



MEIKO CSR REPORT **2014**



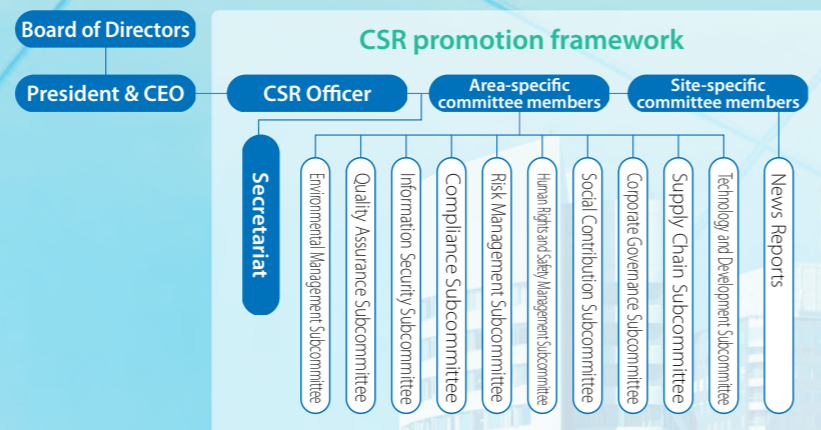
Meiko's ethical business practices are known throughout the world.

Meiko's CSR Declaration

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

CSR promotion framework

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



Conducting CSR activities throughout our value chain

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



Editorial policy

In publishing the CSR Report 2014 (English version)

We published our sixth CSR Report 2014 (Japanese version) in late July. This report has been organized to be comprised of the Message from the President, Special Feature, Sociality Report, Environmental Report and Management Report. We hope that many people will read this report, and will find in the Report that we are united in a constant commitment to earn your trust by acting responsibly as a good corporate citizen.

Intended audience

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

Coverage

Meiko Electronics Co., Ltd. and affiliated companies

Reporting period

This report refers to CSR activities undertaken during Fiscal 2013 (April 1, 2013 to March 31, 2014) as a rule. Sections outlining past activities however may include details relating to before that period. Similarly, in order to provide the very latest information, this report may also contain details relating to April 2014 onwards.

Reference guidelines

"Environmental Reporting Guideline (Fiscal Year 2012 Version)" (Ministry of the Environment)

"G4 Sustainability Reporting Guidelines"

Date of publication

This report: November 2014

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

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ISO26000 Comparison



Message from the President

Meiko will continue to earn the public's trust through contributions to regions and communities.

President and CEO

Yuichiro Naya



A company is closely tied to the community, the region, and to the earth, and must continue to exist as a member of those social spheres. We at Meiko respond sincerely to the issues in these spheres, always remaining aware of the role that we need to fulfill and what we can contribute in each. By doing so, we seek to be accepted globally and locally and to grow to be a company worthy of the public's trust.

Furthermore, we believe that it is an important social responsibility to actively disclose our results with regard to these issues and to create greater value through communication with our stakeholders.

Recently, for example, the earth has been facing various challenges, including environmental destruction, resource and energy issues, human rights issues, and natural disasters and food shortages occurring around the world. These are challenges common to all of humanity, and they require international organizations, national governments, companies that are active in each region, and all individuals in society to work together to play their respective roles.

As a member of the global community, we at Meiko are fully aware of the role we need to fulfill, and are working earnestly to solve these problems.

In our environmental efforts, we are working on research and development of technology that can reduce the environmental burdens and risks produced from our production processes, and enhance resource efficiency in order to contribute to reducing the environmental impact on our society as a whole. For example, we are pressing ahead with development of new technology that greatly reduces the amount of copper and energy needed for the manufacturing of printed circuit boards (PCBs) and expect to utilize this technology in our mass-production of flexible PCBs

and heavy copper PCBs.

In our products as well, we quickly initiated production of High Electric Current PCBs and Heat Dissipation PCBs, essential for the various products, such as photovoltaic power generation, hybrid cars, electric vehicles, and LED lights, which will contribute to realization of an environmental society by reducing the burden on the environment.

Our supply chain approach does not consist merely of "procuring materials from low cost countries," but takes into consideration resource depletion and ecological degradation. In addition, we view the problem of conflict minerals from areas beset by civil wars and ethnic conflicts as a pressing human rights issue, and our Group policy is to completely eliminate the procurement of materials that include conflict minerals in order to contribute to the resolution of these issues.

Here at Meiko, where our business is manufacturing, quality of our products is one of our key priorities. Once you start to have issues in terms of quality, not only do you lose all of the trust you have earned, but you also cause problems for customers using your products as well as all other stakeholders with an interest in the company. Appreciating just how important quality is, we have created a Quality Policy committed to achieving levels of quality and reliability that guarantee the highest possible customer satisfaction.

Unfortunately, a fire broke out at Meiko's Vietnam Plant last year, disrupting supply of products and causing considerable inconvenience for the

Meiko Group Business Principles

- Provide the best quality and service to customers and contribute to the betterment of society.
- Strive to create "the best".
- Elevate our corporate value to improve the well-being of our employees and society.

customers involved. In order ensure that such accidents do not happen again, we will re-inspect all domestic and foreign plants to determine the potential risk of fires or other hazards, and take steps to prevent their occurrence.

Taking contribution to local community and society as a key priority, all of our employees act under the recognition that Meiko's efforts to create a sustainable society are vital to earning the trust of customers, investors, local communities and society itself, and will continue to dedicate themselves to promoting such initiatives.

I look forward to your continued support and advice in the future.

Stakeholders

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



Corporate Charter

The Meiko Group aims to become a useful presence to as many members of society as possible. Acting in accordance with the following nine principles, we aim to act as a global company contributing to the creation of a sustainable society.

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

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 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 2013

- ◆ Under a zero shipment of serious defective products initiative, a significant reduction in the number of defective product shipments to customers was achieved
- ◆ The data on past problems concerning serious defective products was successfully organized
- ◆ The development of a prototype for high temperature checkers was completed
- ◆ Enhanced the company-wide 5M1E management and change point management. Streamlined customer accreditation systems were fully recognized by all plants
- ◆ Domestic ISO9001 and ISO14001 combined audit was conducted

Future Plans

- ◆ Newly establish the Quality Assurance Headquarters with a view to facilitating a cross-functional plant management program
- ◆ Establish a company-wide quality check committee to promote active exchange of information about plants
- ◆ Eliminate crisis management defects
- ◆ Ensure and strengthen an organization-level approach to major complaints
- ◆ Ensure and enhance change point management
- ◆ We aim to develop the Meiko-wide standard that allows continual management of latest version of MES standards

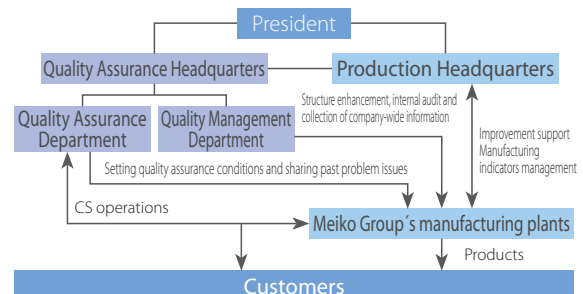
At Meiko, we have defined a Quality Policy aimed at achieving one of our Business Principles: We will provide our customers with outstanding value and services and make a contribution to society. We improve the reliability of our products to guarantee the highest possible levels of customer satisfaction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

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

In the Quality Policy, we have stipulated that we need to continuously improve the quality of our operations as well as our products by ensuring that the CAPDo* operates in every process of our operations. The CAPDo targets continuous innovations in technologies and operations. In terms of quality assurance, we assure the quality of all products within the plant where they are manufactured. In the middle of globalization, we intend to assure quality as promptly as possible by strengthening our cooperation with our plants and sales offices.

* CAPDo: Check-Act-Plan-Do cycle. The term "PDCA" is more commonly used.

Quality Assurance System at Meiko



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

Based on the Fiscal 2014 Group management policy, we are proceeding with a product quality assurance system for both overseas and Japanese factories that ensures our

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

Receiving awards from our customers

● **Received an award from DENSO Manufacturing Tennessee, Inc.**

Meiko's Guangzhou Plant received a supplier award from DENSO Manufacturing Tennessee. Winners of the supplier awards for the year were announced on August 26, 2013, and the Guangzhou Plant was honorably recognized for Excellent Performance in the BODY MEXICO DIVISION for its quality, price, and delivery time track record. DENSO Manufacturing Tennessee also gives a Certificate of Merit for overall evaluation, we will continue our efforts to receive the award for Superior Performance in the future.



● **Received an award from Fuji Xerox Co., Ltd.**

We were recognized as a Premier Partner by Fuji Xerox Co., Ltd. for the fourth consecutive year. Fuji Xerox selected its Premier Partners at the Fuji Xerox Procurement Partners' Forum 2014 on April 25, 2014, and Meiko's outstanding performance was recognized for the fourth consecutive year as a Premier Partner. We received continuing recognition due to being awarded over a certain number of points on our evaluation in the QCD category for Fiscal 2013. The four stars engraved on the golden award plaque testify to our four consecutive wins.



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 2013, 50 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 ISO/TS16949 certifications

At Meiko, we have obtained ISO9001 and ISO/TS16949 certifications, which are global standards, and have been working on continuous improvements.

