Steam boiler	Measurement unit	g/m ³ N	v/v ppm
	Actual value	7.3	10.7	7.8	1.1		Actual value	0.005	57
	Standard value	5.8~8.6	25	25	70		Standard value	0.3 Air Pollution Control Act	180 Air Pollution Control Act
Yamagata Factory	Measurement unit	-	mg/L	mg/L	mg/L	Steam boiler	Measurement unit	g/m ³ N	v/v ppm
	Actual value	7.4	8.2	15.1	15.7		Actual value	0.005	66
	Standard value	5.8~8.6	25	160	60		Standard value	0.3 Air Pollution Control Act	180 Air Pollution Control Act
Ishinomaki Factory	Measurement unit	-	mg/L	mg/L	mg/L	Steam boiler	Measurement unit	g/m ³ N	v/v ppm
	Actual value	7.3	16.1	16.8	4.3		Actual value	0.023	49
	Standard value	5.8~8.6	25(20)	160(120)	60(50)		Standard value	0.3 Air Pollution Control Act	180 Air Pollution Control Act
Guangzhou Plant	Measurement unit	-	mg/L	mg/L	mg/L	Boiler	Measurement unit	mg/m ³ N	mg/m ³ N
	Actual value	7.65	5.9	71.0	19.5		Actual value	16.43	135.28
	Standard value	6~9	300	500	400		Standard value	National Std:100 Local Std:80	400
Wuhan Plant	Measurement unit	-	mg/L	mg/L	mg/L	Steam boiler	Measurement unit	mg/m ³ N	mg/m ³ N
	Actual value	7.78	6.6	24.8	17.2		Actual value	19.5	14
	Standard value	6~9	20	80	50		Standard value	50	400
Vietnam Plant	Measurement unit	-	mg/L	mg/L	mg/L	Boiler	Measurement unit	mg/m ³ N	mg/m ³ N
	Actual value	7.58	8.8	15.9	5.5		Actual value	41.9	62.40
	Standard value	6~9	30	75	50		Standard value	200	850
Thang Long Plant	Measurement unit	-	mg/L	mg/L	mg/L	Boiler	Measurement unit	mg/m ³ N	mg/m ³ N
	Actual value	7.23	9.4	28.3	6.3		Actual value	40.82	63.64
	Standard value	6~9	30	48.6	50		Standard value	200	850

* The water quality measurement items are partial disclosures of the living environment items of the Water Pollution Control Act.

* The water quality measurement values are average values.

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 2018. 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 8 major plants

Period: Fiscal 2018 (April 1, 2018-March 31, 2019)

Outline of business: Manufacture of PCBs

INPUT

Energy input			Resources			Resources		
Electricity	(1000kwh)	569,164	Water	(km ³)	9,743	PRTR substances	(t)	373
Heavy oil	(kℓ)	1,114	Photocopying (thousand sheets)		14,418			
Natural gas	(km ³)	10,096	pape					
Light oil	(kℓ)	3,169						
Gasoline	(kℓ)	85						

↓

Atmospheric release			Discharge into water table			Chemical substances		
CO ₂ emissions	(kt)	548	PRTR substances	(t)	0.25	Amount of waste generated	(t)	3,834
NOx emissions	(t)	125				PRTR substances	(t)	19
Soot and dust	(t)	8.6						
PRTR substances	(t)	4.3						

(in Japan only)

(in Japan only)

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.

Management system for chemical substances contained in product



Management of Chemical Substances Contained in Products

- * RoHS Directive: Restriction by EU on use of specific hazardous materials found in electrical and electronic products
- * ELV Directive: Directive implemented in EU to reduce the environmental burden caused by the end-of-life vehicles
- * REACH Regulation: EU law to protect human health and the environment

Employee's VOICE

Environment Management
Department
Guangzhou Plant

Toru Taga



Guangzhou Plant implements environmental improvements (air, waste, drainage, etc.) based on the environmental policies of China and Guangdong Province.

For the prevention of air pollution, we comply to the law by introducing VOC (volatile organic compounds) machine. As for waste, we succeeded in reducing the sludge containing copper by half over the previous period using drying equipment. Dry film sediment was also reduced by half using the dehydration equipment.

