

# CORPORATE REPORT 2020



MEIKO CORPORATE SOCIAL RESPONSIBILITY



## Business Principles

**We provide the best-ever products and services for our customers through Meiko's manufacturing, thus contributing to the creation of happiness in 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, act as a global company contributing to the creation of a sustainable society.

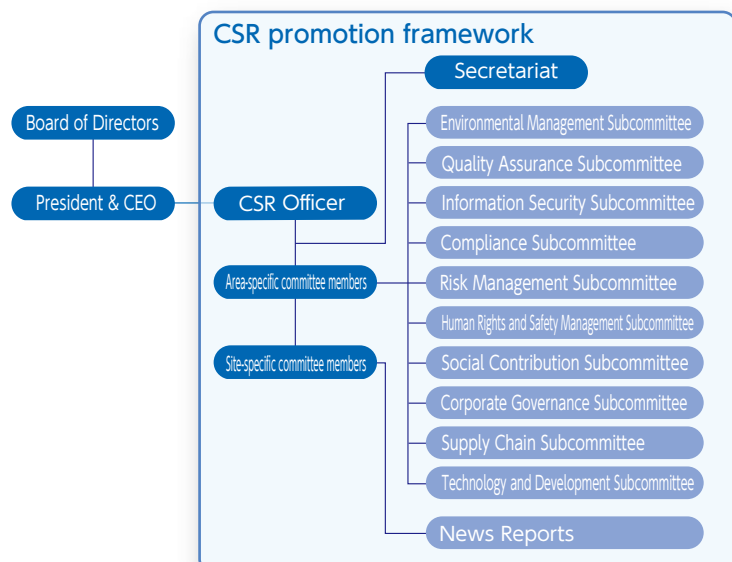
- 1 We will develop and supply products and services that are both useful to society and highly reliable in order to guarantee customer satisfaction and earn their trust, paying full attention to quality, safety and customer data protection.
- 2 We will strive to develop creative technology and pave 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 business partners. Management will continually monitor internal and external feedback, exercise effective governance and rigorously implement corporate ethics.

## Meiko's CSR Declaration

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

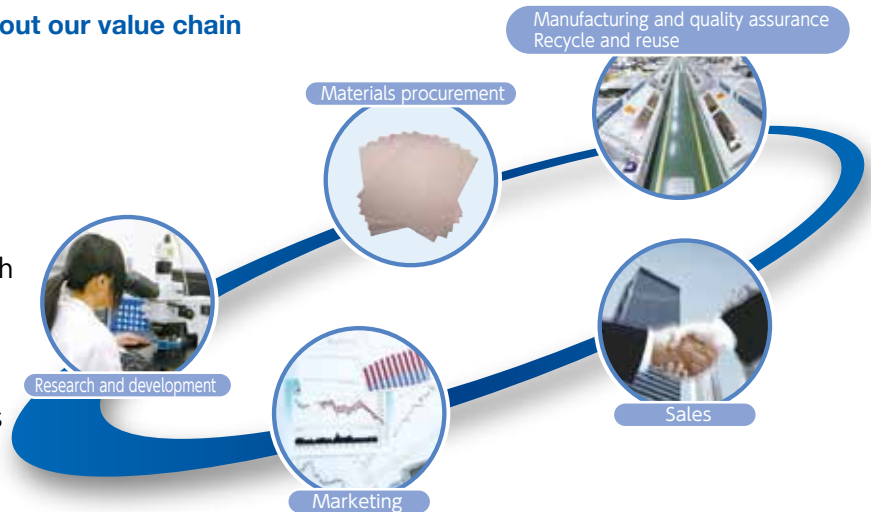
### ■ CSR promotion framework

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

We have published this report for all our stakeholders to deepen understanding in the way of thinking, goals and efforts for corporate social responsibility (CSR) of the Meiko Group (Meiko Electronics Co., Ltd. and group companies).

#### ● Coverage

Meiko Electronics Co., Ltd. and affiliated companies

#### ● Applicable period

Fiscal 2019 (April 1, 2019 to March 31, 2020)

\*This report also contains some information from before the applicable period and some latest information since the applicable period.

#### ● Reference guidelines

- "Environmental Reporting Guideline (Fiscal Year 2018 Version)" (Ministry of the Environment)
- GRI "Sustainability Reporting Standards 2016"

#### ● Date of publication

March 2021

\*For the purposes of this report, "Meiko" refers to Meiko Electronics Co., Ltd. and all group companies.

## ■ ISO26000 Comparison



## ■ EICC Framework



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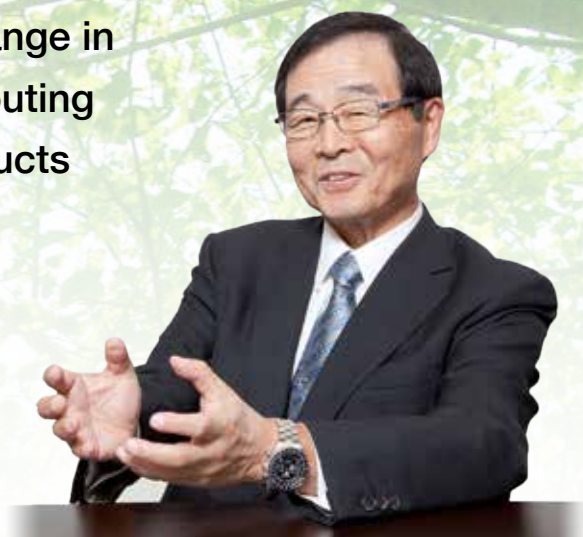
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## Top Message

**Meiko is responding appropriately to the change in value amid the changing times and is contributing to the world by providing the best-ever products and services through its manufacturing.**

**Yuichiro Naya, President & CEO**



### Message from the President

Each enterprise is deeply connected to local communities, society and the earth, and exists as one part of them. We, at Meiko, are conscious at all times of the role we must fulfill towards these elements, aiming to become a company that is accepted and trusted by society.

Globalization is resulting in an expansion in global human networking, creating new demand in various fields and stimulating the economy. On the other hand, global warming, marine pollution caused by plastics in the ocean, natural disasters, food shortages, human rights issues, etc. are plaguing various parts of the world, and as is apparent by the adoption of Sustainable Development Goals (SDGs) by the United Nations, the expectations to companies to fulfill their part towards solving these issues are continuously increasing. Our company was massively impacted by the global spread of COVID-19 around at the start of this year. City-wide lockdowns were implemented to prevent the spread of the infection, along with the halting of plant operations, shutting-down of stores and restriction on admission as part of restrictions on general business operation, resulting in a rapid decline in demand and wages and employment being impacted, forcing us to re-examine social life itself till this point.

Within this changing social environment, we need to further strengthen initiatives towards management which emphasizes not just the “Environment” aspect of ESG that was our focus till now as part of our business domain, but one which also emphasizes the “Social” and “Governance” aspects. By fulfilling our Business Principles, which are “We provide the best-ever products and services for our customers through Meiko’s manufacturing, thus contributing to the creation of happiness in employees and society.” we are contributing to the creation of an affluent society by supporting the advancement of the latest technology along with finding solutions to employee workstyle, employment maintenance and social issues.

We would appreciate your continued support and guidance.





**Please tell us about your initiatives on cutting-edge domains, including smartphones, in-vehicle devices, and self-driving vehicles.**



In recent years, the purpose of electronic devices has changed greatly. In addition to realizing a lifestyle of abundance and comfort, their contribution to energy conservation and global environment, along with their role in bringing safety and peace of mind in people's lives, has also become important factors. A variety of concepts are also being pursued in PCBs. High density, high performance PCBs are required in devices with a multitude of features packed into a small casing like a smartphone. PCBs with high reliability are required to actualize self-driving and safe steering in vehicles. High-current PCBs are required in products with an environment-friendly focus, like electric vehicles and solar energy, and underlying technology to facilitate energy and resource conservation is required.

At Meiko, we are constantly taking initiatives to accurately meet the diversifying needs of our customers, through the development and provision of leading-edge products of all varieties.



