

March 30, 2021

Name of company: Meidensha Corporation

Name of Representative: President Takeshi Miida

Code Number: 6508 First Section of Tokyo Stock Exchange, First Section of Nagoya Stock
Exchange

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Notice regarding capital investment on production facilities for electric vehicle drive products (motors and inverters)

On February 28, 2020, we announced that we would spend about ¥5.1 billion in capital investment in connection with the construction of a new plant and the introduction of new equipment at our Nagoya Works. Due to a change in the business environment, Meidensha Corporation (Meiden) decided to cancel the capital investment and, instead, endorsed a plan to build a new plant and introduce new equipment at one of our Chinese subsidiaries at a Board of Directors meeting held on March 30, 2021. The details of the decision are as follows.

1. Purpose, Background

Electric vehicle (EV)-related business, such as for motors and inverters, is expected to expand due to the global trend of environment protection and tightened environmental regulations. Meidensha Corporation (Meiden) regards the EV-related business as one of its growth business fields. Against this background, Meiden has been making capital investments in EV-related domains.

Due to fallout from the COVID-19 pandemic that started in 2020, automakers, which are our clients, are revising their business plans. To reflect this development in our own business plan and to secure more orders in the future, we decided to cancel the capital investment at the Nagoya Works and, instead, build a new plant and introduce new equipment at our Chinese EV-related production base.

2. Details about the construction of the new plant and introduction of new equipment in the Chinese production base

We will construct a new plant and introduce equipment at Meiden (Hangzhou) Drive Technology Co., Ltd., a wholly owned subsidiary of Meiden.

As we announced on May 31, 2019, we have made a separate capital investment in the Chinese subsidiary. A plant funded by the investment is expected to go into operation in summer at the subsidiary's site. The new plant funded by the latest investment will be constructed on the same site.

<Outline of the capital investment>

Construction of a new plant and introduction of new equipment at Chinese production base	
Subsidiary subject to investment	Meiden (Hangzhou) Drive Technology Co., Ltd.
Address	No.477, Kuaihongxing Road, Qiaonan District, Xiaoshan Economic & Technological Development Zone, Hangzhou, Zhejiang P.C. 311231, China
Products to be produced	Inverter-integrated motors to drive EVs
Investment amount	About ¥4.8 billion
Start of plant construction	Scheduled for February 2022
Start of operation	Scheduled for April 2023
Total floor space	8,140 m ²
Production capacity	100,000 units (Maximum production capacity: 170,000)

<Reference>

Investment announced on February 28, 2020

Construction of a new plant and introduction of new equipment at Nagoya Works	
Investment amount	About ¥5.1 billion
Address	496 Ittangosewari, Nishi-Biwajima-cho, Kiyosu-shi, Aichi Prefecture
Products to be produced	Inverter-integrated motors to drive EVs
Start of construction	Scheduled for August 2020
Start of operation	Scheduled for December 2021
Total floor space	5,229 m ²
Production capacity	Maximum annual production capacity of 170,000 units

3. Future Prospect

The impact of this development on Meiden's consolidated performance for the business year ending March 2021 is minor. We will swiftly provide notification of any development deemed necessary to make public.