Our Plant is designated as "Guangzhou Top Clean Production Company". We are making efforts to reduce usage of resources, water, electricity, energy. As a result,

we have acquired "Clean Production Level 2 Certificate" and are registered as an excellent company.

Guangzhou Plant will continue the activities for improvement in compliance to the environmental regulations.

TOPIC TOPIC MEIKO Solar Park Fukushima Operation of the Power Plant No. 2

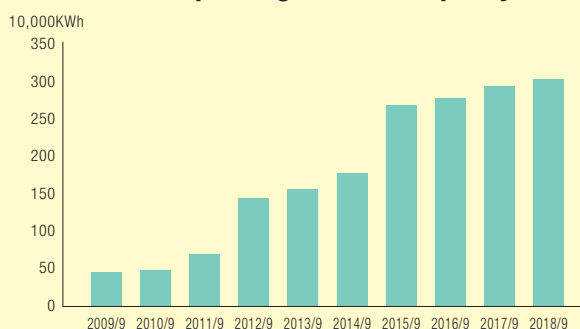
After the Great East Japan Earthquake, our Fukushima Factory started photovoltaic power generation in June 2015 at “Meiko Solar Park Fukushima” using the unused land within its premises located in Hirono-Cho, Fukushima Prefecture. Through solar power generation, we contribute to the penetration of renewable energy which is promoted by Fukushima Prefecture and Hirono-cho, as well as to the realization of a sustainable society.

The Power Plant No. 2 was additionally built in 2017. Generation capacity is 3MW (megawatt) and the annual generation is 3,200,000KWh, equivalent to the annual power consumption of 880 typical households. This covers the power source for more than one third of the total households at Hirono-cho, which is a step towards a sustainable society, in addition to restoration and development of the local Fukushima area. In the future we will promote the use of the generated power within own company facility.

Overview of MEIKO Solar Park Fukushima

Installation area	41,454 m ²
Number of solar panels installed	11,788
Generating capacity	3,026 KW
Estimated annual power generation	3,200 MWh (Annual power consumption of 880 typical households)
Power generation start date	June 10, 2015

Photovoltaic power generation capacity



MEIKO Solar Park Fukushima

MANAGEMENT REPORT

Corporate Governance

supervision function is reinforced towards the management. Of the total 8 Board of Directors, 2 are outside directors. Of the 3 auditors, 2 are from outside.

Internal Control

Major Activities in 2018

- Updated and evaluated internal control based on Financial Instruments and Exchange Law (J-SOX) (Subsidiaries in China, Vietnam and U.S.A. were subject of internal control)
- Audit by Internal Audit Division

Future Plans

- Evaluate internal control based on Financial Instruments and Exchange Law
- Implement internal audit
- Work closely with the auditors

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.

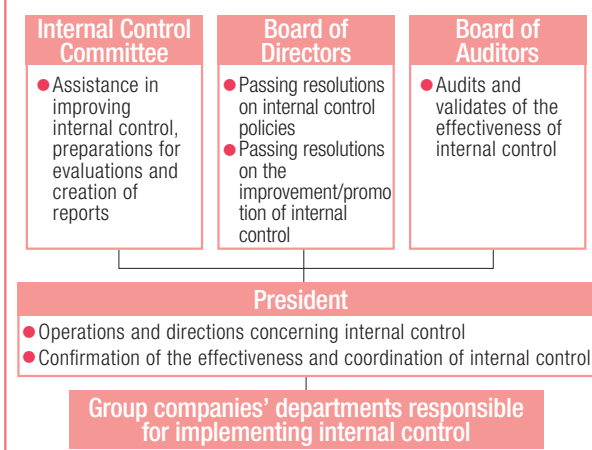
● "Basic Policy on Internal Control"

1. A system for ensuring compliance within Meiko Group
2. A system for storage and management of information concerning the execution of duties by our Directors
3. A system regarding risk management within Meiko Group
4. A system for ensuring that the duties of Meiko Group Directors are executed efficiently
5. A system for ensuring proper operations by the Meiko Group
6. A system relating to employees who will assist the Auditors with their duties
7. A system for reporting to Auditors
8. 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 2017, 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 2018. 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 2018 and received appropriate opinions from our auditors.

