

Long Term Vision 2030 16th Mid-term Business Plan

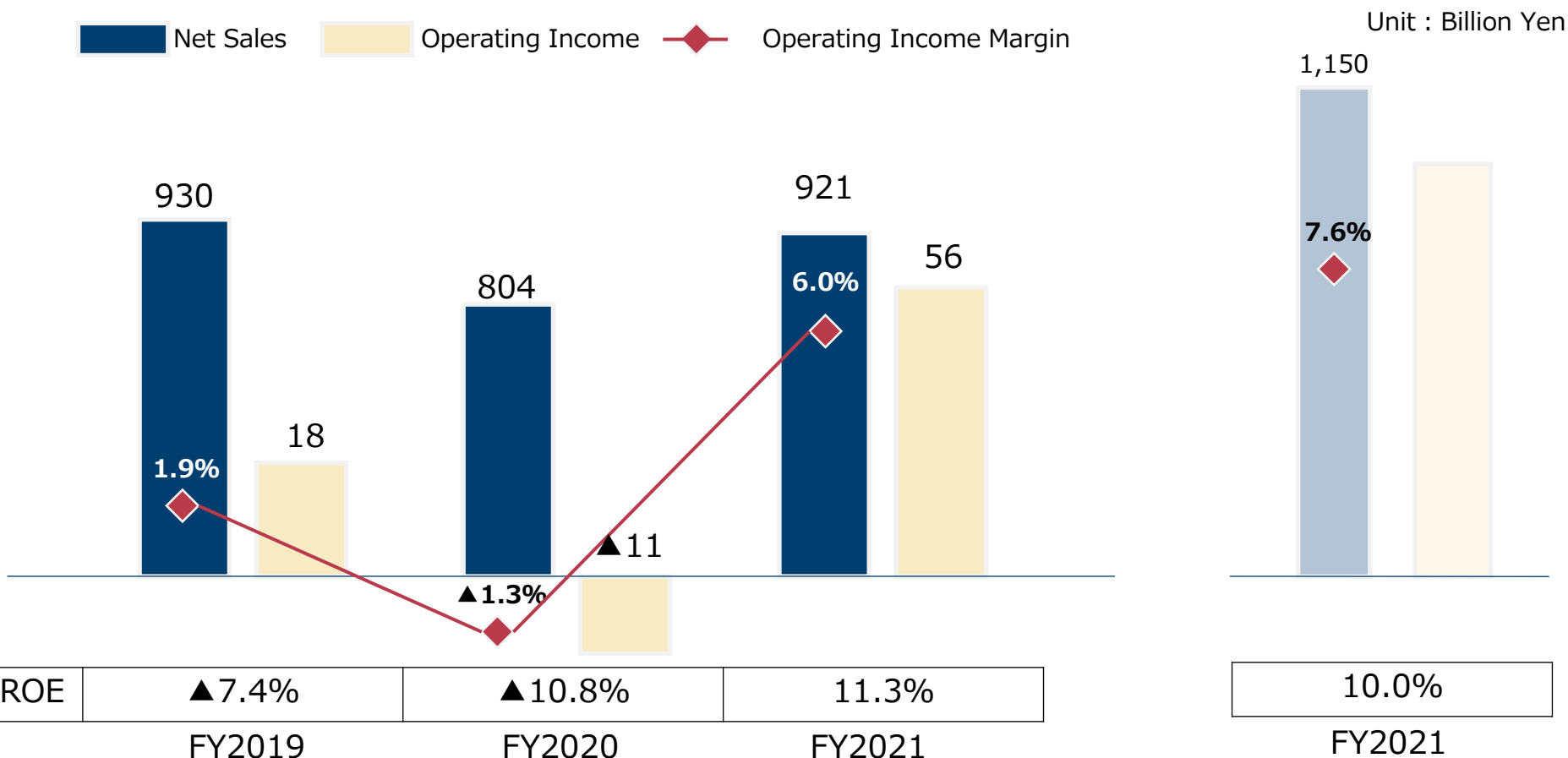
Shindengen Electric Manufacturing Co., Ltd.

ShinDengen /
New power. Your power.

15th Mid-term Business Plan Summary

A look back at the 15th Mid-term Business Plan

Net Sales Operating Income Operating Income Margin



- ◆ External environments worsened due to trade friction between the US and China, the COVID-19 pandemic, etc.
- ◆ Business structure reforms were carried out during the mid-term plan period.
- ◆ Group performance changed for the better as a result of the effect of business structure reforms and market recovery, but net sales, operating profit margin were not able to recover to target values.

