



Management
Philosophy

Together with society, our customers, and our employees

- Our activities shall lead to the betterment of society
- Our passion for quality shall foster customer trust
- Our employees shall have opportunities to be engaged at all levels

Corporate
Mission

Maximizing energy conversion efficiency for the benefit of humanity and society.

Brand
Statement

New power. Your power.

Our Promise

Listen closely, look ahead and create a future with value.

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.

Environmental Vision 2050

We believe that only by passing on a beautiful Earth to the next generation can we realize a future of value. We will pursue sustainability to contribute towards achieving the goals of "the decarbonization of society," "a recycling-oriented society," and "a society in harmony with nature."

Contributing to decarbonization of society

We aspire to realize decarbonization throughout the entire value chain.

Contributing to a recycling-oriented society

We aim to minimize impact on the environment through both efficient use of resources and environmentally friendly products.

Contributing to a society in harmony with nature

We aim to minimize impact on the environment by continuously enhancing of biodiversity protection.

ShinDengen

Shindengen Integrated Report **2025** Contents

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Editorial Policy

Integrated Report 2025 is designed to clearly communicate the Group's strategies and initiatives for enhancing corporate value over the medium to long term to our stakeholders. By clearly presenting the Group's vision for sustainable growth from both an operational and sustainability perspective, we aim to further deepen our communication with you. For detailed financial information and sustainability-related content, please refer to the Company's website.

Period covered

Fiscal 2024 (April 1, 2024 to March 31, 2025) (Includes some information about events after April 2025)

Scope of Report

Shindengen Electric Manufacturing Co., Ltd. and the Shindengen Group

Information Disclosure Framework

	Financial Information	Non-Financial Information
Dialogue with Stakeholders	- Financial Results Briefing - Meetings with Institutional Investors/Analysts - General Shareholders' Meeting	- Business Policy Briefings - Meetings with Institutional Investors/Analysts
Reports	- Securities Report - Financial Results Summary - Business Report	Corporate Governance Report
Integrated Report		
Online Information	IR Information	Sustainability

Referenced Guidelines

- The IFRS Foundation's International Integrated Reporting Framework
- ISO 26000:2010
- GRI Standards 2021
- Japan's Ministry of the Environment's Environmental Reporting Guidelines (2018 Edition)
- The Ministry of Economy, Trade and Industry's Guidance for Integrated Corporate Disclosure Company-Investor Dialogue for Collaborative Value Creation

Forward-Looking Statements

This integrated report contains forward-looking statements regarding the Company's plans, strategies, and future performance. These statements are based on the judgment of the Company's management using information currently available and involve risks and uncertainties. Therefore, actual results may differ from the Company's projections due to changes in the business environment and other factors.

President
Nobuyoshi Tanaka

Shindengen supports society's future with power supply technology at its core —creating sustainable corporate value.

Origin & Purpose

Q1 Shindengen will soon celebrate its 76th anniversary. Throughout its long history, what things have remained consistent, even amid changing times?

If I were to sum up the Company with a single term, it would be “dengen” in Japanese or “power source” in English. *Dengen* most succinctly expresses the essence of the Company. Indeed, it helps form our corporate name, *Shindengen*, embodying our pride and our philosophy of establishing power supply technology as the core of our business and continuously pursuing technological advancement. This has remained consistent since our founding.

Shindengen has spent decades refining three core technologies derived from its power supply technology. These technologies for semiconductors, power supply circuits, and mounting support the realization of high-quality products. We pride ourselves on being one of the few companies in the industry that possesses all of these capabilities in-house. Moreover, we have successfully advanced them to practical applications. Based on this technological foundation, we are currently promoting business development centered on power supply, with three core business units: Power Device, Power Unit, and Power Systems & Solutions. While each segment operates independently, we promote collaboration across segments based on shared technical assets, and through synergistic effects, we are creating new products and value. This is yet another of the Company's major strengths.

Returning to the essence of the word “*dengen*,” the concept of preventing waste is a fundamental element. Losses in power supply equipment manifest as heat, which directly affects efficiency and durability. Therefore, the Company has continued to devote itself to the study of highly efficient semiconductor and circuit designs with minimal loss. These initiatives contribute to the realization of the decarbonization of society through the efficient use of electricity and, from the standpoint of materiality, closely align with the SDGs.

Shindengen also firmly positions itself as a power electronics company. All business areas—devices, electronic parts, and communications-related power supplies—are based on this technological field. In fact, during our recent corporate restructuring, the word “power” has been added to the names of each segment to

An Interview with President

An Interview with President

unify their direction. In the device field, for example, we specialize in power semiconductors and concentrate our management resources in this area. The market environment is by no means stable, but that is precisely why we will reexamine our origins in our 17th Medium Term Business Plan and further strengthen our management centered on these three core technologies.

Reference: For details on value creation, please refer to "Value Creation Process" on page 6.

Vision & Core Technologies

Q2 Looking ahead to 2030 and beyond, what should Shindengen strive to achieve? What are the strengths and strategic assets that will support the realization of this vision?