● Internal Control of the Meiko Group in Fiscal 2018



Compliance

Major Activities in 2018

- Distributed monthly e-mail newsletter focusing on compliance
- Put up posters about compliance
- Compliance education through e-learning

Future Plans

- Compliance awareness survey
- Revision of Compliance Handbook

Meiko positions compliance as a critical aspect of management. Our corporate activities comply with laws and ordinances, social ethics and morals. To promote compliance, our activity standards are codified in the Corporate Charter of the Meiko Group and the Code of Conduct, and the framework of our activities is explained in our Compliance Regulations.

Compliance Posters

To further raise the consciousness of compliance, we put up posters.

(Transparent files of the same design are also produced and used internally)



Compliance Handbook

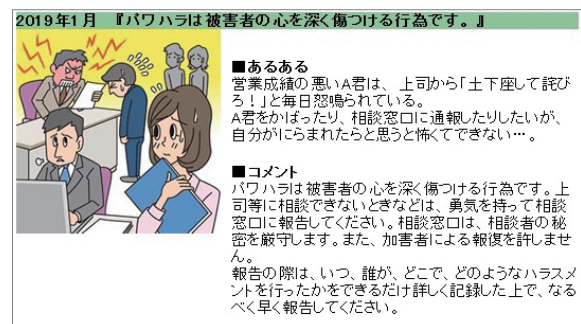
In order to raise awareness of compliance, the Company's own unique Compliance Handbook is distributed to all executives and employees. The contents are also posted to the in-house website.



Compliance Handbook

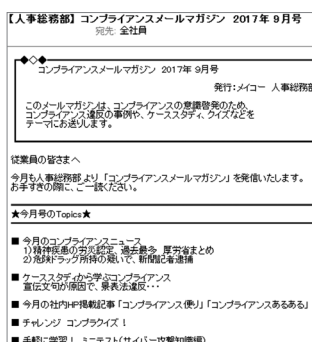
Posting compliance cases to the in-house website

Every month, an example of compliance case is introduced and explained with illustrations.



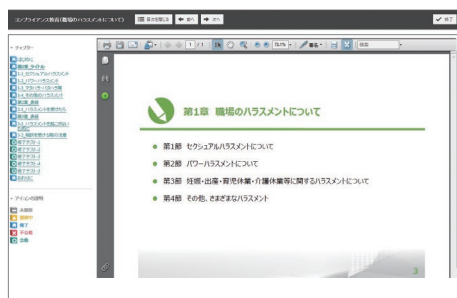
Compliance e-mail newsletter

Monthly newsletter is distributed electronically.



Compliance education through e-learning

Contents to prevent harassment at workplace, etc. are provided through e-learning. The aim is to ensure good working environment and to raise awareness within the company.



Antisocial forces

It is stated in the Corporate Charter that Meiko refuses to have anything to do with any antisocial forces including gangsters. We work in close cooperation with external dedicated institutions such as the police and the National Center for Removal of Criminal Organizations to resolutely eliminate antisocial forces.

Introduction of the Helpline

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 from Person in Charge

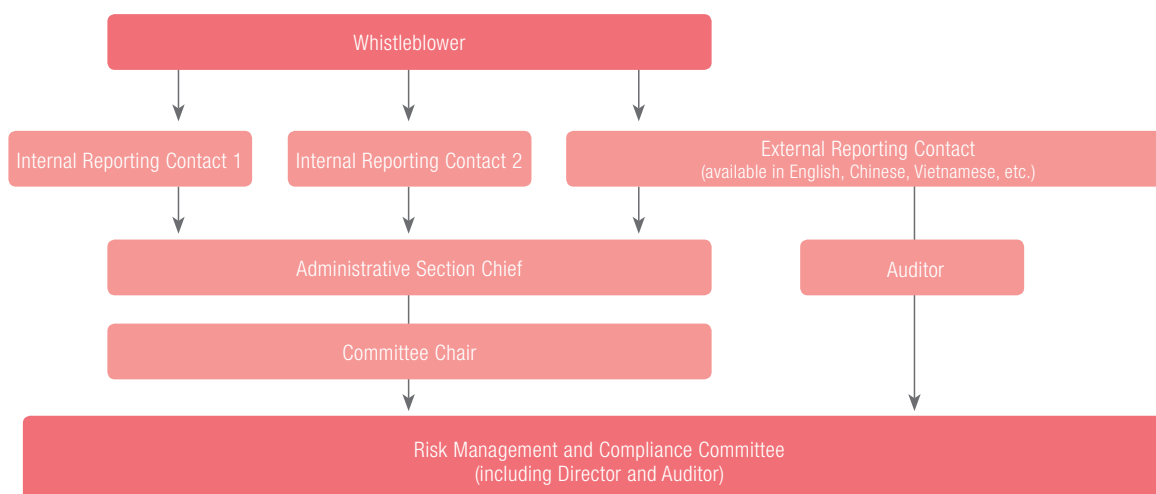
Deputy General Manager
General Affairs Group
Human Resources & General Affairs
Department