● **The ISO9001 and ISO/TS16949 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.
Jan. 27, 2010	Extended certification obtained by Tool Department.
Jun. 18, 2010	Vietnam Plant obtained certification.
Jan. 15, 2014	Ishinomaki Factory obtained certification again



ISO9001 (Japan)

ISO/TS16949

Apr. 19, 2004	Guangzhou Plant in China obtained certification.
Mar. 22, 2011	Wuhan Plant in China obtained certification.
Jan. 9, 2013	Vietnam Plant obtained certification



ISO/TS16949 (Guangzhou Plant, China)

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



Employee's VOICE

Quality assurance operations include product analysis. We perform not only in-process product analysis, but also analysis of products that have been delivered to customers. The work must therefore be done swiftly and accurately. If analysis takes a long time, it can cause worry and inconvenience for customers. Analysis results must be submitted quickly, and, because we are dealing with only one actual product, failure is unacceptable; if we fail, there is no way to investigate the cause. We are responsible for an important task that directly impacts customer trust in our company.

I have been conducting product analysis for approximately five years, confirming phenomena and estimating the nature of the cause from that. After leaving analysis operations, I will be involved in inspection techniques, where I hope to use the techniques and knowledge I've acquired so far in analysis to investigate why defective products were made, to identify the reasons incidents happen and the reasons they are not caught, and to put in place thorough countermeasures. In doing so, I will strive to deliver Meiko products that will satisfy customer needs for safety and security.



Quality Assurance Headquarters
Quality Management Department

Takeshi Kojima

For Customers — Research and Development

Major Activities in 2013

- ◆ Developed ultrathin flexible MDiM PCBs (double-sided/four-layer)
- ◆ Developed combined heavy copper PCBs

Future Plans

- ◆ Launch of ultrathin flexible MDiM PCB mass-production
- ◆ Production of the prototype of combined heavy copper PCBs and preparation of its mass-production

The Meiko Research and Development Center plays a role in developing printed wiring boards for the Meiko Group. The center's development policy is to "halve the production costs through the development of environmentally-friendly, low-cost production methods & processes." We are reviewing the method of manufacturing printed wiring boards from all aspects, including materials, processes and waste treatment, with an eye to pressing ahead with the initiative to reduce costs to minimum levels by adopting upstream operations, eliminating overlapping processes and reducing waste generation.

Development of ultrathin flexible MDiM PCB

Meiko has succeeded in the development of ultrathin flexible PCB, by proactively exploiting its superior feature, which allows a significant reduction in its thickness. As a result, we have developed an ultrathin PCB; the thickness of a double-sided board measures 70 μm (Figure 1: 2/3 of conventional PCBs) and a four-layer PCB at 135 μm (Figure 2: 1/2 of conventional PCBs).

The MDiM PCB allows a direct fusion of copper with the resin using molecular junction technology; this helps eliminate the need for copper foil or adhesives applications, as used in the manufacture of conventional PCBs, thus enabling a significant reduction in board thickness. The four-layer PCB is a multilayer flexible board. It is a highly effective solution to challenging designs such as high precision wirings. By exploiting this specific feature, we can manufacture this PCB using the HDI technique.

Meiko believes that it is able to contribute to the development of smaller, lighter and power-saving devices by delivering ultrathin and flexible PCBs, which are now an integral wiring board particularly for wearable, healthcare and mobile devices.

Development of combined heavy copper PCB

The heavy copper PCB is a printed circuit board to conduct an electric current up to 10A. It is principally used in power inverters, an electronic device that changes DC into AC or voltage converters. These devices are also loaded with a semiconductor; therefore they have another PCB, which processes signals to control a semiconductor, meaning that they have two types of PCB unit.

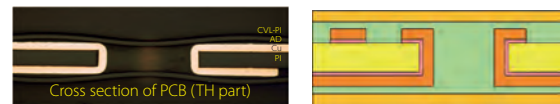
Meiko not only succeeded in significantly reducing the amount of copper required for the manufacture of a heavy copper PCB to less than half of that for conventional PCBs but also developed a combined copper PCB which is smaller in size and comprises the two types of PCB units as mentioned above.

We adopted the "additive process" to form heavy copper wiring layers. As a result we have minimized copper waste. In addition, in the conventional PCBs, only layers with same layer thickness are formed, but Meiko's heavy copper PCB allows two different thicknesses of layer, enabling the high electric current and signal lines on a single PCB (Figure 3).

The Meiko Group will continue research and development efforts

to improve its combined heavy copper PCBs. We work to make the combined heavy copper PCBs be a de facto world standard for PCBs which can be used for power-controlled electric conversion units for HV and EV, where we expect to see steady demand growth, as well as units for converting natural energy into power.

● Figure 1: Ultrathin double-sided flexible PCB



● Figure 2: Ultrathin four-layer flexible PCB



● Figure 3: Combined heavy copper PCB

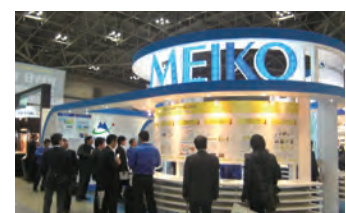


Participating in exhibitions

During this fiscal year, in January 2014, Meiko took part in the Printed Wiring Boards Expo.

At our booths, we demonstrated a combined heavy copper PCB which helps lessen the burden on the natural environment, and showcased other PCBs targeting the in-vehicle power electronics field and the microelectronics field that caters to the demand for miniaturization and high performance as functions of the smartphone.

A great many customers came to see our booths and shared their honest opinions and requests, making both events a great success.



A scene of Meiko's booth in the Printed Wiring Boards Expo 2014

For Business Partners — Supply Chain

Major Activities in 2013

- ◆ Established purchasing crisis management standards and carried out purchasing audits in an effort to minimize procurement risks (audited 22 companies in Japan)
- ◆ Performed conflict mineral survey since October 2012, using EICC standard format
- ◆ Performed environmental measure survey based on the latest version of regulations such as REACH regulations <SVHC155 substances>

Future Plans

- ◆ Continue performing purchasing audits based on crisis management standards
- ◆ Perform continued investigation for manufacturers for whom sourcing locations are unknown
- ◆ Perform latest version management and clarify non-use guarantees

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

Basic Procurement Policy

At Meiko, we encourage the continuation of procurement activities based on the Basic Procurement Policy below.

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

Request for our business partners

In accordance with the measures for the environment included in our Basic Procurement Policy, we are calling for more than 300 business partners to understand and practice matters concerning the four points below. In addition to control of greenhouse gas emissions, waste reduction, and management of specified chemical substances, which we naturally undertake in our internal production activities, we also implement a variety of measures to ensure environmentally friendly procurement. We ask our business partners to implement and recommend green procurement, and also request that distribution and sales activities be undertaken in an environmentally friendly manner.

Specific results of activities for 2012 include implementation of initiatives such as establishing purchasing crisis management standards and carrying out purchasing audits in an effort to minimize procurement risks, conducting conflict mineral survey based on EICC standard format, and environmental measure survey based on the latest version of regulations such as REACH regulations

● Basic Procurement Policy

1. Procurement activities best suited to our global production
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 by supply chains

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



Business Partner's VOICE

We are sincerely grateful to Meiko Electronics Co., Ltd. for their patronage of our company's products in Japan and overseas. Based on our cutting-edge technology and exhaustive quality management, we have a long-lasting relationship stretching over 20 years with Meiko, one of today's leading global companies in the printed wiring board industry, where our PCB drills are used to make holes in pre-processing of circuit boards, and our routers are used in the final cutting of PCBs.

Global warming is the cause behind the abnormal weather of recent years, and CO₂ reduction is a challenge for the whole world. Union Tool Co. obtained environmental management system ISO14001 certification in 2000, and in line with aggressive energy-saving activities to reduce the electricity consumption that accounts for 90% of CO₂ emissions, we revised specifications for equipment developed in-house and improved the efficiency of plant equipment. We pursue our environmental initiatives under our basic philosophy of "contributing to the rich global environment through the corporate activities of loving nature and human beings."

As part of our environmental initiatives, we are working on green procurement and the effective utilization of rare metals. The rare metal tungsten is a key material in cemented carbide, which is used in making our PCB tools. Action is required to reduce the use of cemented carbide, a rare metal. Putting our technology to work, we developed the coating drill, and reduced material costs by extending the product lifespan, with the aim of providing a product that conforms to Meiko's Basic Environmental Policy of "operating in a way that is compatible with our living environment."

We will continue to pursue activities that reduce the environmental burden through our business with Meiko, as we strive to be a company mindful of the global environment and to provide eco-friendly products. We look forward to your continuing kind patronage.



UNION TOOL CO.
Sales Management Division
Overseas Sales Section
Section Chief

Katsuaki Torigoe

Measures concerning purchasing and procurement

Internal control and compliance

At Meiko, we undertake smooth operations with our business partners by complying with the following rules on purchasing and procurement activities. At Meiko, we undertake smooth operations with our business partners by complying with the following rules on purchasing and procurement.

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

1. Fair, appropriate operations with business partners shall be undertaken through compliance with laws and ordinances concerning purchasing and procurement activities.
2. Business partners' information that we obtain through purchasing and procurement activities shall be kept confidential and the information security system for preventing the leakage of confidential and personal information shall be strengthened.
3. Entertainment and gifts for business partners shall be permitted to the extent that would normally be considered reasonable, but shall be prohibited if such acts result in personal profits.
4. Exclusion of antisocial forces shall be exercised.
5. With regard to the issue of child labor overseas, particularly in China, we have prepared a written agreement prohibiting use of child labor for each of our business partners. We sign the agreement with suppliers as necessary, and plan to create an updated version including stipulations regarding employment of foreign workers, racial discrimination and other matters.

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.