**Please tell us about your new initiatives in Vietnam regarding the development of ventilators, which continues to be a present topic.**



In the middle of the coronavirus crisis, the Vietnamese government is searching for companies which can develop and manufacture ventilators in an effort to promote their domestic production. By manufacturing ventilators domestically at 1/2 or 1/3 of the price of imported products without needing to bring in expensive foreign medical equipment, this will not only benefit our business, but also contribute to Vietnam as well. By coordinating with Japanese medical equipment manufacturers, there are plans to manufacture various products other than ventilators as well. In addition, efforts are being made towards various new businesses such as automation for plants and drones. These will not only increase employment, but also facilitate the modernization of Vietnam. Further, we are planning on creating the No. 1 engineer group in Vietnam for electronics and related technology. This new business is based on Meiko's concept, born out of initiatives taken to respect the autonomy of our Vietnamese employees. Our staff are proudly partaking in this project, as this is a business with the potential to significantly change the future of the country. As a result of such initiatives, our company has become increasingly popular in Hanoi and its surrounding areas. We intend to continue taking such initiatives in the future, including brand development.

In addition, in the approximately 3 month-period from December to February, a tree called the "Wild Himalayan Cherry" blossoms in Vietnam, with a pink-coloured flower similar to the cherry blossoms of Japan. We have started attempts to spread this tree to other areas within Vietnam. By marketing them as roadside trees, these efforts will improve the scenic beauty of Vietnam. We are also planning to carry the saplings of the tree down from the mountains using drones. If implemented, just the saplings themselves can become a massive business. We are given a lot of freedom even though we are a Japanese company attempting to start something in Vietnam, because of which we could partake in a variety of activities.



**What are your opinions on the role of women and the proactive promotion of foreign personnel?**



Our company is proactively taking initiatives to reform the organizational culture by changing the way of thinking for management staff and our male workers, as well as reforming the workstyle of the workplace in general in order to create a work environment where our employees can perform their tasks irrespective of gender. The number of women who make up the rank of supervisor is increasing every year. There are companies where women find it difficult to continue their work after getting married and having children, but that is not the case in our company. Even if a female employee takes a 1 or 2 years break from employment after childbirth, we have built an in-house childcare center called "Nobikko" to support their return, as well as offering childcare support.

As for foreign personnel, our company's major production bases are located in China and Vietnam, with job opportunities being provided on an equal basis. It is my personal belief that the recruitment of talented personnel should not be dependent on their nationality, as our personnel are an asset to the company. Our company respects diversity and we are making an effort to make sure our personnel can display their talents without facing discrimination on the basis of their race, faith, religion, nationality, age, sex or disabilities.



**After recovering from the Great East Japan Earthquake, you are now trying to recover from the present coronavirus crisis. Please tell us about the steps being taken by your company in crisis management.**



Business risks like natural disasters are a perpetual presence. Our company is prepared for such risks from our past experiences. Looking back, we have indeed faced a number of different natural disasters. During the Great East Japan Earthquake, our Ishinomaki Plant was hit by the tsunami and our Fukushima Plant was shut down for about 2 months due to the effects of the Fukushima Daiichi Nuclear Power Station incident. COVID-19 originated in Wuhan and our Wuhan Plant had to stop all operations for 2 months due to the city-wide lockdown. I wonder if there has been another company that has been directly hit by natural disasters this many times. Following these experiences, it is imperative that we think about ways to avoid such risks. There is a Chinese saying: "Do not put all your eggs in one basket." It is a philosophy of diversifying your business to the maximum extent because of the risks of overinvesting in one business. However, even though that is a way to avoid such risks, we have to consider the fall in productivity that might result from such diversification. As we consider the various aspects of these measures, we must always be on the lookout for ways to be prepared for such risks to ensure the survival of our company. We need to be further scrupulous in incorporating such countermeasures in the future.



**Finally, please tell us about your plans for further sustainable growth in the future.**



Our company has precisely grasped the changes in demand for PCBs for electronic equipment, conducted R&D, and developed a manufacturing system that can meet those changes along with a sales network that can allow a global supply. We will continue to respond appropriately to the change in value amid the changing times and will continue to provide the best-ever products and services through our manufacturing.

# 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 2019

- 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).
- To reduce the unevenness among plants, spot and improve the weak points through internal audit.
- To maintain and improve the quality management system, issue quality management standard documents for business partners.
- Promoted across-the-company standardization through Standardization Committee activities.

### Future Plans

- Aiming at “zero” market defects, find out the true cause of existing serious defects, share and set measures across the company.
- In order to improve design quality, participate in design review to confirm specs, measures against problems, and reliability of materials and structures.
- In order to prevent the occurrence of defective products and reduce the unevenness among plants, monitor quality indicators and analyze data to check tendencies.
- In order to prevent quality and delivery problems due to changes in 4Ms (men, machines, materials, and methods) and abnormal processing, learn from past problems and improve our systems.
- Redevelop a global quality assurance system.

At Meiko, we have de-fined a Quality Policy aimed at achieving one of our Business Principles. We thereby 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

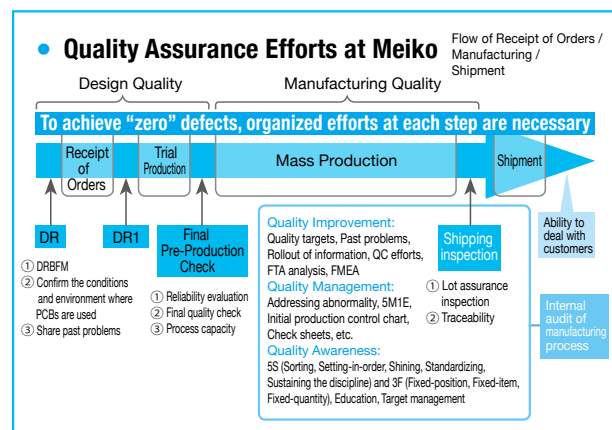
Recently, market recalls due to defective automobile components have attracted media attention, which is becoming an increasingly serious risk that could threaten corporate management.

Because Meiko products are chiefly incorporated into automobiles and enjoy many other applications as well, high quality has been increasingly becoming 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 in the group’s four overseas plants

Based on the Fiscal 2020 Group management policy, we are proceeding with a product quality assurance system for both overseas and Japanese plants 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 19, 2019)**

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



● **DENSO TEN TRADING (TIANJIN) Limited (May 14, 2019)**

"Excellent Quality Award." Guangzhou Plant received this award for the second straight year.



● **Continental Corporation (July 25, 2019)**

Continental Corporation announced "Supplier of the Year 2018," and our company received "Supplier Quality Award for 2018" among about 900 strategic partners.



● **Fuji Xerox Co., Ltd. (January 10, 2020)**

Recognized as "Premiere Partner" in Fiscal 2020 for the tenth consecutive year.



● **DENSO TEN Limited (July 15, 2020)**

Received "Excellent Quality Award" for the quality of our delivery.



### 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 2019, 70 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 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.

\* 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).



IATF16949 (Guangzhou Plant in China)



Quality Assurance Section 1,  
Quality Assurance Department

### Motohisa Miiri



I'm Miiri of the Quality Assurance Division. I engage in reliability evaluation.

PCBs produced by our company are used for a broad range of purposes in commercially available products for our daily lives, such as electronic control components mounted on automobiles, smartphones, and digital home appliances. We recognize that they take important roles as major components. Assuming how our products are used for commercially available products and their environments, we conduct multifaceted reliability evaluation to objectively check whether our products can satisfy required specifications, and estimate quality characteristics for design verification and inspection of finished products, as product assurance.

Not only for product assurance, we conduct reliability evaluation also for inspecting the quality of each plant regularly and for proposing materials at the design stage for products whose reliability requirements are rigorous, such as in-vehicle products, which have been computerized rapidly in recent years, to improve design quality.

In addition to in-vehicle products, an increasing number of products need to achieve high-level reliability. I keenly feel this trend through business operations. We will keep pursuing better quality by utilizing reliability data, so as to provide customers with useful, safe products.

# PCB Development Activities

## Major Activities in 2019

- High-speed & High-frequency PCB
- High-density PCB
- A new structure, materials and manufacturing process for heat dissipation PCB

## Future Plans

- High heat dissipation and Large current PCB
- Package and module PCBs
- Multifunctional HDI PCB for Automotive
- 5G application PCB

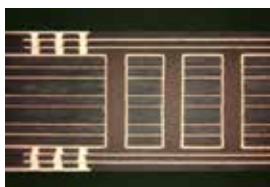
## <PCB technologies for 5G market>

### Storage device



#### ◆High Speed

For high speed application, HDI technologies PCBs, which are made of high speed materials, are adopted. In addition, for larger memory capacity, embedded passive technology are adopted that increase the number of embedded components inside the PCB.



X-section of high-frequency HDI PCB



X-section of embedded passive devices PCB

### Communications infrastructure



#### ◆High Frequency

For communications infrastructure, High layer count HDI PCBs, that combines Microvias and IVH are adopted. In addition, these PCBs are consisted of the combination of high speed materials and standard FR-4 materials.