Naoki Saito



The business environment for companies is changing and growing more complex. Compliance activities are essential for a corporation to survive. Meiko Group has large-scale manufacturing sites in China and Vietnam, as well as sales bases in the Americas, Europe, and ASEAN countries, with over 10,000 employees around the world. To ensure compliance with laws and ordinances throughout the company as an organization, awareness and actions of each and every member is important. We aim to convey the philosophy adopted in the Corporate Charter and Business Principle to all employees in a readily understandable manner. We will continue the coordination between the departments in charge at each of our sites and the Risk Management and Compliance Committee, and provide education and awareness raising activities aimed at both executives and employees to grow as a trustworthy corporation.

● Helpline Flow



Information Security

Major Activities in 2018

- Extended the coverage of ISO27001 certification

Future Plans

- Maintain 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.

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

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.

Information security initiatives

At Meiko, we receive important information from customers. We therefore recognize the importance of information security. Since the initial certification in 2006, we have been extending the coverage of certification step by step to reinforce the information management system.

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.
December	2016	Applicable area of certification within Japan was extended.
September	2017	Four applicable departments at Vietnam Plant obtained the certification.
November	2018	Coverage in Japan extended

Drill against targeted e-mail attack

To raise the risk consciousness of information security, a drill has been implemented every year since 2017 as a simulation for targeted e-mail attack by sending a sample e-mail to all e-mail users based in Japan. We plan to practice this type of drill in the future on a regular basis.

Risk Management

Major Activities in 2018

- Specified and assessed anticipated risks
- Prepared Initial Response Manual of Emergency Headquarters
- Safety Confirmation Service drill (practiced every year)

Future Plans

- Prepare and increase emergency stock
- Initial Response drill of Emergency Headquarters
- Safety Confirmation Service drill (practiced every year)

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.

Types 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. We also reinforce our risk management system through ERM (Enterprise Risk Management) activities.

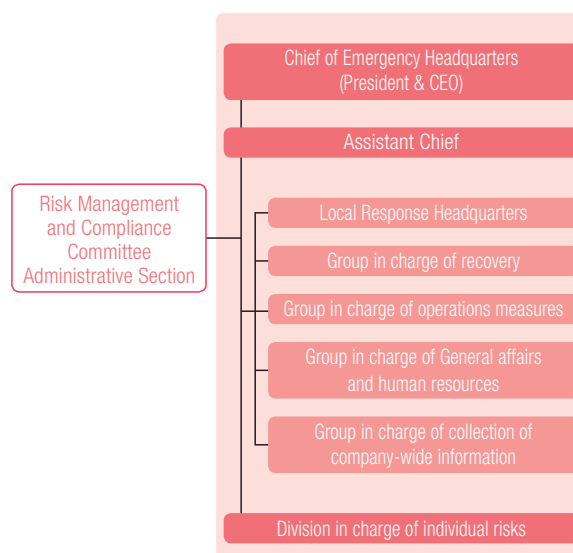
Introduction of employee safety confirmation system

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.