Conflict-Free Procurement Policy

In August 2012, the U.S. Securities and Exchange Commission (SEC) adopted the rules on conflict minerals under the Dodd-Frank Wall Street Reform and Consumer Protection Act. This launched a study on the minerals (gold, tin, tungsten, and tantalum) originated in the Democratic Republic of the Congo and adjoining countries to identify minerals of which trade profits may lead to human rights abuses and environmental destruction. Meiko is eliminating conflict minerals from its supply chains. Meiko has defined a Conflict-Free Procurement Policy which consists of using EICC/GeSI questionnaire-based surveys, response disclosure, and follow-up actions to eliminate resource procurement which includes conflict minerals.

For Employees — Creation of a Comfortable Working Environment

Major Activities in 2013

- ◆ Promoted the creation of a comfortable working environment and system for women
- ◆ Cultivated next generation managers from mid-career employees
- ◆ Enriched our systems for concentrated manufacturing technology training and self-development
- ◆ Implemented TOEIC Institutional Test regularly, established an incentive system, and carried out language training courses

Future Plans

- ◆ Continue promotion efforts
- ◆ Identify which specific values should be shared by all employees, and raise next generation leaders that epitomize these values
- ◆ Continue manufacturing technology training, establishing manufacturing plant operation methods as systematic methods for company-wide training
- ◆ Begin management training for employees stationed overseas or temporarily dispatched to overseas locations

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

Respect for diversity

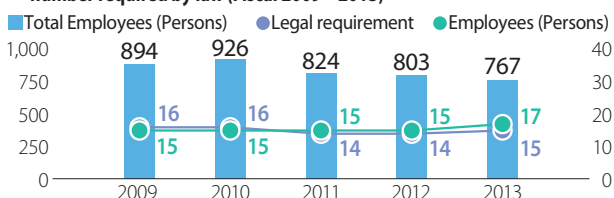
At Meiko, we respect human rights and strive to recruit, evaluate, and treat our employees without discrimination on the basis of race, creed, religion, nationality, age, gender, disability, and other attributes, so that diverse employees are able to exercise their abilities. For women employees, reduced work hour system is promoted for those returning from maternity or parental leave. In Fiscal 2012, 9 employees took parental leave, 4 employees returned to work, and 2 used the reduced work hour system (excluding Group companies).

At overseas locations, many Japanese employees are at work in addition to local employees, and in Japan as well, dozens of foreign national employees are at work. We also 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.

Employment of persons with disabilities

Since Fiscal 1991, Meiko Electronics Co., Ltd. (excluding its Group companies) has continued to achieve the legally required number of employees with disabilities in accordance with the Act on Encouraging the Employment of Persons with Disabilities up until Fiscal 2009. In Fiscal 2010 and Fiscal 2011, however, we were not able to meet the legal requirement, partly because the overall number of employees increased. We achieved the legally required number of employees with disabilities in Fiscal 2012 and 2013.

Changes in the number of our employees with disabilities and the number required by law (Fiscal 2009 – 2013)



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

Employment and exchanges of global human resources

Currently, approximately 33 employees from overseas countries, including China, are working at Meiko’s business establishments in Japan, while approximately 130 Japanese employees are working overseas. These numbers have been increasing every year. In addition, as of Fiscal 2012, a total of 152 persons had completed the language and skill training in Japan intended for future executives of our overseas subsidiaries, which has been offered every year since Fiscal 2003.



Parental Leave and Reduced Work Hour System User’s VOICE

After giving birth in October 2012, I took the maximum year and a half of parental leave because I was on a waiting list for daycare, and returned to work in April of this year using Meiko’s reduced work hour system.

When I joined Meiko, I never dreamed that I would one day be raising a child while working. However, these days many of my senior colleagues are mothers who, like me, are using the reduced work hour system to do their jobs while raising children, so I was also able to use the system without any worries.

Of course there are things I missed while on leave, and many new things to learn, so since I came back I struggle every day to pick these things up as fast as I can in a limited amount of time.

Even so, there are many occasions when I have to take time off because something comes up with the daycare or with my child and this causes inconvenience to my colleagues, but everyone always helps me out. It’s tough at times, but thanks to the use of this system, I have a vibrant life every day enriched by both work and raising my child.



Operations Management Department
Michiyo Mori



Global Employee's VOICE

I was hired as a new graduate in July 2011 at Meiko Electronics (Guangzhou Nansha) Co. Ltd.

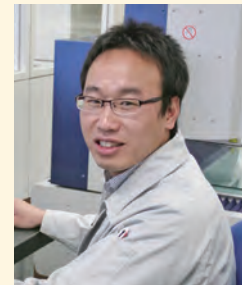
For a year and a half after joining the company, I trained in the manufacturing, technology and quality assurance departments, and came to Japan in May 2013.

In Japan, I did hands-on training for about a year at the Yamagata Factory, and am now responsible for product analysis at the Quality Assurance Department at Headquarters and for English, Chinese, and Japanese translation of related materials.

When I came to Japan, I was deeply impressed by the serious and passionate attitude that Japanese people bring to their work.

Looking at them, I always feel in my heart that I must give my best efforts too.

Under the motto "For the best, try my best, do my best!" I will continue striving to exert my capabilities to the maximum for our company's development and to provide our customers with products of the highest quality.



Quality Assurance Department
Jiang Tengda

Educational programs

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

In addition, we offer qualification programs and provide financial assistance with correspondence courses to help our employees with their self-development and encourage them to obtain technical qualifications, as well as operate foundation schools by foreign instructors and full financial assistance of examination fees for TOEIC Institutional Test.

Moreover, we are also developing employees who are able to work globally at the forefront of overseas establishments which are increasing its importance, by improving and expanding foreign language training programs for domestic workers and the training of overseas workers in Japan. In addition, we are planning to develop management ability as well as overseas assignment (trainee system).

Job-class-specific training

New recruits	<ul style="list-style-type: none"> • Business simulation training • Manufacturing and sales hands-on training and problem-solving
Mid-career employees	<ul style="list-style-type: none"> • MBA (Meiko Board Academy) • Cultivation of next generation management
Managerial employees	<ul style="list-style-type: none"> • MAPS (Management Academy for Problem Solving) • Problem solving capability improvement
Department heads	<ul style="list-style-type: none"> • President school • Become an implementer of Meiko's corporate DNA in order to produce even greater results

Field-specific training

Technical personnel training	<ul style="list-style-type: none"> • Meiko PCB school (basic and advanced courses) • Improve technical abilities of new recruits, mid-career employees, and core technical personnel
Global training	<ul style="list-style-type: none"> • Regular TOEIC Institutional Tests and incentive system • English training for selected employees • Chinese and Vietnamese language trainings

Self-development

Distance learning	<ul style="list-style-type: none"> • Subsidize 80% of fees when language courses are completed
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MAPS training for managerial employees

Employee safety and health initiatives

We conduct safety and health initiatives at Meiko based on our Industrial Safety and Health Guidelines for the purpose of eliminating work accidents and improving the working environment in all workplaces, and encouraging the good health of all employees.

To ensure that problems are found efficiently, not to mention prevent work accidents, we have arranged for our workplaces to be audited by industrial physicians, industrial health consultants, and other experts. In addition, our Safety and Health Committee members undertake audits of the plants.

What is more, we estimate risks through risk assessments, based upon which we implement measures to prevent work accidents and improve the level of our safety and health management.

Industrial Safety and Health Guideline

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

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

For Shareholders and Investors — Improvement and Expansion of IR Activities

Major Activities in 2013

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

Future Plans

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

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

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

Timely and adequate disclosure of information

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

we have begun to produce IR tools for foreign investors in Fiscal 2012, such as convocation notice of the shareholders’ meeting, presentation documents, shareholders’ report, documents for results briefing.

Enhancing IR tools

To provide a better understanding of Meiko, we have enhanced the IR page of our website by providing a message from the President and other content for private investors, as well as an IR library that includes past and present financial statements and annual reports. In addition, in light of increasing globalization of IR activities,