X-section of High Layer Count HDI PCB



X-section of high speed material PCB

### Package and module

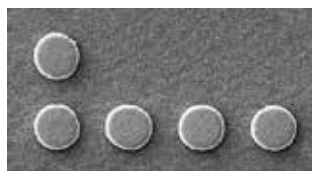


#### ◆Package and module PCBs

For communications modules, HDI PCBs produced by fine patterns and small-diameter microvia pads are adopted. We develop thinner thickness HDI PCBs while miniaturizing patterns and smaller via lands, so that our products can be adopted for more small and more lightweight devices.



Fine patterns



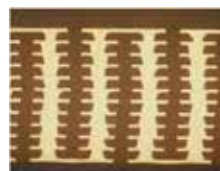
Small-diameter microvia pads

### Smartphone



#### ◆High Density

For smartphones, AnyLayer PCBs, which are produced by combining the fine processing laser technology and the plating technology, are adopted.



X-section of AnyLayer PCB



## <PCB technologies for the evolution of automobiles>

### ◆Power Train

For junction boxes and battery chargers, heavy copper PCBs that can release heat effectively and endure large current are adopted. In addition, we develop heavy copper through-hole PCBs in which the copper-thickness of specific through-holes can be increased



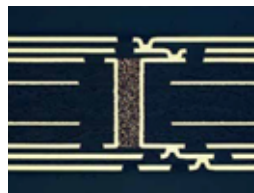
X-section of heavy copper PCB



X-section of heavy copper through-hole PCB

### ◆Information and Communication

For navigation systems and communication modules, High layer count HDI technologies and AnyLayer PCBs are adopted, to be capable of a flexible wiring design.



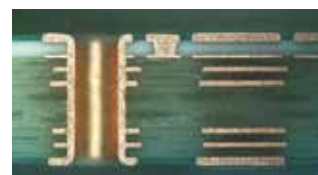
X-section of High layer count PCB



X-section of AnyLayer PCB

### ◆Safety & Running

For sensors for ADAS (Advanced Driver Assistance System), hybrid PCBs, which are made of high-speed material and standard FR-4, are adopted. Furthermore, we develop high-frequency PCBs for next-generation devices.



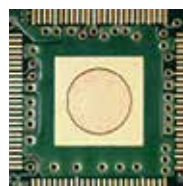
X-section of hybrid PCB

### ◆Body Electronics

For LED headlamps, metal base PCBs, which include heat dissipation insulating resin, are adopted. For braking and power steering systems, copper inlay PCBs, which secure the heat dissipation routes of heat-generating components, and bendable FR4-Flex PCBs, which are for down-sizing, are adopted.



Metal base PCB



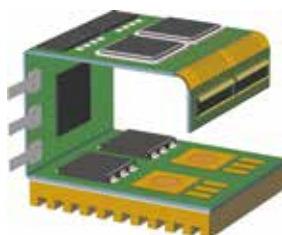
Copper inlay PCB



FR4-Flex PCB

### ◆Proposal for downsizing and integration

In preparation for further electrification, we are developing multifunctional integrated power PCBs by combining the functions for downsizing, enduring large current, releasing heat, and 3D mounting.



Multi-functional integrated power PCB  
(Downsizing, Large current, Heat dissipation, and 3D-Assembly)

## For Business Partners Supply Chain

### Major Activities in 2019

- Enhanced emergency measures for minimizing procurement risks induced by natural disaster, COVID-19, etc.
- Deepened communication through Suppliers Meeting held in July 2019
- Performed an environmental measure survey based on the latest version of regulations such as REACH regulations <SVHC209 substances>

### Future Plans

- Continue performing BCP/CSR survey and 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

At Meiko, we have formulated the “Basic Procurement Policy” as a guideline for each of our business partners to understand our CSR policies and environmental policies. At the same time, we are promoting CSR activities through cooperation among companies by bolstering initiatives on environmental protection and action.

### Basic Procurement Policy

At Meiko, we encourage the continuation of procurement activities based on the “Basic Procurement Policy” and “Action Guidelines for Purchasing Deals” below. As a basic concept, 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 for further growth as we live in an era in which an integrated supply chain ranging from procurement of materials from business partners to production, distribution and sales is required. 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 following points in order to protect the global environment. 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 2019 include enhanced measures for minimizing procurement risks caused by natural disaster, epidemics, etc., surveys on conflict minerals and 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.

### ● Request to our business partners

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

### ● Action Guidelines for Purchasing Deals (excerpts)

1. To recognize that purchase would produce profits, and always contribute to business administration proactively
2. To always respect decency, keep moderation in good faith, and make efforts to be respected and trusted by business partners as a member of society
3. To follow related laws and regulations, and operate business fair and square
4. To understand well the purposes of green procurement when selecting materials, etc. and actively carry out environmental protection activities
5. To avoid having a personal stake in business partners and prospective business partners

## ●Holding of Suppliers Meeting

At Meiko, we hold a Suppliers Meeting regularly for enriching our supply chain, so that suppliers will understand our management and purchase policies and CSR activities and we will be able to interact and communicate with one another. In Fiscal 2019, we held the meeting in Guangzhou, China in May, and commended business partners who are excellent in QCD (quality, cost, and delivery). In July, we held the completion ceremony of the third plant in Vietnam and a session for outlining our business, inviting 63 companies and 123 people from around the world.



## 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. We carry out enhanced appropriate, perpetual transactions with our business partners by undertaking internal training and confirming compliance in relation to adherence to customs regulations, laws, ordinances, and social norms of the relevant regions and nations in our global procurement activities as well as the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors in Japan.

### Procurement policy based on ESG management

Under the Business Principles of Meiko, we put together social issues in the mid/long-term business fields, which are specified in our mid/long-term vision, with the ESG (environment, society, and governance) framework, and will engage in business activities for the purpose of attaining the SDGs that are considered important for Meiko and stakeholders by utilizing our strengths.



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 from business partners shall be permitted to the extent that would normally be considered reasonable, and 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.

### Business Partner's VOICE

Head of the PCB  
Material Business Division,  
Asahi Kasei Corporation

**Hiroaki Tomita**



Thank you very much for continuously using our dry film resist.

Recently, people around the world have become more interested in a sustainable society and sustainable growth of people and the earth, and our company actively engages in CSR activities, under the ethos: “Contribute to life and living for people around the world.” Especially, we recognize that the reduction of GHG emissions is a very important issue like your company, and strive to reduce waste from the production of dry film resist, save energy, and utilize recyclable packing materials. Also for performance and quality, we concentrate on the development of products that would contribute to the yield of clients and whose environmental burden is low.

Social issues, including environmental ones, are unavoidable, when enterprises grow. Our company will sincerely address these issues in cooperation with your company, while mutually improving corporate value and growing business.

## For Employees Creation of a Comfortable Working Environment

### Major Activities in 2019

- Promoted the revitalization of senior workers
- Allocation and exchanges of global human resources
- Support for medical treatment and work
- Promoted the creation of a comfortable working environment and system for women

### Future Plans

- Adapt to the changing labor environment
- Promote the development of a safe, comfortable working environment and health improvement

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.

#### Promoted the revitalization of senior workers

In order to revitalize part-time employees reemployed after retirement, we adopted the system for reemployment “based on tasks” in Fiscal 2019. This system is intended for positioning reemployed part-time employees as important workforce, maintaining and enhancing their motivation. By narrowing the gap in wages, which are determined according to age only, and specifying treatment standards according to tasks after retirement, we pay fine-tuned wages.

#### Support for medical treatment and work

In order to support employees working while receiving treatment for their diseases, we have established flexible work systems, which allow staggered work shifts and flexible work time, while enriching medical leaves.

#### Allocation and exchanges of global human resources

Currently, 22 employees from overseas countries (excluding naturalized employees), including China and Vietnam, are working at Meiko’s business establishments in Japan, while 57 Japanese employees are working overseas. Since Fiscal 2003, we have been training candidate executives of overseas subsidiaries by utilizing the programs for training foreign workers and improving their skill. At present, 47 Vietnamese workers are undergoing training at Fukushima Plant and Yamagata Plant. In addition, 5 employees of Guangzhou Plant and Wuhan Plant in China are working at the Headquarters, by utilizing the intra-company transfer system. 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. (As of August 1, 2020)

### Global Employee's VOICE

I joined the company as a mid-career worker in 2018.