15th Mid-term Business Plan Management Policy

Advancing Product Strategy for Sustainable Growth

Results

Enhance the competitiveness of mainstay products

- Acquired new clients in the India two wheeled vehicle market.
- Earning capacity improved by business structure reforms.

Develop growth businesses

- New products selected for use in xEVs.
- Release of first 150kW EV quick charger in Japan.

Create next generation products that are a decade ahead

- Development of next generation devices (SiC, GaN, gallium oxide).
- Development of wireless charging.
- Establishment of FPD division for development of next generation products.

Issues

- Improvement of device business earning capacity.
(Examples) Clean room integration, wafer inch increases, etc.

- Development of value-added power modules and improvement of their earning capacity.

- Shift to mass production of next generation devices.
- Through improvement of development speed and utilization of resources outside the company.

Direction is maintained

Continue to be tackled until next mid-term plan

Long Term Vision 2030

Long Term Vision 2030

“A power electronics company which creates environmentally friendly cutting-edge solutions via innovative technologies, contributes to a sustainable society, and continues to be needed by all stakeholders”

Expansion of established main businesses and products

Optimization of product portfolios

Creation of new businesses and products

Power device products

Create power devices which are a key component of a carbon neutral society

Mobility products

Create mobility solutions for the future

Environmental and energy products

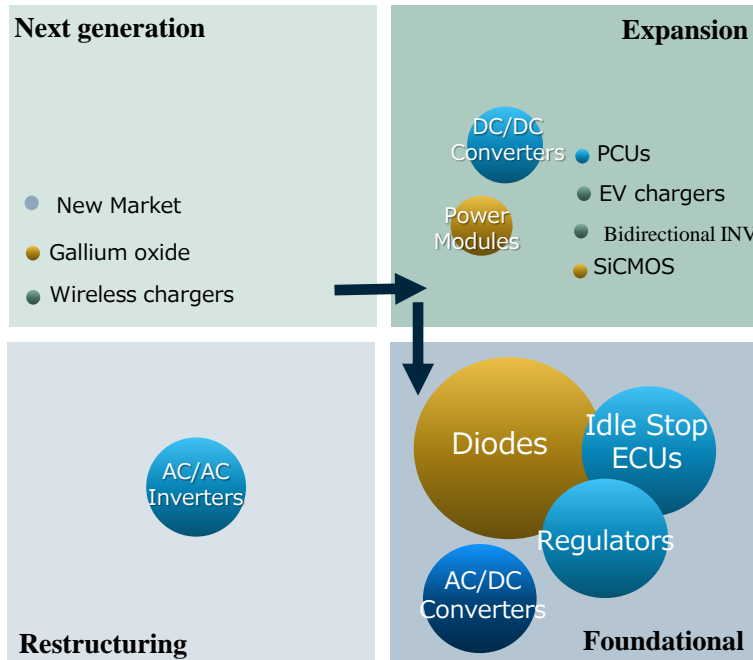
Integrate core technologies from all of our businesses and create environmentally-friendly energy solutions

Next generation products

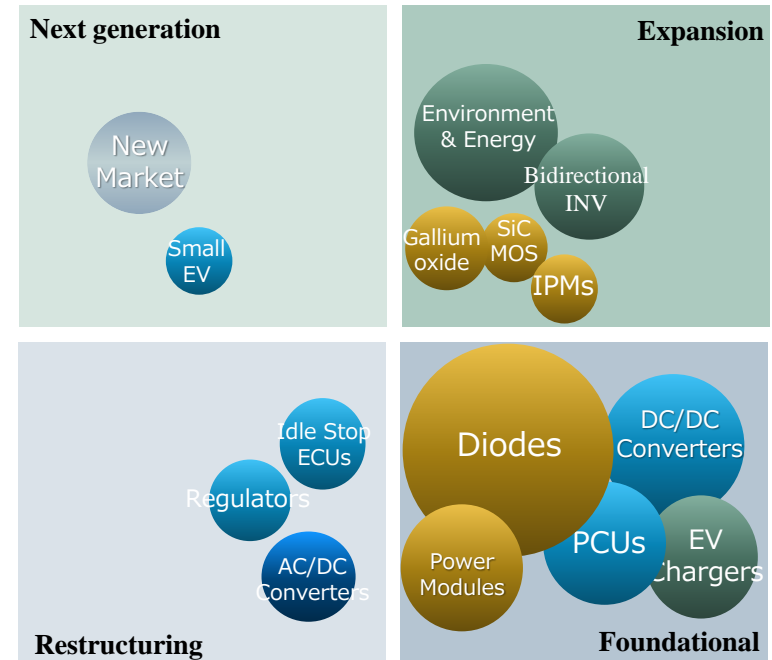
Pursue innovation which will contribute to decarbonization

Product portfolio (concept)

Existing



In 10 years



- Expansion businesses:** Businesses which serve as drivers for company growth. Proactively invest in these businesses and bring value-added products to market.
- Foundational businesses:** Utilize developed competitive capabilities and track record to support profits.
- Next generation businesses:** Fields which will support Shindengen's business in the future. Invest resources in fields which allow for application of core technologies.
- Restructuring businesses:** Analyze future trends and revise allocation of resources.