MEIKO REPORT

For Local Communities — Social Contribution

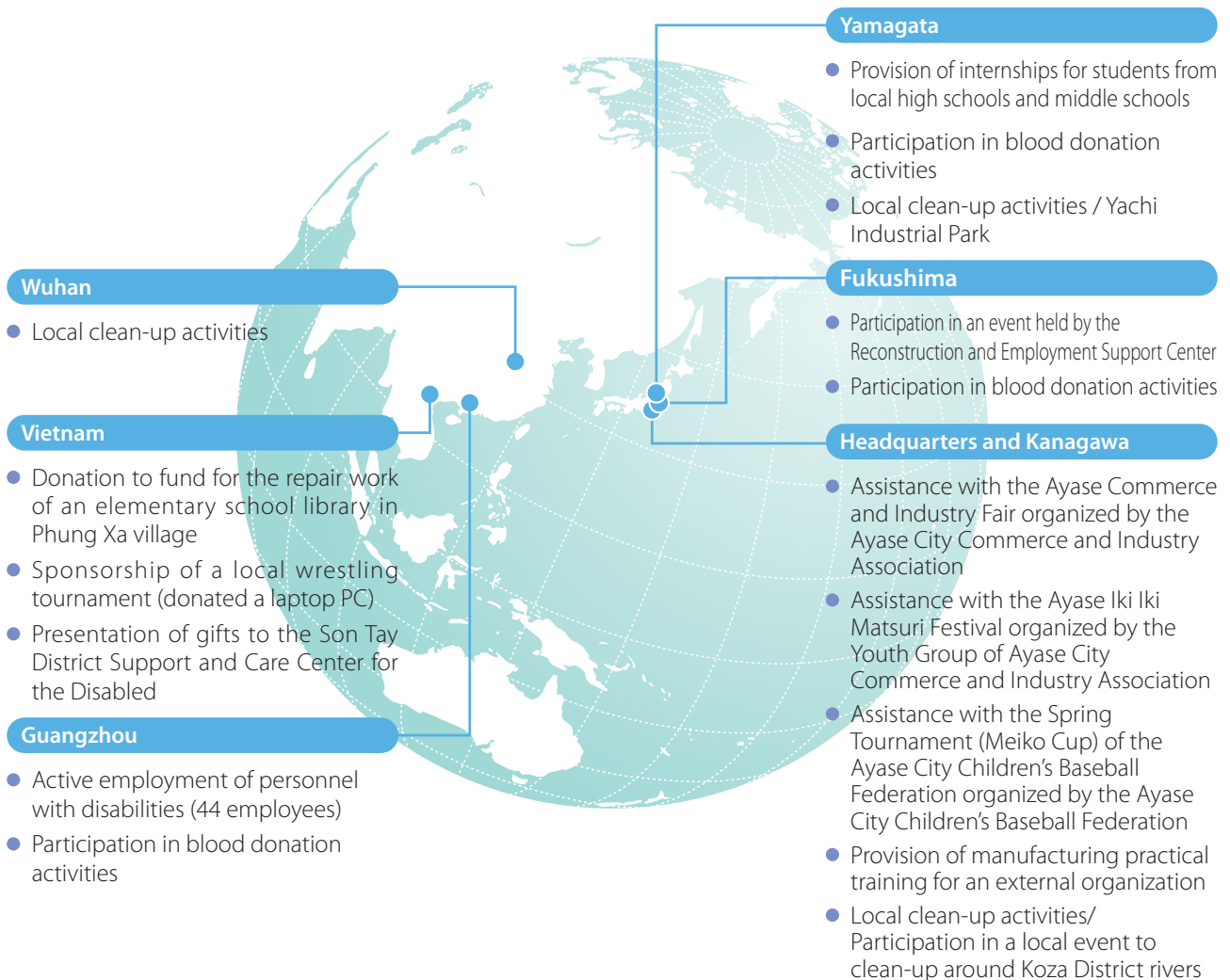
Major Activities in 2013

- ◆ Implemented CSR activities addressing local issues at each site

Future Plans

- ◆ Improve information sharing to enable sites to implement activities performed at other sites, and create a framework which 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.



Action 1 ▶ Blood donation activities

Meiko is actively involved in blood donation activities at bases in Japan and overseas. The blood donation activity was conducted at Fukushima Factory on March 25, 2014 in keeping with the annual tradition. There have been comments from the staff about wanting to do what they can as part of their contribution to society.



Blood donation activities at Fukushima Factory

Action 2

► Providing programs for local middle school and high school students

For the purpose of raising vocational awareness of students through hand-on experience in actual society and increasing awareness of local companies, we conduct hands-on work experience events and factory visits every year for local middle school and high school students at Yamagata Meiko.

During Fiscal 2013 we invited students from three middle school and high schools. Having experiences in the manufacturing process for Meiko's PCBs, they could understand first-hand the difficulty, importance, as well as the enjoyment of manufacturing. We received valuable feedback from students after they completed the workplace experience. Students commented how "I was very impressed and interested as I watched how one small mistake could lead to a critical large mistake" and "I felt that I really grew as I was able to do things on day two that I couldn't do on day one."



Internship for Sagae Industrial High School

Action 3

► Gifts Donated to Support and Care Center for the Disabled

Following the Japanese tradition of giving "winter gifts," the Vietnam Plant donated 50 parcels containing sweets and seasonings to a support and care center for the visually impaired, which is run by the Tien Thuong Cooperative in Son Tay City about 40 km from the plant. We will continue to engage in efforts to support persons with disabilities through activities rooted in the local community.



Presenting gift parcels



Action 4

► Assistance with the Spring Tournament of the Ayase City Children's Baseball Federation

In the region where our Kanagawa Factory and Headquarters are located, Meiko has been donating funds to help with running of the Ayase City Children's Baseball Federation since Fiscal 2009.

This financial assistance is used to hold the spring tournament, where 10 children's baseball teams made up of elementary school students from the city show off the results of their daily practice as they vie for the Meiko Cup. Meiko will continue to contribute to local communities by supporting organizations that help raise healthy young people through baseball.



The Meiko Cup is presented to children

VOICE

Community's VOICE

Since it was founded in 2007, Meiko Electronics Vietnam has actively contributed to the community in a variety of fields.

Its contributions to employment have been particularly notable, and many young people have begun working at Meiko Electronics Vietnam, lowering the unemployment rate and boosting the economic vitality of the area. It has also engaged in a wide range of other support activities, such as promoting local culture and sports by building a new athletic field in the Lan Bun village and supporting education through its donations of teaching materials, stationery, and study supplies to junior high and high school students. During traditional Vietnamese holidays and New Year, Meiko employees also visited injured war veterans and their families.

On behalf of community leadership and residents, I would like to express my gratitude to Meiko Electronics Vietnam for its tremendous role in the development of Phung Xa village and Hanoi City, and extend my hopes for its continued bold growth.



Thach That, Hanoi City
Chairman of Phung Xa
Village People's Committee
Mr. Chu Van Bay

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 2013

- ◆ Held Energy Saving Committee meetings
- ◆ Replaced fluorescent bulbs with LED bulbs
- ◆ Maintained 99% or higher waste recycling rate (Plants in Japan only)
- ◆ Utilized systems such as our waste exchange system to utilize disused items
- ◆ Stayed abreast of the added SVHCs and performed supplier study

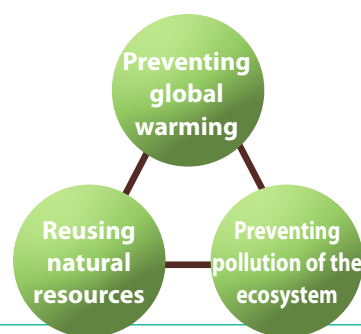
Future Plans

- ◆ Reduce CO₂ emissions by 1% or more
- ◆ Add more hybrid vehicles to the company-owned vehicle fleet
- ◆ Strive for 100% waste recycling rate
- ◆ Stayed abreast of the added SVHCs and performed supplier study

Basic Environmental Policy

“Meiko recognizes that protecting the global environment and committing to clean air and water are critical responsibilities that we have for the generations that come after us.

We use resources effectively and operate in a way that is compatible with our living environment.”



● Environmental Action Guideline

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

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

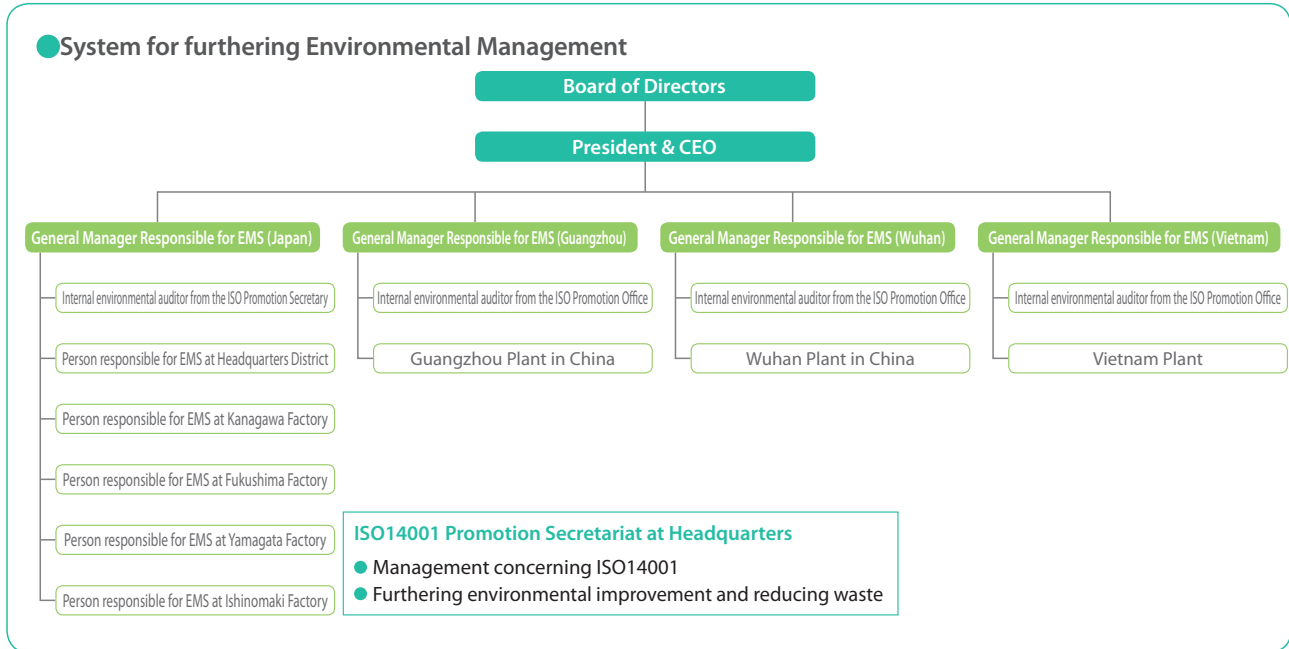
1. We have established a structure for strengthening our environmental conservation activities, and we develop and revise our environmental management system, operate the system appropriately to reduce our impact on the environment, and work continuously to improve both.
2. We contribute to environmental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