Information security initiatives

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 September 30, 2019)

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

Established November 25, 1975

- Production Sites
- Kanagawa Factory
5-14-15, Ogami, Ayase, Kanagawa, Japan 252-1104
 - Yamagata Factory
250, Maki, Yachi, Kahoku-cho, Nishimurayama-gun, Yamagata, Japan 999-3511
 - Ishinomaki Factory
8-5, Shigeyoshi-cho, Ishinomaki, Miyagi, Japan 986-0844
 - MEIKO Research and Development Center
3-35-6, Sugikubo-minami, Ebina, Kanagawa, Japan 243-0414
 - China 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
 - 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
 - Meiko Techno Co., Ltd.
1-14-1, Daikan, Yamato, Kanagawa, Japan 242-0025

Capital 12,888 million yen

Executives

President & CEO	Yuichiro Naya
Director and Senior Managing Executive Officer	Takahide Hirayama
Director and Senior Managing Executive Officer	Masakuni Shinozaki
Director and Managing Executive Officer	Takahiro Matsuda
Director and Managing Executive Officer	Jyunya Wada
Director	Yoon Ho, Shin
Director	Nao Tsuchiya
YDirector	Yosuke Nishiyama
Senior Corporate Auditor	Toyohiko Tsuyuki
Auditor	Takashi Harada
Auditor	Takayuki Satou

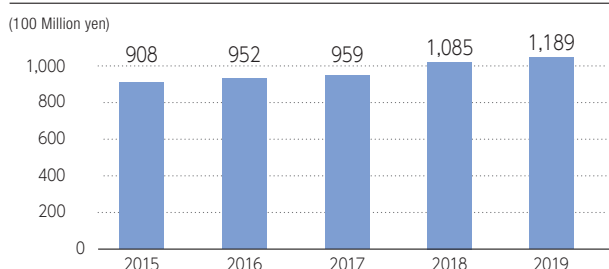
No. of Employees: 11,843 (consolidated)
(Japan: 856; Overseas: 10,987)

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

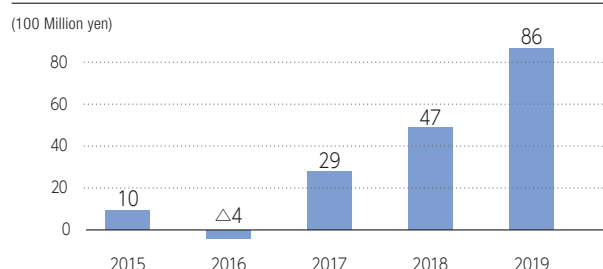
Five-year Financial Summary

	2015	2016	2017	2018	2019
Sales (100 Million yen)	908	952	959	1,085	1,189
Operating income (100 Million yen)	△28	33	57	74	89
Ordinary income (100 Million yen)	10	△4	29	47	86
Net income (loss) (100 Million yen)	△95	△112	17	43	67
Net income (loss) per share (yen)	△365.76	△429.83	54.14	160.34	257.65

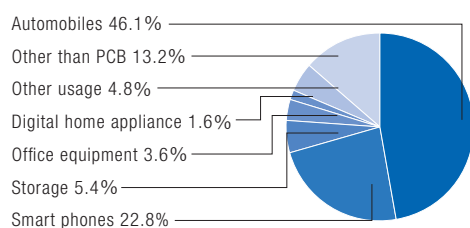
Changes in consolidated net sales



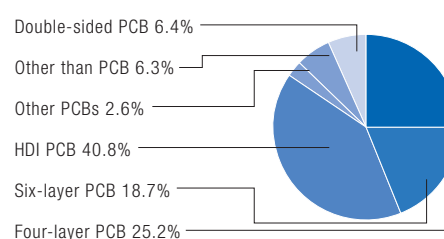
Changes in consolidated ordinary income



Sales composition by application (Fiscal 2019)



Sales composition by product (Fiscal 2019)



Product Lineup that Meet the New Needs of Our Changing World

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

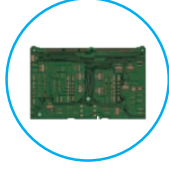
AnyLayer PCB

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.



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.



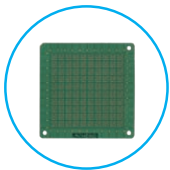
Module PCB

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.



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.



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.



Embedded Passive Devices PCB

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