16th Mid-term Business Plan

16th Mid-term Business Plan Management Policy

Building a foundation aimed at realization of the long-term vision

Earnings structure construction

Construct systems for affordable manufacturing creation



Building a foundation for expansion of growth businesses

Development of unique and appealing products
Increase speed of market introduction

Focus resources on product groups that can reduce greenhouse gas emissions

Systems for affordable mfg

R&D Marketing

M&A Alliances

High quality Stable supply

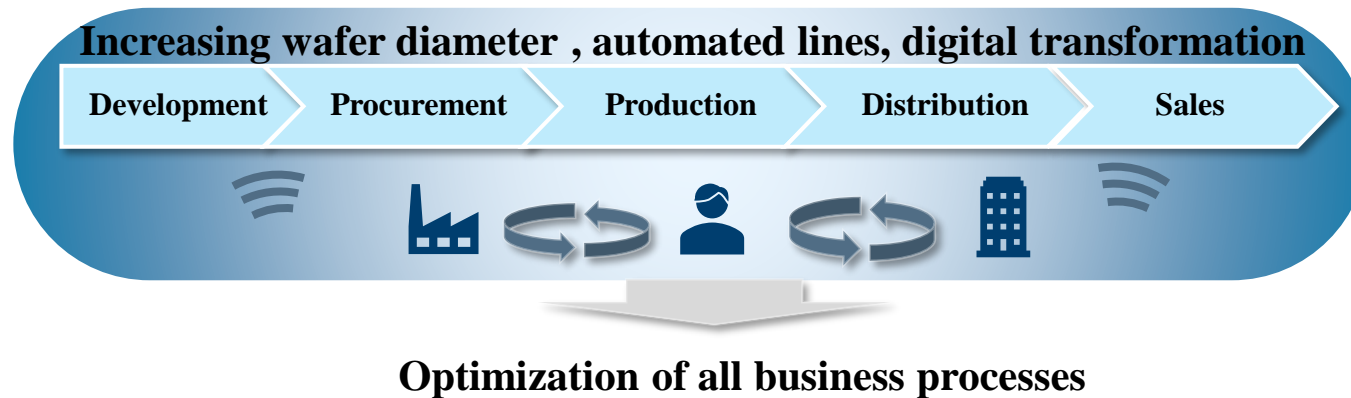
Branding

Improved capital efficiency

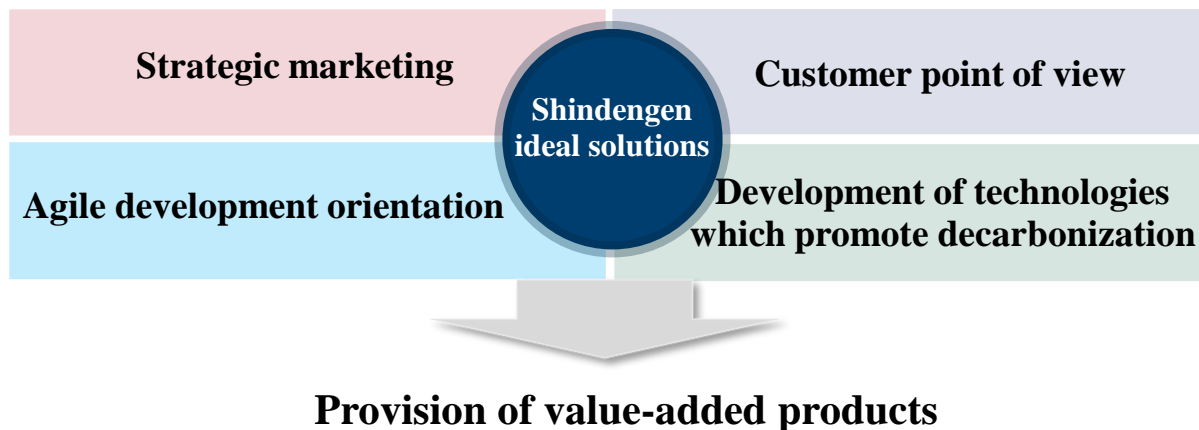
ESG management

Promotion of company-wide digital transformation (DX)

Systems for affordable manufacturing (design, procurement, production, sales)