Revised (No. 6) on December 1, 2010
Established on March 6, 2000

President & CEO Yuichiro Naya

System for complying with environmental laws and ordinances

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



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 ISO 14001 certification

ISO9001	
Mar. 27, 2001	Headquarters and Kanagawa Factory
Sept. 25, 2001	Yamagata Factory
Apr. 17, 2003	Extended certification obtained by the Fukushima Factory
Apr. 30, 2003	Guangzhou Plant in China obtained certification
Apr. 22, 2005	Integrated certification obtained by the three Factories in Japan
Apr. 22, 2005	Extended certification obtained by M. D. Systems Co., Ltd.
Apr. 28, 2006	Extended certification obtained by Solder Stencil Dept.
Feb. 20, 2007	Wuhan Plant in China obtained certification
Mar. 26, 2009	Extended certification obtained by Meiko Research and Development Center, Yamato Technology Center, and Tool Department
June 18, 2010	Extended certification obtained by Vietnam Plant
Jan. 15, 2014	Ishinomaki Factory obtained certification again

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



ISO14001 Certificate for factories in Japan



ISO14001 Certificate for Guangzhou Plant in China



ISO14001 Certificate for Wuhan Plant in China



ISO14001 Certificate for Vietnam Plant

Complying with environmental laws and Ordinance

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

Promotion of environmental targets plan

Meiko conducted an assessment of the environmental impact of our corporate activities. As a result, we found that the types of energy that have a significant impact on the environment including electricity, heavy oil, gas, and gasoline. Also closely related to environmental impact are resources such as raw materials, water, and paper, and waste, including plastic waste, sludge, waste acid, and waste alkali. In Fiscal 2013, we continued to take action based on targets set using Fiscal 2010 as a benchmark.

In Fiscal 2013, in terms of energy, the amount of electricity consumed increased slightly from the previous year, and in waste, emissions of plastic waste and sludge, increased slightly on a per production volume basis. Nevertheless, these are steadily trending downwards when compared to the benchmarks. We aim to improve production efficiency, conduct further energy saving initiatives, and make steady reductions in per production volume metrics.

General Manager Responsible for EMS
Managing Executive Officer

Junya Wada



Three years have passed since the Great East Japan Earthquake, and our three factories in Tohoku have been active in restoration efforts. The Ishinomaki Factory suffered enormous damage due to the tsunami,

but thanks to the united efforts of all of our employees, the plant resumed operations in May 2013 and has continued steady production since then.

The shutdown of nuclear power plants in Japan following the earthquake has caused electrical supply problems, which we have had to grapple with. In Fiscal 2013, we continued to make up for these electrical supply shortages by reducing peak power usage, adjusting room temperature, shifting operations to night hours, and actively implementing other power conservation measures.

In addition, we installed solar panels at the Fukushima Factory in preparation for developing a solar power project (in the fall of 2015). With annual power generation volume estimated at approximately 2.6 million kWh, we hope to contribute to the region and to society through our efforts to spread and promote renewable energy that is friendly to the natural environment.

In the future, we will continue to reduce environmental risks in order to help conserve the global environment and contribute to society as we aim to conduct environmentally-friendly manufacturing.

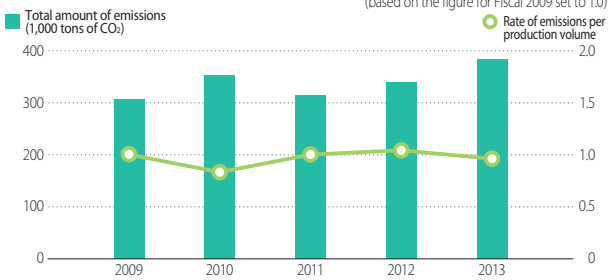
Prevention of Global Warming

Meiko views the issue of greenhouse gas as a significant threat to our precious earth. We have focused on the reduction of CO₂ emissions, and to this end we have held a regular Energy Saving Committee since Fiscal 2009 throughout the company via television conferences in which we share information on energy saving improvement plans and improvement examples for each factory/plant. Although the volume of CO₂ emissions and energy and fuel consumption increased in Fiscal 2013 amid growth in production volume, there is a downward trend when this is converted to per production volume terms. We will continue to reduce CO₂ emissions with further initiatives, particularly those involving efficient operation of facilities.

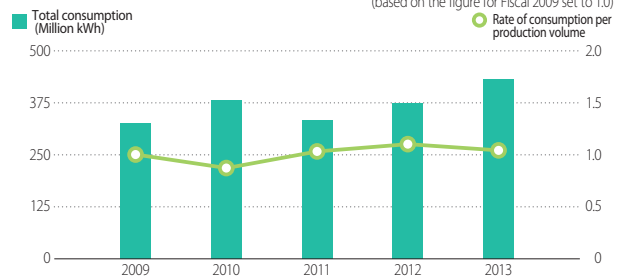


Energy Saving Committee

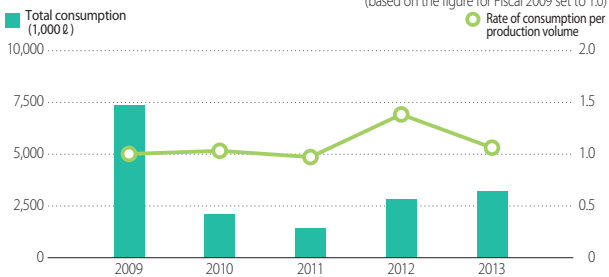
Changes in the amount of our CO₂ emission



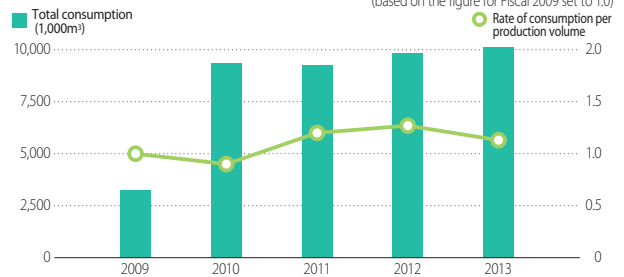
Changes in our electricity consumption



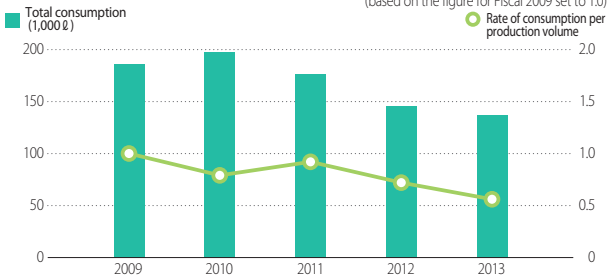
Changes in our heavy oil consumption



Changes in our natural gas consumption



Changes in our gasoline consumption

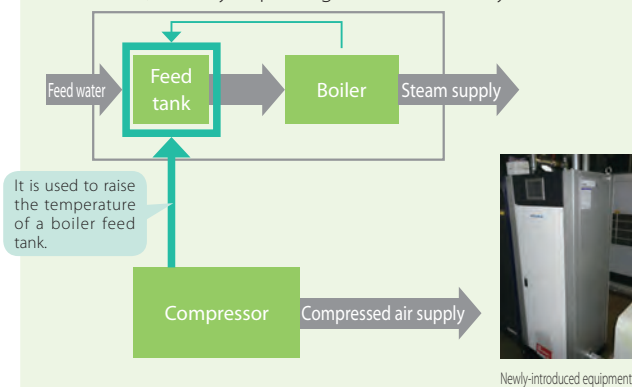


- * Guangzhou Plant switched from heavy oil to natural gas from Fiscal 2010.
- * Although the Miyagi Plant results are included in the data up until Fiscal 2010, operations at the Miyagi Plant were suspended in Fiscal 2011 and 2012 due to the Great East Japan Earthquake.
- * Results of the Vietnam Plant and Ishinomaki Factory are included in the data from Fiscal 2012 and Fiscal 2013, respectively.

Examples of energy saving improvements

An example at the Yamagata Factory

Utilization of compressor exhausts to raise the temperature of a boiler feed tank. The heat from compressor exhausts reduces the amount of steam generated by the boiler to a feed tank, thereby improving the fuel efficiency of the boiler.



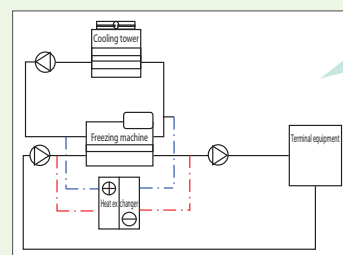
Comparison in the amount of heavy fuel oil used (based on the results for the two months preceding and following the introduction of the equipment)

Before introduction: 74,000 L/month
 After introduction: 68,000 L/month

8% reduction of fuel usage

An example at the Wuhan Plant

The plant has introduced a system, with which, in winter, it uses cold air outside to lower the temperature of cold water before using a heat exchanger to produce chilled water of lower temperature.



With the system, the plant can produce chilled water during the winter months when the outside temperature is low just by using the cooling tower, without operating a freezing machine; the system is now expected to help the plant save energy.



Photo: Heat exchanger

Following this improvement, power consumption of the refrigeration and air conditioning system at Energy Wing 1 during the winter months:

12,003.33 kWh/day x 50 days = 600,166.5 kWh

➔ Energy reduction effect: 471,783.5 kWh/year

Cyclical Use of Resources

Reduction and recycling of waste

We have been reducing waste based on the 3R strategy (reuse, reduce, and recycle). Continuing on from Fiscal 2011, efforts were actively made to recycle wastes 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 2012.