After joining the company, I was assigned to the domestic sales department, and I’m now in charge of marketing targeted at customers related to in-vehicle devices.

According to the needs of customers, I deal with various tasks, including element technology development, marketing from the early stage of development, quality monitoring, and scheduling of delivery of mass-produced products. Since customers handle in-vehicle devices, their requirements for quality, specs, and turnaround time are rigorous, but I learn a lot every day while proposing new technologies, ideas, etc. in cooperation with related sections to satisfy their requirements.

As I was born in Taiwan, I hope to bridge the differences in language and culture between Japan and Greater China, to contribute to our company.

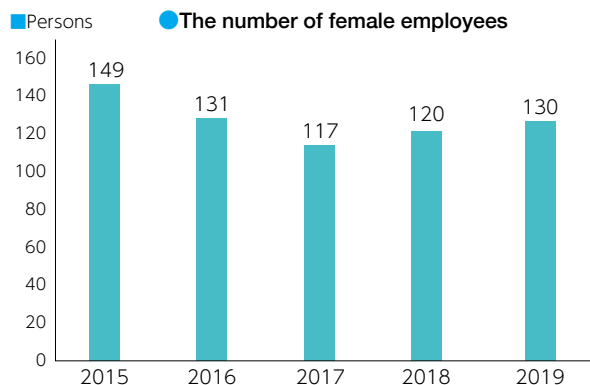


Sales Department 2

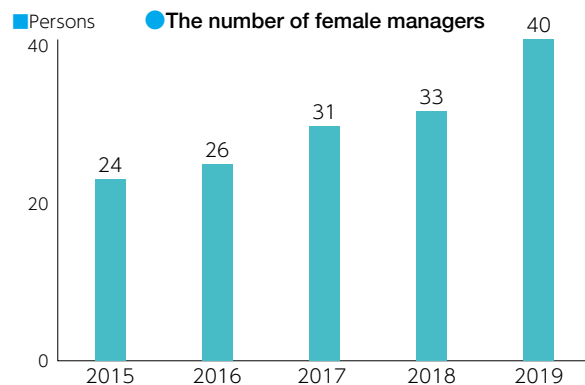
**Chen Yu Jun**

## Promotion of women's participation and advancement

The ratio of female employees to total at Meiko has shifted around 17 to 20% level in the past 5 years. As of the end of Fiscal 2019, it was approximately 19.5%. The number of female managers is growing year by year. We will work on changing the mindset of the managers and male employees, as well as reforming the organizational culture including the work style reform as a whole.



• App. 19.5% as of end of Fiscal 2019  
(Excluding Group companies)



• The number of managers including chiefs and above is increasing yearly(Excluding Group companies)

### Parental leave and reduced work hour system

For female employees, a reduced work hour system is promoted for those returning from maternity or parental leave. In Fiscal 2019, 6 employees took parental leave, 1 employee returned to work and 15 used the reduced work hour system (excluding Group companies).

#### Parental Leave and Reduced Work Hour System User's VOICE

Product Technology Section,  
Advanced PCB Center  
**Sei Tagawa**



I gave birth to a daughter in May 2017, took a parental leave, and returned to work in April 2018. However, there was not enough time to look after the baby alone after returning home at the fixed time. Accordingly, I consulted with my boss, and I was allowed to take staggered work shifts.

The company has adopted reduced work hour system, but I was allowed to take staggered work shifts, without decreasing my working hours. At home, chores are shared, and my husband drives our child to a nursery school in the morning.

After resuming work, my way of thinking about work changed considerably. I now always consider which tasks should be prioritized in a limited period of time without overlooking anything. I still cannot say that I am working efficiently, and I often take days off in an abrupt manner, but my colleagues and people around me care for me and warmly watch over me in all aspects of business operations.

### Promoted the creation of a comfortable working environment and system for women

As part of the efforts for enriching the welfare of employees and achieving ESG management, we completed an in-house childcare center, which has been promoted since Fiscal 2019, and it was opened as "Meiko Childcare Center Nobikko" in April 2020.



## Educational Programs

At Meiko, we provide job-class-specific training to new recruits, mid-career 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 and cultivating human resources who will achieve our Business Principles in a mid/long-term vision. 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 PCB schools by external instructors and provide full financial assistance of examination fees for TOEIC Institutional Test.

Moreover, from Fiscal 2019, we are also developing employees who are able to work globally at the forefront of overseas establishments which are increasing its importance, by holding a "training in Vietnam for new employees."

The number of employees who completed the programs for training foreign workers and improving their skill, which are intended to cultivate overseas plant staff, exceeds 300, and they are now flourishing as plant executives, such as foremen, in their respective countries.

### ●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

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

#### Department heads

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

### ●Departmental training

#### Technical personnel training

- Meiko PCB school
- Improve technical abilities of new recruits, mid-career employees, and core technical personnel

#### Global training

- Regular TOEIC Institutional Tests and incentive system
- English training for selected employees
- Chinese and Vietnamese language trainings
- Training in Vietnam for new employees
- Training foreign workers at overseas establishments and improving their skill

### ●Self-development

#### Correspondence courses

- Subsidize 80% of fees when language courses are completed

## 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 the prevention of work accidents, we have arranged for our workplaces to be audited by industri-

al 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.

## TOPICS

### 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 2019

- 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 actively 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' newsletter and documents for results briefing.

### Shareholders' newsletter

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 2019

- Supported the measures against COVID-19
- Implemented CSR activities addressing local issues at each site

### 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

- 100,000 face masks sent to the Red Cross in Hannan District, Wuhan
- Local clean-up activities

#### Guangzhou Plant, China

- Donation of educational goods to 2 local elementary schools
- Participation in the local activities for the elderly
- Participation in the local blood donation activities

#### Vietnam Plant

- Pictures painted for a shrine in Bung Village and sponsorship of a wall repair project
- Donation of mid-spring presents to the children of Phung Xa Village
- Donation of cakes for the New Year to families in need of financial support in Phung Xa Village
- Donation of cakes to the association for supporting visually disabled people in Son Tây Village and Thạch Thất District
- Donation of cakes to the center for assisting disabled children in Son Tây Town
- 10,000 face masks sent to Son Loi Village, Vinh Phúc Province

#### Thang Long Plant, Vietnam

- Participation as a member of the social responsibility committee of Thang Long Industrial Park Corporation (TLIP) in Fiscal 2019, and local contribution activities
- Gifts sent to the impoverished areas of 4 neighboring villages
- Gifts sent to impoverished local households
- Donation of teaching materials to elementary schools in Bon Ra Village
- Support of the project for setting pipes for supplying municipal water to elementary schools in Dai Mack Village
- Provision of scholarships for 120 excellent students in the industrial park and nearby 4 villages

#### Yamagata Plant

- Sponsorship of Yachi Donga Festival
- Sponsorship of Kahoku Hokuoku Festival
- Provision of plant visits and internships for students of local high schools
- Participation in blood donation activities (11 participants in February)
- Donation of photo news board to neighboring elementary school

#### Fukushima Plant

- Sponsorship of the Hirono-cho Summer Festival
- Participation in the summer festival inside the industrial park
- Participation in blood donation activities
- Internships for students of local high schools

#### Ishinomaki Plant

- Participation in Ishinomaki Eco Forum, and local clean-up activities

#### Headquarters

- Donation of 100,000 face masks to Ayase City
- Sponsorship of the Ayase Environmental Network
- Sponsorship of Ayase Industrial Festival (commercial and industrial fairs and harvest festivals)
- Operation of the "Fureai-no-ie" managed by the Ayase Council of Social Welfare
- Sponsorship of fireworks display by the Ayase City Societies of Commerce and Industry
- Sponsorship of the spring game of the Ayase City Children's Baseball Foundation and the Meiko Cup
- Sponsorship of the Kanagawa Prefecture's Skills Competition for People with Disabilities, Abilympics 2019
- Donation of "Prevention of car accident campaign" leaflets to neighboring elementary and middle schools

### Action 1

### Activities for assisting disaster victims: To support measures against COVID-19

We donated face masks at each site to support measures against COVID-19. Wuhan Plant sent 100,000 face masks to the Red Cross in Hannan District, Wuhan, the headquarters donated 100,000 face masks produced at Guangzhou Plant to Ayase City, and Thạch Thất Plant in Vietnam distributed 10,000 face masks to nearby villagers.



Action  
2**Activities for supporting the education of young people**

At Thang Long Plant in Vietnam, we provide 120 students in 4 neighboring villages with scholarships. Thạch Thất Plant in Vietnam and Guangzhou Plant donate teaching materials to local elementary schools.