Seen from a slightly longer-term perspective, the Company is clearly making steady progress toward the realization of its Long-Term Vision 2030. This vision sets forth the goal of becoming a power electronics company that truly meets the needs of its stakeholders through Shindengen's innovative technologies, with the recently launched 17th Medium Term Business Plan positioned as an important milestone toward the realization of this vision which is our first priority. Once that is accomplished, we will move on to the next stage of growth.

These three core technologies and the three segments they form are the very foundation of the Company. Indeed, they represent the very essence of our corporate value. They constitute technological assets that we must continuously refine for the future. How can we contribute to the pressing issues facing modern society, such as energy conservation, resource conservation, and decarbonization? The key to this lies in reducing "loss" and "heat generation" in our products. Our social mission is to provide our customers with more efficient and lower-cost means of utilizing electricity. We will tackle more advanced issues through comprehensive proposals that take into account not only individual products but also the system as a whole.

From the perspective of technological innovation, we are pursuing high performance in the semiconductor field through material selection and the introduction of new materials, while in the circuit product field, we are pursuing maximum power efficiency through the adoption of new circuit technologies. In particular, we have established the minimization of energy loss in power devices and maximization of power conversion

efficiency in circuit technologies as our technical themes, and we are working diligently every day to achieve these goals. The advancement of such core technologies mainly falls under the realm of research and development, but commercialization takes a certain amount of time. Therefore, we will steadily build up each process by seamlessly bridging technology between research and practical applications.

Reference: For details on core technologies, please refer to "Core Technologies" on page 7.

Strategy

Q3 Looking back on the 16th Medium Term Business Plan (FY2022-FY2024), how would you summarize the strategies that were set forth and their results?

The initial targets were net sales of ¥118 billion, an operating income margin of 6.6%, and ROE of 8.3%. I personally devoted myself to implementing this plan for the past two years as president, but sudden changes in the external environment, such as China's economic slowdown and the emergence of geopolitical risks, had a particularly significant impact on the device business. Consequently, the final year's results were net sales of ¥105.8 billion, operating profit of ¥128 million, an operating income margin of 0.1%, and ROE of -3.6%. These were far from the targets, leading to a disappointing overall assessment of the plan's results. We take these results seriously and will incorporate them into our next medium term business plan.

By segment, Car Electronics, particularly the motorcycle-related business, remained strong, but the Electronic Device segment suffered a significant decline in earnings due to a slump in the Chinese market and soaring raw material prices. Under these circumstances, we took decisive action to restructure the Electronic Device segment in fiscal 2024. We have fundamentally reviewed our production, logistics, and sales functions, and have implemented a workforce reduction of 350 employees, establishing a system that is expected to improve profits by approximately ¥1.5 billion in fiscal 2025. Our goal is to achieve profitability while carefully assessing market conditions.

Meanwhile, in the development of diode products, amid intensifying competition with Chinese companies, we promoted the conversion of small-diameter wafers to large-diameter wafers. Certain results are beginning to emerge, and profitability is expected to improve through



cost reductions. In addition, we have been developing power MOSFETs, including module products, with the aim of upgrading to the next generation. As a result, a product lineup that meets the needs of both motorcycles and four-wheeled vehicles is taking shape, and the level of technology is rising to match that of competitors.

In terms of unit products, we began manufacturing and selling power control units (PCUs) for electric motorcycles in India during the period covered by the previous medium term business plan. Although the shift to EVs has temporarily stalled, we believe that it will achieve definitive progress in the medium to long term, even for motorcycles, and we consider this product to be a pillar for the future. Furthermore, against the backdrop of the slow progress of EV adoption, demand for internal combustion engine vehicles is expected to remain steady for the time being, and we believe that growth will continue, particularly in the ASEAN and Indian markets. Under these circumstances, the Company plans to establish a second plant in India by 2027. We have already acquired the land and are currently considering the equipment to be installed and the scale of the plant. On top of that, our main customers, Japanese motorcycle makers, are planning major increases in their local production capacity, and we will steadily build up our supply system to meet this demand and make a solid contribution.

References: For details on strategies and performance for each segment, please refer to "Strategy" on page 11; For details on operating results and financial position, please refer to the Financial Section https://www.shindengen.com/csr/report/files/docs/2025integratedreport_en_financial_section.pdf

An Interview with President

Strategy

Q4 What are the key measures and main objectives of the recently launched 17th Medium Term Business Plan (FY2025-FY2027)?

In our 17th Medium Term Business Plan, we have implemented a major overhaul of our corporate structure. In addition to the vertically segmented business unit system (Power Device, Power Unit, and Power Systems & Solutions), we have established a new Monozukuri (manufacturing excellence) Center to strengthen cross-functional capabilities, promote collaboration between factories on common issues, and reduce costs across the board. In addition, the Technology & Development Center will oversee the Company's overall technology strategy and play a role in maximizing synergies between each business. We aim to prevent lost business opportunities and strengthen our proposal capabilities by establishing a system that manages sales organizations in a unified manner, transcending the boundaries of individual units and devices.