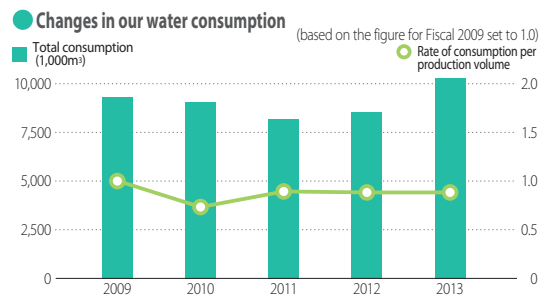
*"Recycling" above includes thermal recycling.

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

Water consumption

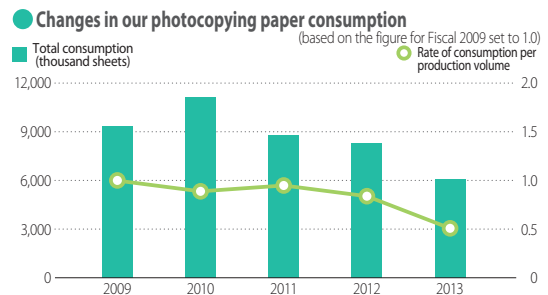
A large amount of water is used in the manufacture of PCBs for cleaning. We have reduced the amount of water used by managing the amount used at each facility and using reverse osmosis (RO) water. We continue to carry out efforts to use the minimum amount of water required to maintain product quality in each process and to use discharged water through the introduction of a RO concentrated water system. These efforts have proven effective in achieving reductions.

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



Paper consumption

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



Examples of waste reduction efforts

Vietnam Plant Utilization of "copper carbonate recycling facility"

The Vietnam Plant has established a copper carbonate recycling facility on its premises, with the aim of recovering copper (by generating copper carbonate). (The facility went into operation on July 1, 2013.)

Etching waste generated by the PCB manufacturing process contains a high level of copper.

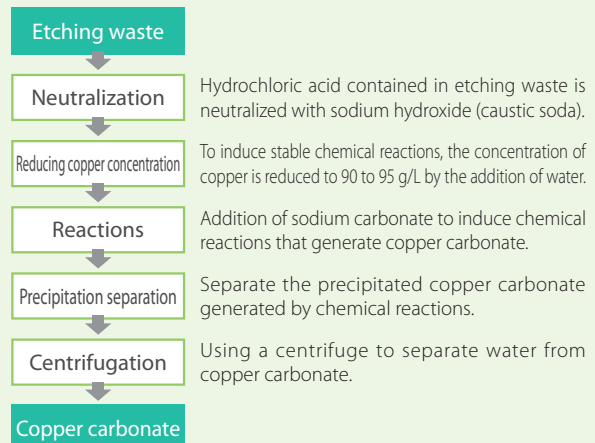
Therefore, the Vietnam Plant recovers copper (generally in the form of copper compounds) by treating etching waste as part of its initiative for cyclical use of resources.

Recovered copper carbonate is sold in the product marketplace.



Reactor tanks (reacting process) Centrifuge

Process of a copper carbonate recycling facility



Preventing pollution of the ecosystem



Measures for Reducing Environmental Burdens

Meiko is aware of the significance of the impact of its plant operations on the local environment and believe 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.

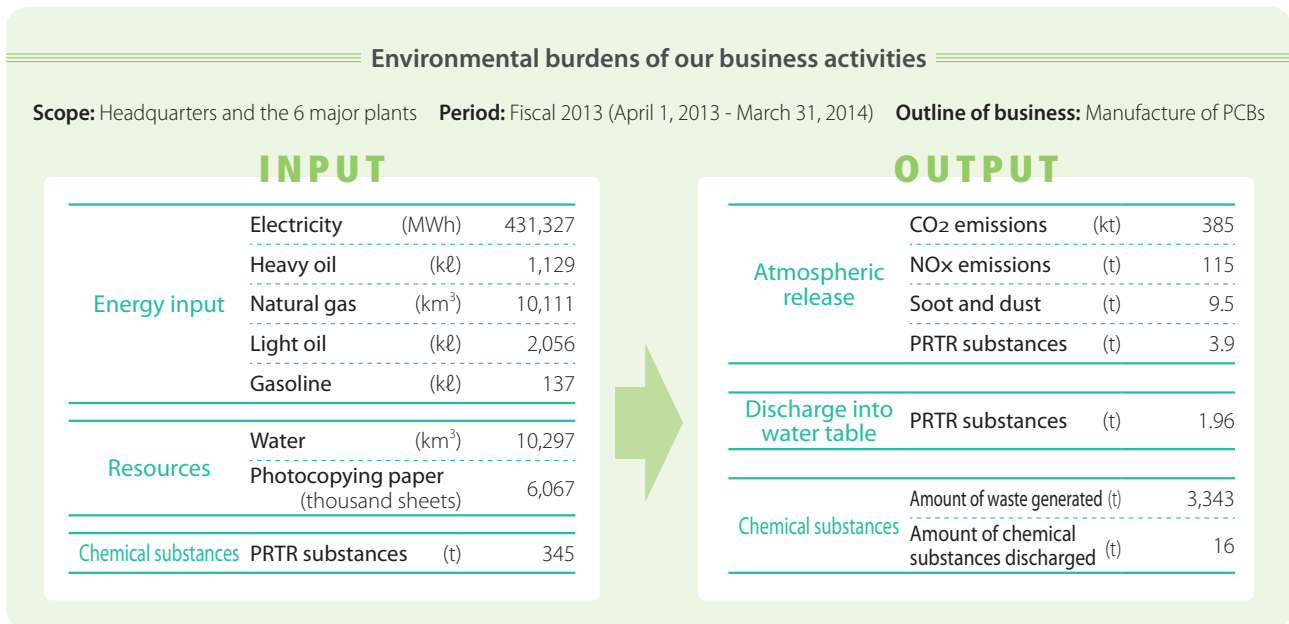
Measured values for discharged water quality and atmospheric measurements

Plant name	Water quality					Atmosphere			
		pH	BOD	COD	SS	Equipment	Substance	Soot and dust concentration	Nitrogen oxide concentration (NOx)
Kanagawa Plant	Measurement unit	—	mg/L	mg/L	mg/L	Steam boiler	Measurement unit	g/m ³ N	v/ppm
	Actual value	8.1	11.1	5.2	—		Actual value	0.0035	72
	Standard value	5.7~8.6	25	25	70		Standard value	0.3 Air Pollution Control Act	180 Air Pollution Control Act
Fukushima Plant	Measurement unit	—	mg/L	mg/L	mg/L	Steam boiler	Measurement unit	g/m ³ N	v/ppm
	Actual value	7.1	12.6	9.9	0.9		Actual value	0.009	48
	Standard value	5.8~8.6	25	25	70		Standard value	0.3 Air Pollution Control Act	180 Air Pollution Control Act
Yamagata Plant	Measurement unit	—	mg/L	mg/L	mg/L	Steam boiler	Measurement unit	g/m ³ N	v/ppm
	Actual value	7.0	8.4	10.4	1.8		Actual value	0.007	63
	Standard value	5.8~8.6	25	160	60		Standard value	0.3 Air Pollution Control Act	180 Air Pollution Control Act
Guangzhou Plant	Measurement unit	—	mg/L	mg/L	mg/L	boiler	Measurement unit	mg/m ³ N	mg/m ³ N
	Actual value	7.2	21.9	72.9	13.7		Actual value	17.7	134.3
	Standard value	6~9	300	500	400		Standard value	National std: 100 Local std: 80	400
Wuhan Plant	Measurement unit	—	mg/L	mg/L	mg/L	Steam boiler	Measurement unit	mg/m ³ N	mg/m ³ N
	Actual value	7.4	7.8	19.6	21.7		Actual value	25.4	165
	Standard value	6~9	20	80	50		Standard value	50	400
Vietnam Plant	Measurement unit	—	mg/L	mg/L	mg/L	boiler	Measurement unit	mg/m ³ N	mg/m ³ N
	Actual value	7.7	15.8	54.6	9.6		Actual value	36.3	54.00
	Standard value	6~9	30	75	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.

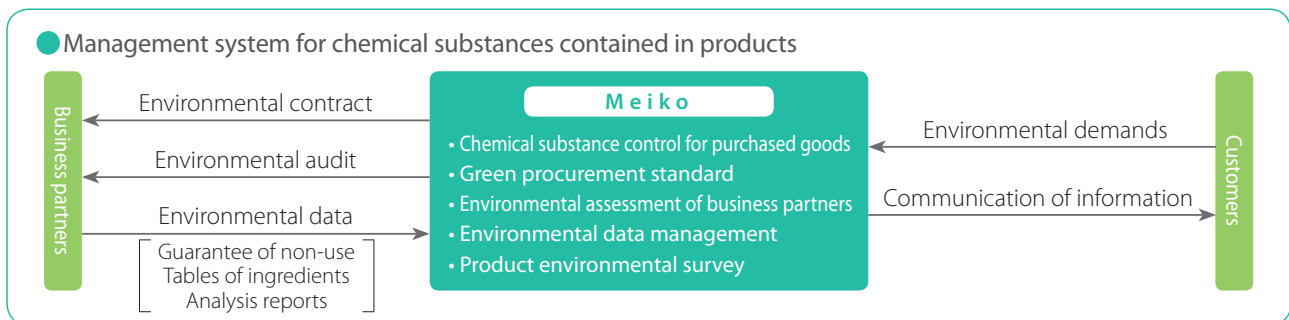
Table showing environmental burdens

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 2011. 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.