Action  
3**Social welfare activity**

At Thang Long Plant in Vietnam, we donate New Year cakes, etc. to underprivileged households, the association for supporting visually disabled people, the association for assisting disabled children, etc. Guangzhou Plant supports activities for supporting elderly people in local areas.

Action  
4**Local contribution and environmental protection**

At Thang Long Plant in Vietnam, we support the project for installing pipes for supplying municipal water to elementary schools. At Thạch Thất Plant, we support the project for repairing the walls of a shrine. 50 employees of our corporate group donated blood.



# 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 2019

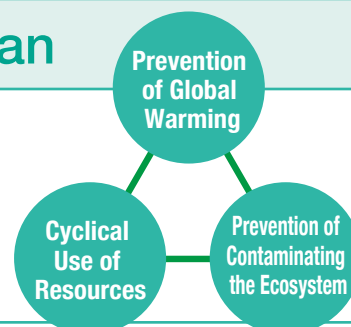
- CO2 emissions increased slightly compared with the previous year
- Added eco-friendly cars to the company-owned vehicle fleet
- Maintained a 99% or higher waste recycling rate (Plants in Japan only)
- Employed systems such as our waste exchange system to utilize disused items
- Stayed abreast of the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

## Basic Environmental Plan

“Meiko recognizes that protecting the global environment and committing to maintaining clean air/water and greenery 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 the Basic Environmental Plan, we fully comprehend the impact our business activities have on the environment. We make every effort to prevent environmental pollution and reduce the environmental burdens 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, save energy, reduce waste, and encourage recycling.
3. We will properly manage chemical substances contained in products so that the products do not contain harmful chemicals.
4. We properly manage chemical substances in the production process to limit their usage and reduce their environmental impact.
5. We fully comprehend the impact of environmental pollutants work to prevent environmental pollution.
6. We observe all laws, regulations, ordinances, and other requirements concerning the environment.
7. We set environmental goals and objectives, conduct environmental protection 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 protection 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.

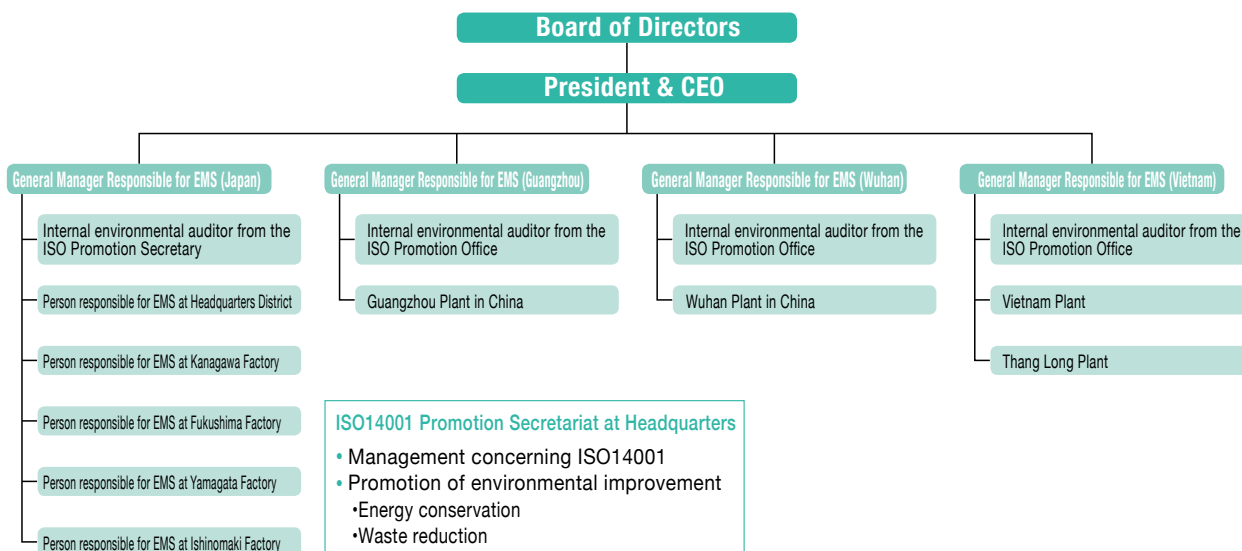
October 19, 2017 **President & CEO Yuichiro Naya**



## System for complying with environmental laws and ordinances

To implement our Basic Environmental Plan, 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 CO<sub>2</sub> reduction, zero emissions activities, etc. conducted by the cross-company Energy Saving Committee.

### ● System for furthering Environmental Management



General Manager Responsible for EMS and Head of the Quality Assurance Division

**Shinji Ueki**

Under our Environmental Plan, we promote the saving of resources and energy, the reduction of waste, and recycling, and appropriately manage chemical substances contained in products and used in production processes, to reduce the consumption of them and reduce environmental burdens on a daily basis. Recent climate change and environmental destruction may affect corporate activities. As ESG investment has grown globally and Sustainable Development Goals (SDGs) have been diffused rapidly, enterprises' stances are now strictly tested.

Our company, too, upholds "the promotion of ESG management" as our group policy, and tries to conduct investment for proceeding with such activities, reducing waste, and recycling materials. In addition, in order to keep complying with environmental laws and regulations, we produced the understandable versions of environmental laws and regulations, so that the staff of domestic plants and related offices can supervise their activities.

In order to protect the earth environment, we will strive to reduce environmental risks, create environmentally friendly products, and contribute to society.

### 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 Advanced PCB Center
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 TUV Rheinland. The Vietnam Plant obtained certification from Bureau Veritas Certification (BVC).

## Complying with environmental laws and ordinances

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 contribution 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 conducts 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 are electricity, heavy oil, gas, and gasoline. Also closely related to environmental impact are resources such as raw materials, water, and paper, and wastes, including plastic waste, sludge, waste acid, and waste alkali. In Fiscal 2019, 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.

# 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 CO<sub>2</sub> emissions generated from energy consumption.

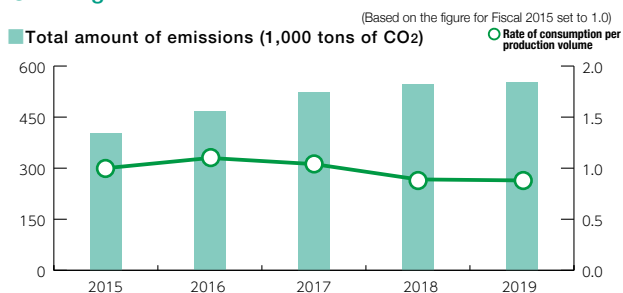
We have formulated and promoted the annual plans and the medium-to-long term plan to reduce the amount of CO<sub>2</sub> emissions in accordance with laws and regulations not only in Japan but also in overseas plants, through which we promote global activities to prevent global warming.

In Fiscal 2019, we conducted further energy saving activities at Plant and Administration Divisions. 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.

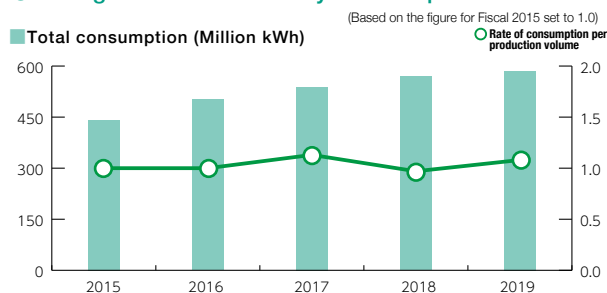


Energy Saving Committee

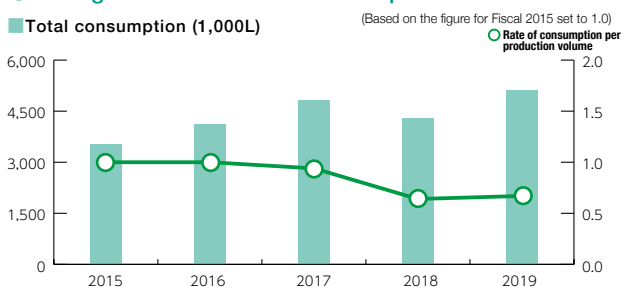
### Changes in the amount of our CO<sub>2</sub> emissions