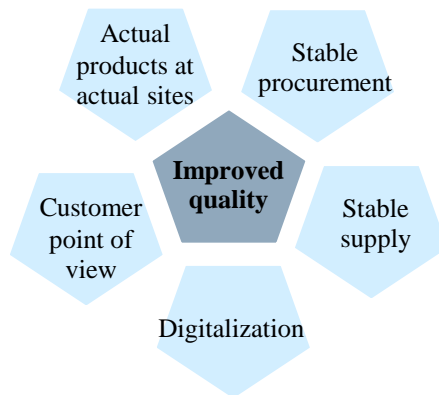
R&D, marketing



M&A, alliances



High quality, stable supply

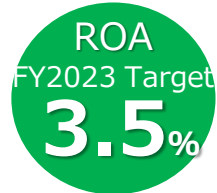
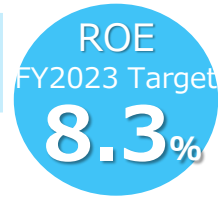


Branding

- Development of BtoB branding through online initiatives
- Proactive promotion of environmentally-friendly products

Improved capital efficiency

Management with consideration
for shareholder equity costs



Pursue asset efficiency for each segment

ESG management



Shindengen Group
SDGs materiality

Environmental Vision 2050

Human resources management

Corporate governance

Environmental Vision 2050

We believe that the beautiful earth to the next generation is a future of value, and will contribute toward achieving the goal of "Decarbonized society", "recycle-oriented society", and "Society in Harmony with Nature"

《Contributing to Decarbonized society》

We aspire to decarbonized society throughout the entire value chain

《Contributing to recycle-oriented society》

We aim to achieve minimum impact on the environment by both efficient use of resources and eco-friendly products

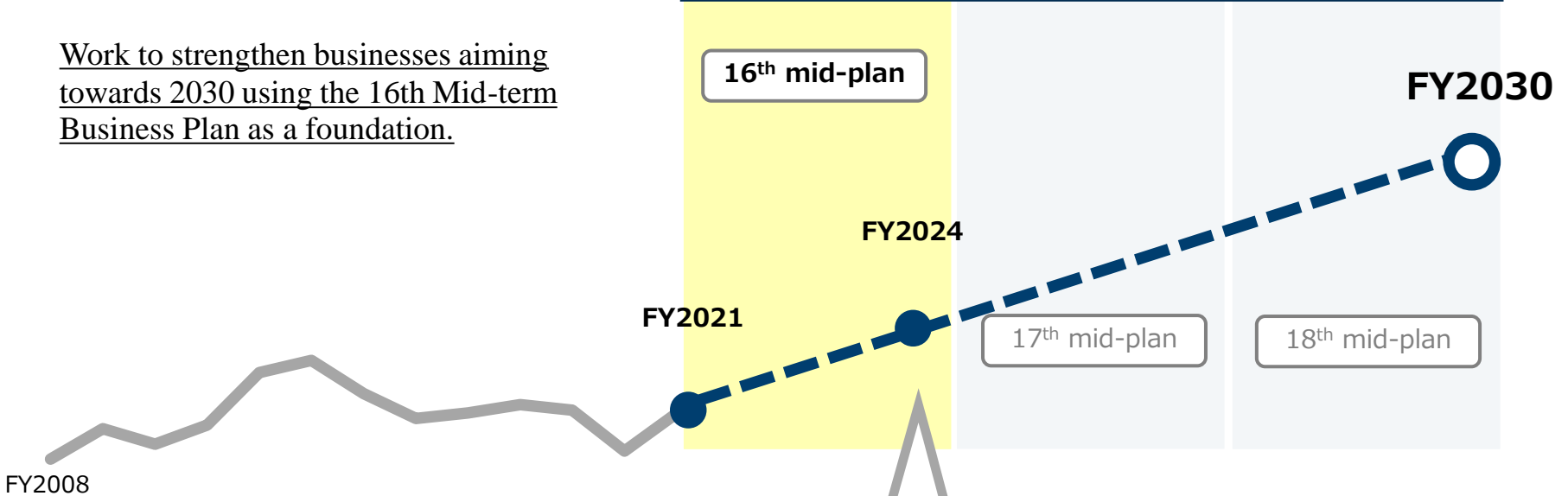
《Contributing to society in Harmony with Nature》

We aim to achieve minimum impact on the environment by consecutive enhancement of biodiversity protection

Aim for sustainable growth and work towards improving corporate value

Work to strengthen businesses aiming towards 2030 using the 16th Mid-term Business Plan as a foundation.

Long Term Vision 2030



16th Mid-term Business Plan final fiscal year targets

Net Sales	118 billion
Op Income Margin	6.6%
ROE	8.3%
ROA	3.5%