Management of Chemical Substances Contained in Products

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



Rules for chemical substances contained in products

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



Employee's VOICE

The Ishinomaki Factory, its environmental facilities included, sustained enormous damage in the Great East Japan Earthquake of March 2011. Although the factory resumed operations in May 2013, some of the environmental activities we had built up prior to the earthquake were not functioning properly, and disposal operations for strong acids and value recovery from sludge have been inadequate.

The earthquake reminded us of the precious value of water and electricity. We are grateful that we were able to restart the factory, and hope to use the know-how we acquired before the earthquake to contribute to the local community and our customers, and to make the Ishinomaki Factory a place where our employees can engage in their work with peace of mind.

Ishinomaki Factory
PCB Manufacturing Section
Assistant Manager
Shuichi Abe



Management Report

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

Corporate Governance

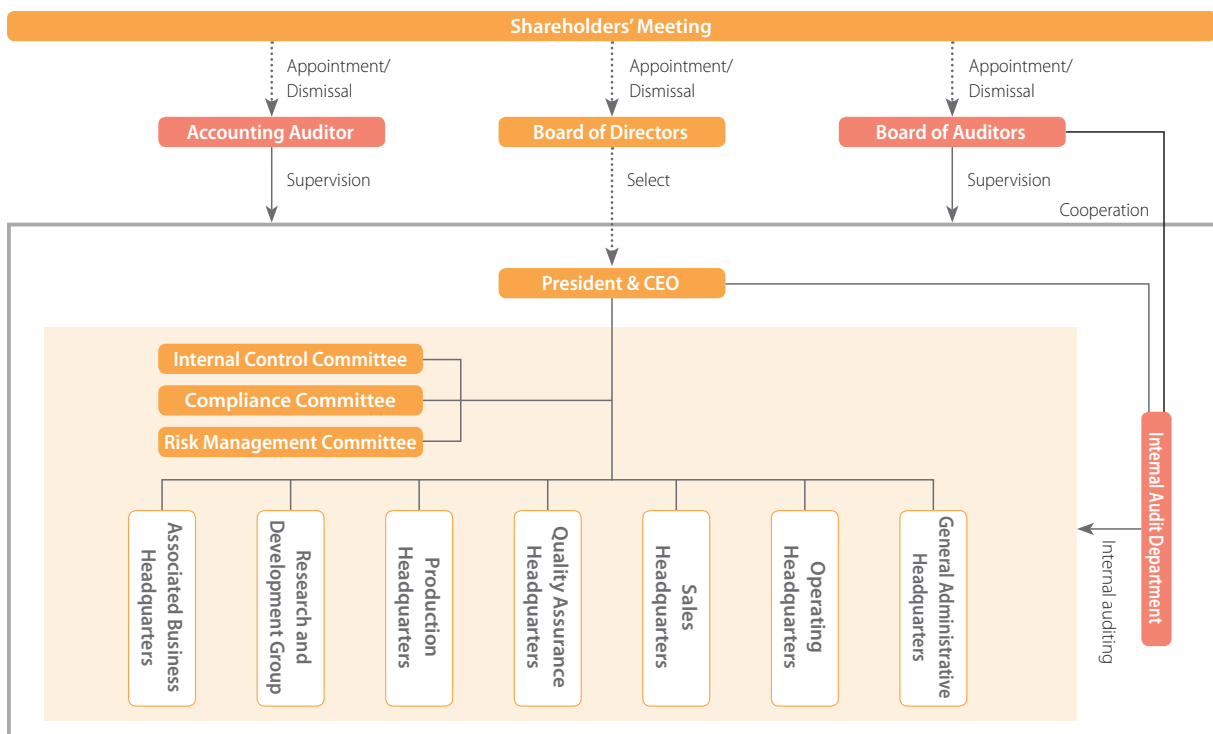
Our organization

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

Our auditors audit and check the execution of duties

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

Corporate Governance Framework at Meiko



Internal Control

Major Activities in 2013

- ◆ Compliance with J-SOX
- ◆ Performed J-SOX evaluation of Chinese subsidiaries in Chinese language
- ◆ Added a consolidated overseas subsidiary (Vietnam Plant)

Future Plans

- ◆ Prepare for J-SOX evaluation of the Chinese (Hong Kong) subsidiary in Chinese language
- ◆ Facilitate and implement internal controls on consolidated overseas subsidiaries

Our corporate governance system includes external directors, audit & supervisory board members as corporate monitoring function, accounting auditors, and the Internal Audit Department for ensuring fair management and high level of transparency. These coordinate with each other to establish corporate governance.

Internal control, as part of corporate governance, is essential for ensuring increased management efficiency and the fairness of all company activities. The effectiveness of Meiko's internal control is evaluated, and the results of these evaluations are used to make further management improvements. This is our mission to fulfill our corporate social responsibility and we, as the Meiko Group, will promote these activities.

Internal Control System

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

Basic Policy on Internal Control System

1. A system for ensuring that the duties of our Directors and employees comply with laws and regulations and our Articles of Incorporation
2. A system for ensuring that the duties of our Directors are executed efficiently
3. A system for storage and management of information concerning the execution of duties by our Directors
4. A system regarding rules, etc. on the management of the risk of loss
5. Improvement of the auditing environment for our Auditors
6. A system for ensuring proper operations by Meiko Electronics Co., Ltd. and its Group companies

Internal control concerning financial reporting

At Meiko, under the Basic Policy on Internal Control System shown above, we developed policies and plans concerning the policy, procedures, and methods of evaluating our internal control, the framework of evaluations, scope of evaluations, schedules of evaluations, and recording and storage of evaluation outcomes. We have established a framework for evaluations to be led by management. In this process, we followed the Practice Standards for Management Assessment and Audit concerning Internal Control over Financial Reporting set by the Financial Services Agency.

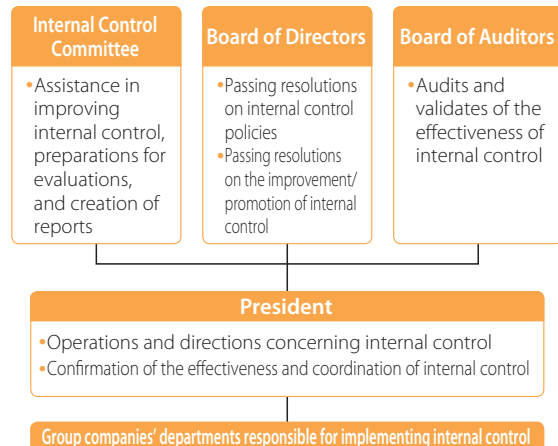
Based on these policies and plans, we again evaluated in Fiscal 2013 the effectiveness of our Companywide internal control (including account settlement and financial reporting processes) which would have a substantial influence on our overall consolidated financial reporting. Based on the outcome, we evaluated the effectiveness of our IT control and internal control, which is incorporated in our business process and executed in an integrated manner (internal control concerning business processes including account settlement, financial reporting, sales and inventory management, and purchases).

All issues with our internal control identified through the evaluation processes were rectified during the term.

As a result of these processes, we stated that "Our internal control over financial reporting has been effective" in our internal control report for Fiscal 2013, and received appropriate opinions from our auditors.

We have submitted our internal control report and financial reports for Fiscal 2013 to the Kanto Finance Bureau following a resolution by the Board of Directors.

Internal Control of the Meiko Group in Fiscal 2013



Measures for Ensuring Compliance

Major Activities in 2013

- ◆ Revised Compliance Regulations
- ◆ Reviewed Compliance Handbook

Future Plans

- ◆ Provide compliance education to all employees
- ◆ Review and revise the Code of Conduct based on Compliance Regulations

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

Compliance Regulations

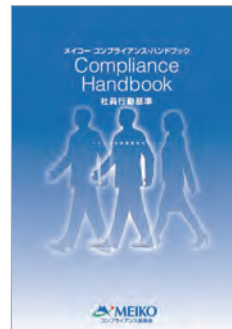
The regulation rules, systems, and procedures regarding compliance rules of the Company and its affiliates are stipulated in the Compliance Regulations which explains in detail the rules to be observed by the executive and employees.

Compliance Handbook

In order to raise awareness of compliance, the Company's own unique Compliance Handbook is distributed to all executives and employees. At the same time, with a view to informing all Company staff, the handbook can be accessed on our in-house website. Further, we implement an education program using e-learning for all employees to promote understanding.

Compliance Manual (Areas Requiring Compliance)

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



Compliance Handbook

Provision of compliance education

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



In-house newsletter

Introduction of the Help Line

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

Antisocial forces

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

Compliance Organizations

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

VOICE from Person in Charge

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

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

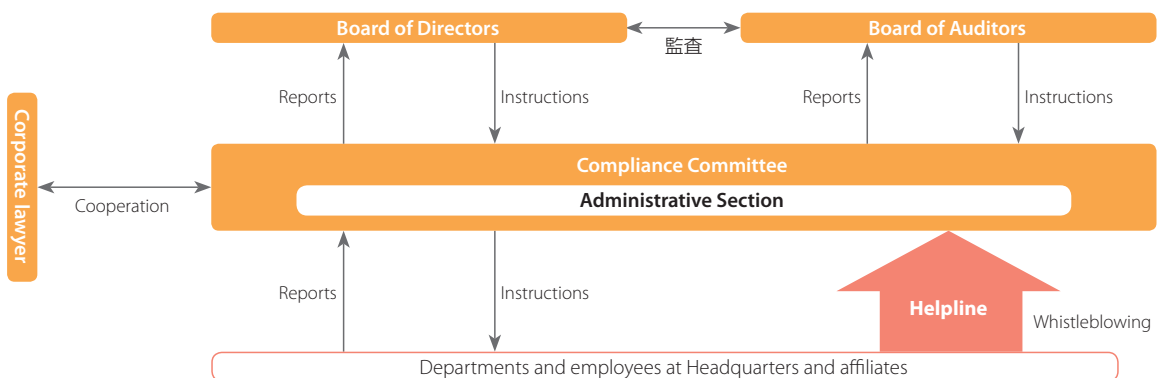
Our Group has both large scale manufacturing sites in China and Vietnam, as well as sales bases in the Americas, Europe, and ASEAN countries, and our stakeholders possess an extremely diverse set of values. This is why it is extremely important for us to cultivate a high level of ethics and spirit of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

We will continue coordination between the departments in charge at each of our sites and committees of experts, such as the Compliance Committee, and provide ongoing, systematic education, training, and awareness raising activities aimed at both executives and employees in order to build an even more robust compliance system.