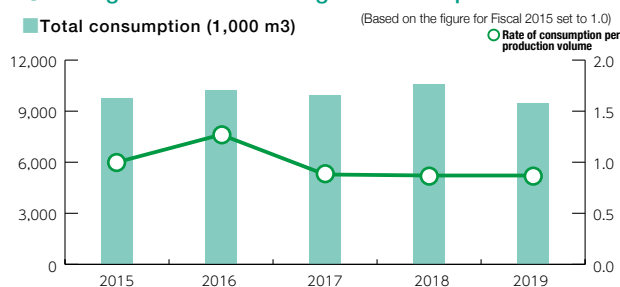
### Changes in our electricity consumption



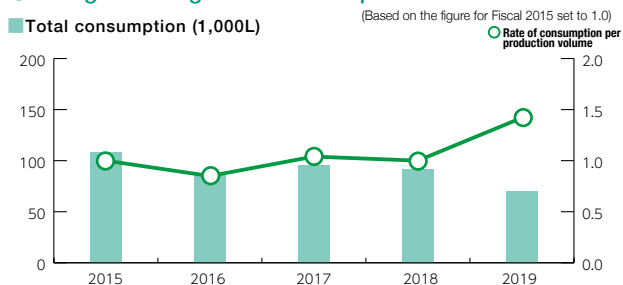
### Changes in our fuel oil consumption



### Changes in our natural gas consumption



### Changes in our gasoline consumption



\* Results of the Vietnam Plant are included in the data since Fiscal 2012, I shinomaki Plant 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 Advanced PCB Center

The Advanced PCB Center used to use steam boilers (Bunker A) as thermal sources for humidifying lamination press machines and clean rooms, but we switched to gas boilers in January 2020.

By changing fuel from heavy oil to city gas, we reduced the emissions of NO<sub>x</sub> (nitrogen oxides) and curbed the emissions of CO<sub>2</sub>, contributing to the reduction of environmental burdens.



#### Results

Reduction amount of CO<sub>2</sub> emissions per year: **75 tons** (reducing CO<sub>2</sub> emissions by **15%**)

## 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, introducing electronic certification system, etc., to help protect forest resources.

\*From Fiscal 2018, the figures of Vietnam Plant and Thang Long Plant are added.

### Reduction and recycling of waste

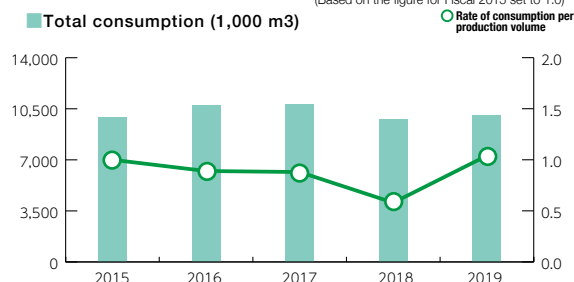
We have been reducing waste based on the 3R strategy (reuse, reduce, and recycle). Continuing on from Fiscal 2018, efforts were actively made to recycle waste into valuable resources. The recycling rate of waste, the percentage of waste that was used for purposes other than landfill, exceeded 99% at our plants in Japan in Fiscal 2019.

\*\*"Recycling" above includes thermal recycling

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

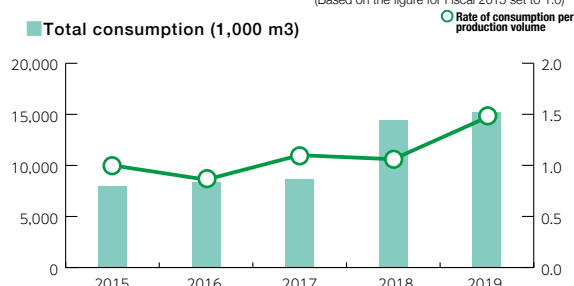
#### Changes in our water consumption

(Based on the figure for Fiscal 2015 set to 1.0)



#### Changes in our photocopying paper consumption

(Based on the figure for Fiscal 2015 set to 1.0)



## 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.



# Prevention of Contaminating 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)
Advanced PCB Center	Measurement unit	-	mg/L	mg/L	mg/L	Steam boiler	Measurement unit	g/m <sup>3</sup> 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 <sup>3</sup> 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 <sup>3</sup> 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 <sup>3</sup> 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 <sup>3</sup> N	mg/m <sup>3</sup> 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 <sup>3</sup> N	mg/m <sup>3</sup> 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 <sup>3</sup> N	mg/m <sup>3</sup> 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 <sup>3</sup> N	mg/m <sup>3</sup> 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 2019. 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.

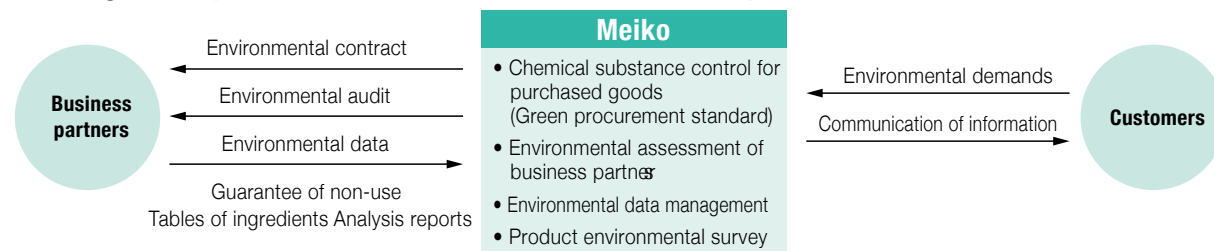
Environmental burdens of our business activities					
Scope: Headquarters and the 8 major plants. Period: Fiscal 2019 (April 1, 2019-March 31, 2020) Outline of business: Manufacture of PCBs					
In put	Energy input		Resources		Chemical substances
	Electricity	(1000kWh) 586,459	Water	(km <sup>3</sup> ) 10,063	PRTR substances (t) 375
	Heavy oil	(kℓ) 4,935	Photocopying paper	(thousand sheets) 15,196	
	Natural gas	(km <sup>3</sup> ) 9,501			
	Light oil	(kℓ) 3			
	Gasoline	(kℓ) 70			
Out put	Atmospheric release		Water discharge		Chemical substances
	CO <sub>2</sub> emissions	(kt) 554	PRTR substances	(t) 0.27	Amount of waste generated (t) 3,925
	NO <sub>x</sub> emissions	(t) 139			PRTR substances (t) 20
	Soot and dust	(t) 9.5			
	PRTR substances	(t) 4.8			

(only in Japan)

## Management of Chemical Substances Contained in Products

In accordance with our Environmental Action Guideline, 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 Guarantee of Non-Use of Environmentally Hazardous Substances 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

Environmental Protection  
Section,  
Advanced PCB Center

**Yoshiyuki Seki**



A variety of wastewater is discharged from production processes to the wastewater processing plant in the Advanced PCB Center.

Chemical substances are added to the discharged wastewater, and appropriate management is conducted, to reduce environmental burdens.

These days, it is difficult to entrust outside organizations with waste and valuable substances, so we will promote the reduction and recycling of waste, to contribute to environmental protection.

We will keep our environmental policies and carry out our business.

## TOPICS

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

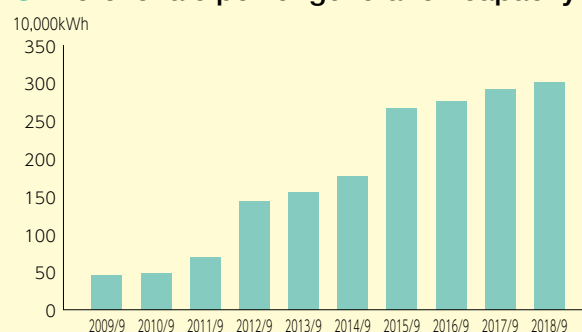
After the Great East Japan Earthquake, our Fukushima Plant started photovoltaic power generation in June 2015 at “MEIKO Solar Park Fukushima” using the unused land within its premises located in Hirono-Cho, Fukushima Prefecture. Through solar power generation, we contribute to the diffusion of renewable 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 our company’s facility.

#### ● Overview of MEIKO Solar Park Fukushima

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

#### ● Photovoltaic power generation capacity



MEIKO Solar Park Fukushima





## Internal Control

### Major Activities in 2019

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

### Future Plans

- Evaluate internal control based on Financial Instruments and Exchange Act
- Implement internal audit and correction
- Appropriate cooperation among auditors, accounting auditors and Internal Audit Division to ensure effectiveness of internal control

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

### Internal control system

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

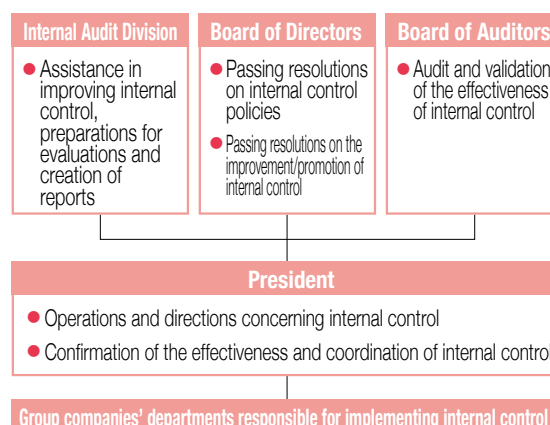
#### ● "Basic Policy on Internal Control System" for Fiscal 2020

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 2018, we evaluated the effectiveness of our company-wide internal controls (including account settlement and financial reporting processes) that could have a substantial effect on our consolidated financial reporting once again in Fiscal 2019. 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 2019 and received appropriate opinions from our auditors.

#### ● Internal Control of the Meiko Group in Fiscal 2019



# Compliance

## Major Activities in 2019

- Distributed monthly compliance e-mail newsletter
- Put up posters about compliance
- Compliance awareness survey

## Future Plans

- Response to the “Power Harassment Prevention Act,” which was enforced in June 2020
- Education of managers and leaders about harassment
- Revision of Compliance Handbook

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

### Compliance posters

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



### 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 to disseminate the information.



Compliance Handbook

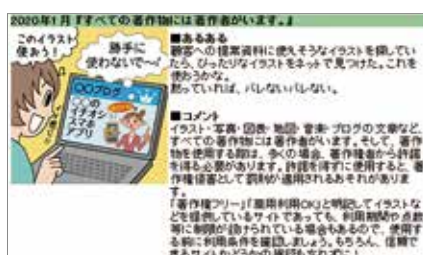
### Compliance e-mail newsletter

Monthly newsletter is distributed electronically.



### Posting compliance cases to the in-house website

Every month, an example of compliance case is introduced and explained with illustrations on in-house website.



### Compliance awareness survey

By utilizing the results of “an anonymous awareness survey” conducted by a research firm, we carried out “a compliance awareness survey” in November 2019, for the purposes of “conducting objective, quantitative measurement” and “finding underlying problems.”



## 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.



## Eliminating 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.

### VOICE from Person in Charge

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

**Naoki Saito**



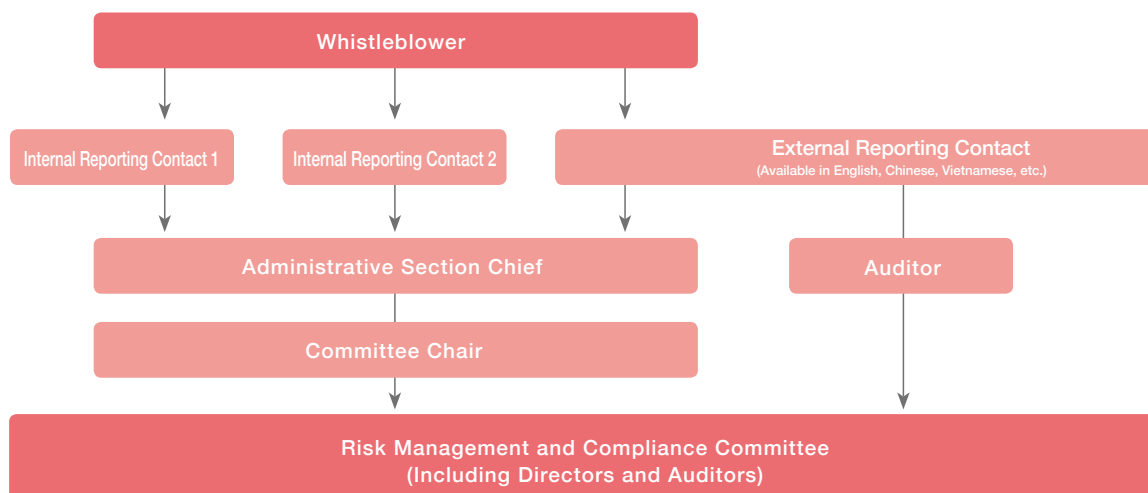
The business environment for companies is changing and growing more complex. Compliance activities are essential for a corporation to survive in this era. Meiko Group has large-scale manufacturing sites in China and Vietnam, as well as sales bases in the Americas, Europe, and ASEAN countries, with over 10,000 employees working around the world. To ensure compliance with laws and ordinances throughout the company as an organization, awareness and actions of each and every member are important. We aim to convey the philosophy adopted in the Corporate Charter and Business Principles to all employees in a readily understandable manner.

In Fiscal 2019, in addition to initiatives implemented so far, we also grasped employees' awareness of compliance at their workplaces, their working environment, etc., systematically gauged the factors in organizational climate and morals, and surveyed the awareness of compliance for specifying the guidelines for future compliance measures. We will keep responding to the diversifying social environment and foster corporate climate based on compliance.

## Introduction of the helpline

We set an internal desk and an external desk (law office) for receiving whistle-blowing. Upon receiving a notification or the like, we will investigate the case and facts, and if we confirm an act that is subject to whistle-blowing, we will immediately implement corrective measures and recurrence prevention measures. We also formulated whistle-blowing regulations, so that none of whistle-blowers, cooperative employees, and others will suffer detrimental treatment, and if there is anyone who has unfairly treated or harassed whistle-blowers or the like or anyone who is involved with whistle-blowing or who obtained information on whistle-blowing discloses information on whistle-blowing without any reasonable grounds, disciplinary action will be taken in accordance with in-house rules.

### ● Helpline Flow



## Information Security

### Major Activities in 2019

- Maintenance of ISO27001 certification

### Future Plans

- Update of 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, criminal acts and cyberattacks. We also take steps to raise awareness about information security amongst the management and employees. Considering that the above-mentioned information security risks as one of the risks we may face, we have set out the following policies 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 for our information assets and continuously enhance the information management function.
3. We comply with laws, ordinances, and norms and fulfill social responsibilities.
4. We conduct continuous education and training for the management and employees.
5. We swiftly respond to a problem as soon as it occurs and conduct risk management practices.

#### Protection of customer information

We take comprehensive measures to protect the confidential information of our customers 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 group lectures so as to ensure that internal rules are thoroughly complied with.



Information security lecture

#### Protection of personal information

To comply with the Act on 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	Coverage in Japan extended.
September 2017	Three 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 Fiscal 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 2019

- Preparation and increase of emergency stock
- Safety Confirmation Service drill (practiced every year)

### Future Plans

- Consideration of BCP to deal with all kinds of risks
- Renewal of BCP materials
- Safety Confirmation Service drill (practiced every year)

Meiko has created a set of Risk and Compliance 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 plants to minimize impact on the customer's production plan in preparation for emergencies. As a measure to prevent information-related risks, we constantly back up our data at Headquarters and data centers outside the company.

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 identify the cause, assess the situation and take comprehensive future measures, to quickly cope with risks and prevent reoccurrence.

### Types of crises and risks

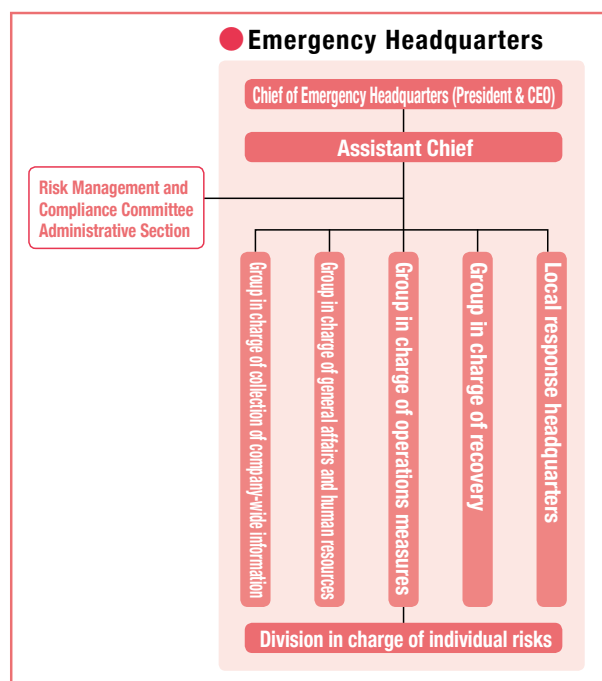
Many risks could potentially affect the Meiko's operating environment, including risks of natural disasters such as earthquakes and tsunamis, changes in the management environment such as currency fluctuations and changes in macroeconomic conditions, and country risk at overseas bases relating to politics, economy, 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 periodically perform company-wide educational training to ensure effective use of the system in the event of disasters.