Deputy General Manager of General Affairs Department
Masamichi Takahashi

Organizational Chart on Compliance



Measures for Information Security

Major Activities in 2013

- ◆ Headquarters, Guangzhou, Wuhan: Renewed ISO27001 certification

Future Plans

- ◆ Headquarters: Transition to ISO27001:2013

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 our information security is sufficiently reliable that we will never leak 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 strengthen information management systems with our customers.

● Information Security Policy

Based on our Business Principles, we implement measures to strengthen our information security system in order to protect our customer information and information assets from threats including fraudulent access, disasters and criminal acts. We also take steps to raise awareness about information security amongst the management and employees.

To this end, we have set out the following policy on information security and declare that, in line with our Business Principles, all management and employees should devote concerted efforts to implementing these policies.

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

Protecting customer information

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

Information Security Education

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



Information security lecture

Protection of personal information

To comply with laws concerning the protection of personal information and to handle personal information appropriately, Meiko has adopted the "Personal Information Protection Regulations." Based on these regulations, we handle information with particular care.

● Past information security initiatives

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

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

● Future information security initiatives

We will continue to strive to expand the scope of our certification. ISMS has been introduced for all domestic production, sales and R&D bases, and overseas Guangzhou, Wuhan and Vietnam production departments.

Measures for Risk Management

Major Activities in 2013

- ◆ Held study sessions about the initial response in the event of disaster jointly with local residents' associations
- ◆ Conducted disaster drills with the use of a safety confirmation system for each site

Future Plans

- ◆ Perform regular company-wide safety confirmation drills
- ◆ Establish measures against risks involved with each site, ranging from prevention to post-disaster

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

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

●●● Type of crises and risks

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

●●● Introduction of employee safety confirmation system

We introduced a safety confirmation system for all employees in Group companies in Japan, as well as employees stationed overseas, in order to confirm the safety of employees and convey information in the event of an earthquake with a seismic intensity of 5 lower or higher, or other disasters or accidents. In the future, we will perform company-wide educational training on a regular basis, including employees working outside the office, to ensure that all employees can make full use of the system.

●●● Creation of Group BCP

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



In the event of a disaster, it is necessary not only to recover our company but to engage in the rehabilitation of the local area as a whole. With due consideration of this, during this fiscal year, we conducted disaster drills jointly with local residents' associations focusing on various aspects of actions and attitudes in the event of a disaster and methods of handling disaster prevention equipment. (Photo: A scene of a joint disaster drill undertaken in the Kanagawa block)

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

- Plants**
- Kanagawa Factory
5-14-15, Ogami, Ayase, Kanagawa, Japan 252-1104
 - Fukushima Factory
1-2, Iwasawa, Kamikitaba, Hirono-cho, Futaba-gun, Fukushima Prefecture, Japan 979-0401
 - Ishinomaki Factory
8-5, Shigeyoshi-cho, Ishinomaki, Miyagi, Japan
 - Yamagata Factory (Yamagata Meiko Electronics Co., Ltd.)
250, Maki, Yachi, Kahoku-cho, Nishimurayama-gun, Yamagata, Japan 999-3511
 - MEIKO Research and Development Center
3-35-6, Sugikubo-minami, Ebina, Kanagawa, Japan 243-0414
 - Yamato Office
1-14-1, Daikan, Yamato, Kanagawa, Japan 242-0025
 - Guangzhou Plant (Meiko Electronics (Guangzhou Nansha) Co., Ltd.)
No.2 Guangsheng Road, Western Industrial District, Nansha Economic and Technological Development Zone, Guangzhou, Guangdong Province, P. R. China
 - Wuhan Plant (Meiko Electronics (Wuhan) Co., Ltd.)
No.9 Shenlong Road, Wuhan Economic and Technological Development Zone, Hubei Province, P. R. China
 - Vietnam Plant (Meiko Electronics Vietnam Co., Ltd.)
Lot LD4, Thach That -Quoc Oai Industrial Zone., Hanoi
 - M. D. Systems Co., Ltd.
4-9-14, Naka-machi, Atsugi, Kanagawa, Japan 243-0018

Established November 25, 1975

Capital 12,888.47 million yen

Executives	Name	Position
	Yuichiro Naya	President & CEO
	Seiichi Naya	Director and Senior Managing Executive Officer
	Takahide Hirayama	Director and Senior Managing Executive Officer
	Masakuni Shinozaki	Director and Senior Managing Executive Officer
	Kunihiko Sato	Director
	Marc Schweizer	Director
	Yoon Ho, Shin	Director
	Hitoshi Iyomoto	Senior Corporate Auditor
	Hiroshi Tsukii	Auditor
	Yasunobu Koshimura	Auditor

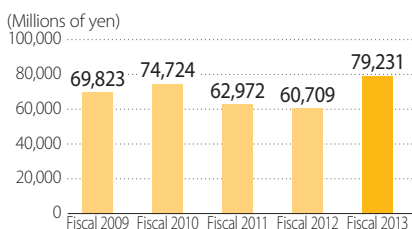
No. of Employees 11,858 (Japan: 802; Overseas: 11,056)
*As of March 31, 2014

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

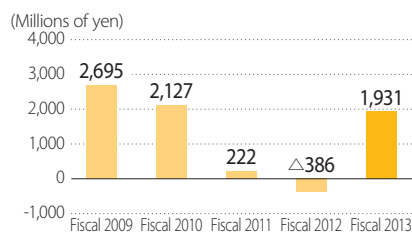
Five-year Financial Summary

		Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013
Net sales	(Millions of yen)	69,823	74,724	62,972	60,709	79,231
Operating income	(Millions of yen)	3,793	3,297	812	(605)	922
Operating margin	(%)	5.4	4.4	1.3	(1.0)	1.2
経常利益	(Millions of yen)	2,695	2,127	222	(386)	1,931
経常利益率	(%)	3.9	2.8	0.4	(0.6)	2.4
Net income (loss)	(Millions of yen)	1,828	(3,094)	1,158	(1,567)	23
Net margin	(%)	2.6	—	1.8	(2.6)	0.0
Net income (loss) per share	(Millions of yen)	107.39	(166.32)	61.73	(83.52)	1.11
ROE	(%)	5	(8.7)	3.4	(4.4)	0.1
ROA	(%)	2.1	(3.5)	1.3	(1.6)	0.0

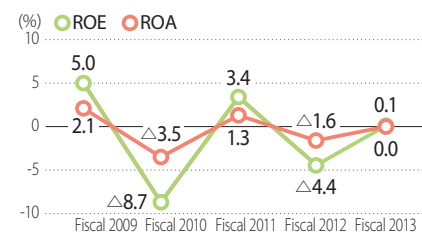
Changes in consolidated net sales



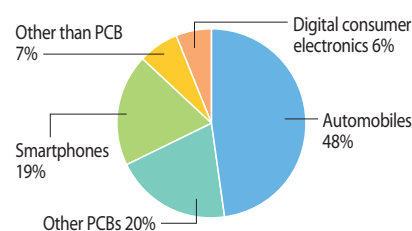
Changes in consolidated ordinary income



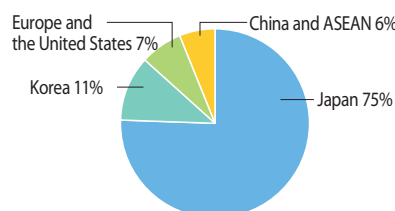
Changes in ROE/ROA



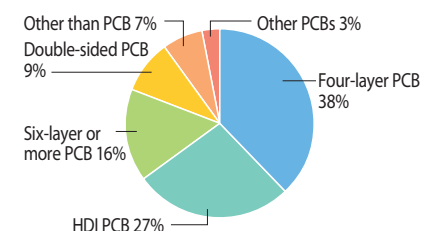
Sales composition by application (Fiscal 2013)



Sales composition by customer's national origin (Fiscal 2013)



Sales composition by product (Fiscal 2013)



Product Lineup that Meet the New Needs of Our Changing World

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

HDI PCB

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



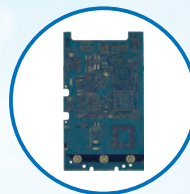
Metal Base Heat Dissipation PCB

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



AnyLayer PCB

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



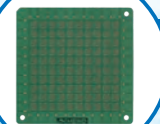
Heavy copper PCB

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



Module PCB

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



Double-sided/Multi Layer PCB

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



Embedded Passive Devices PCB

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



MEIKO ELECTRONICS CO., LTD.

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

Tel: 0467-76-6001

URL: <http://www.meiko-elec.com/>