### Construction 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, prepare equipment and supplies, and raise the awareness of employees in order to ensure that BCP can be carried out smoothly.



# Corporate Profile (as of September 30, 2020)

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

- Production Sites
- Advanced PCB Center  
5-14-15, Ogami, Ayase, Kanagawa, Japan 252-1104
  - Fukushima Factory  
1-2, Iwasawa, Kamikitaba, Hirano-cho, Futaba-gun, Fukushima, Japan 979-0401
  - 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 243-0427
  - 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 City
  - 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 Towada Vietnam Co., Ltd.  
Plot C1+C2, Phuc Dien Industrial Zone, Cam Phung Commune, Cam Giang District, Hai Duong Province, Viet Nam
  - Meiko Techno Co., Ltd.  
1-14-1, Daikan, Yamato, Kanagawa, Japan 242-0025

Established November 25, 1975

Capital 12,888 million yen

Executives (as of November 1, 2020)

President & CEO	Yuichiro Naya
Director and Senior Managing Executive Officer	Masakuni Shinozaki
Director and Managing Executive Officer	Takahiro Matsuda
Director and Managing Executive Officer	Junya Wada
Director	Yoon Ho, Shin
Director	Nao Tsuchiya
Director	Yosuke Nishiyama
Director	Takashi Harada
Director	Toshifumi Kobayashi
Senior Corporate Auditor	Toyohiko Tsuyuki
Audit & Supervisory Board Member	Takayuki Sato
Audit & Supervisory Board Member	Hiroshi Miyauchi

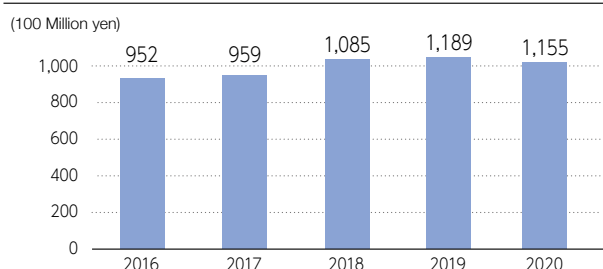
No. of Employees 12,232 (consolidated)  
(Japan: 854; Overseas: 11,378)

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

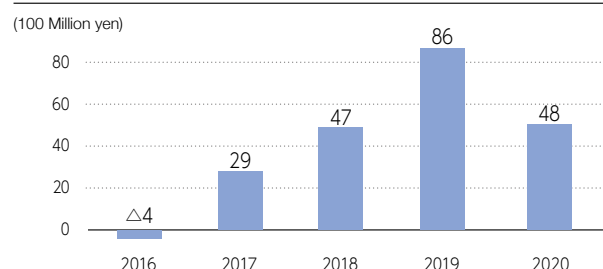
## Consolidated Financial Highlights

	2016	2017	2018	2019	2020
Sales (100 Million yen)	952	959	1,085	1,189	1,155
Operating income (100 Million yen)	33	57	74	89	52
Ordinary income (100 Million yen)	△4	29	47	86	48
Net income (loss) (100 Million yen)	△112	17	43	67	26
Net income (loss) per share (yen)	△429.83	54.14	160.34	257.65	98.81

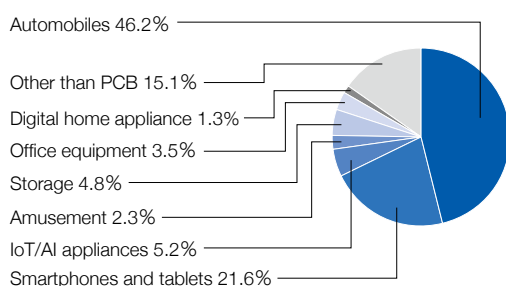
## Net Sales



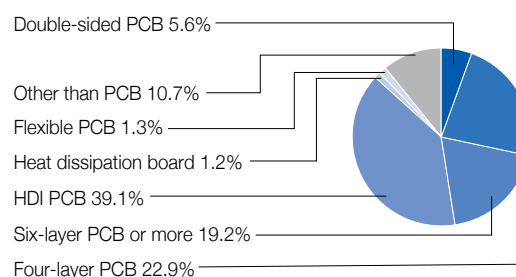
## Ordinary Income

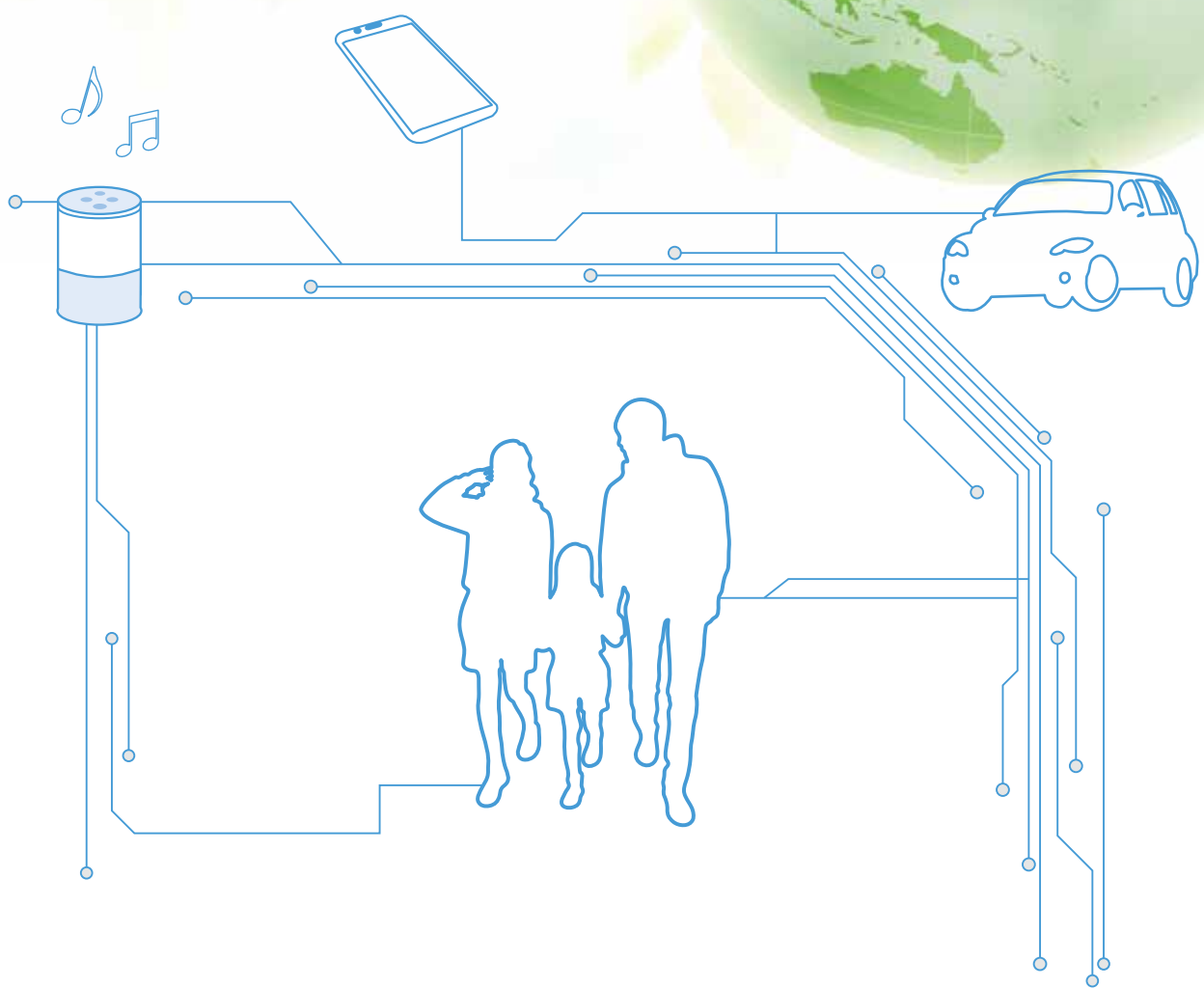


## Sales by product application (FY 2020)



## Sales by product specification (FY 2020)





## New electronics connecting people

Our printed circuit board technology harnessing electronics will contribute to the creation of a safe and secure social infrastructure.