Our goal is to eliminate the tendency toward fragmentation and partial optimization that has existed up to now, establishing a management structure based on the perspective of overall optimization that integrates development, production, and sales. Although there are still some unfamiliar aspects to the system, we are confident that it will yield results. Furthermore, in light of the delayed shift to EVs, we have also reviewed our business portfolio. We continue to position conventional products such as diodes and regulators as core businesses, as demand for them is expected to remain steady through 2030. At the same time, we will nurture silicon carbide (SiC) and power control units (PCUs) as pillars of growth for the next generation.

Finally, I would like to mention our acquisition of a business from Kyocera Corporation. Shindengen excels in chip design and supply, and the Power Device business that we are acquiring from Kyocera Corporation, possesses a wealth of packaging technology. We intend to combine each company's strengths to expand our diverse product lineup and sales channels.

Reference: For details on the medium term business plan, please refer to the "New Medium Term Business Plan" on page 12.

Sustainability Management

Q5 With a view to achieving sustainable growth, how would you describe the further deepening of the Company's strengths, as well as the specific initiatives and progress made in sustainability management based on materiality?

Shindengen's corporate mission is directly linked to solving social issues and, on a daily basis, we are reminded of the significance of this. We pride ourselves on the fact that our business activities themselves are the practice of sustainability management. In formulating the 17th Medium Term Business Plan, we reviewed ESG Material Issues, redefined non-financial KPIs in line with current reality, and clarified specific targets.

In environmental terms, we are working to verify greenhouse gas (GHG) emissions from Scope 1 to Scope 3, establishing CO₂ reduction targets based on the results, and clearly communicating our commitment to environmental contributions to the public. We also consider maximizing human capital to be an essential theme and have already begun disseminating information on the promotion of human capital management, with plans to further strengthen our efforts in this area.

We firmly recognize that technological innovation is supported by human resources, and that the success of our plans depends on the quality of those human resources. Accordingly, we remain committed to continuously promoting our human capital strategy, including recruitment initiatives. We respect a culture of direct communication, dialogue, and listening among our employees, and strive to create an environment that promotes new ideas and innovation. In terms of education, we have established a variety of training programs with on-the-job training at the core and have also established a framework to quickly implement improvements based on Shindengen's "internal engagement index" that measures employee job satisfaction. We have also introduced flex time and remote working systems to enable diverse and flexible working styles, creating an environment that allows each individual to perform to the best of their abilities.

Through these initiatives, we will pursue medium- to long-term growth and the enhancement of social value, striving to become a company that truly meets the needs of its stakeholders and earns their trust. Above all, we firmly believe that harmonious relationships within

the Company are the foundation of our business and that it is only through this harmony that we can truly contribute to society.

Reference: For details on sustainability management, please refer to "Sustainability" on page 21.

Message

Q6 Do you have a final message for the many stakeholders, including shareholders and investors, who have high expectations for Shindengen's future growth?

The current operating environment is extremely uncertain and becoming increasingly severe. Geopolitical tensions and many other factors, such as political developments in the United States, make it extremely difficult to predict the future. Amidst all this, I believe that being obsessed with short-term fluctuations is a mistake. Instead, we need to remain calm and purposeful, so we can focus on the things we presently control to steadily build up competitive strength and achieve future growth.

The 17th Medium Term Business Plan is an important milestone in realizing the ideal vision outlined in the Company's Long-Term Vision 2030. We will steadily lay the groundwork for the future by further improving existing products, expanding our product lineup through the business acquisition from Kyocera Corporation, and developing and launching next-generation products. Furthermore, we strongly believe that our unwavering mission is the creation of a sustainable society and the enhancement of corporate value through the implementation of our corporate mission.

At the same time, we must acknowledge that there are challenges in managing the Company while being mindful of the cost of capital and our stock price. Going forward, facing these challenges head-on and meeting the expectations of our investors will be essential. As part of this effort, we will introduce business-specific balance sheets and set KPIs such as return on invested capital to strengthen quantitative and objective business management. By thoroughly pursuing capital efficiency, we intend to enhance dialogue with shareholders and further increase market confidence.

My personal mission is to nurture the Company into one that is trusted and respected by all stakeholders, including not only shareholders and investors, but also customers, local communities, the younger generation who will lead the future, and employees. With this aspiration in mind, we will continue to do our utmost during the period covered by the 17th Medium Term Business Plan.

Value Creation Process

Input

(As of March 31, 2025)

Financial Capital

- Stable financial foundation
- Funding to support sustainable growth
- Equity ratio: **48.5%**
- Capital investment: **¥5.1 billion**

Manufactured Capital

- Global manufacturing bases, manufacturing facilities
- Manufacturing bases: **12** worldwide (4 domestic, 8 overseas)

Intellectual Capital

- Research and development bases
- Development and production technology
- Cultivated intellectual property
- R&D bases: **4** worldwide
- R&D expenses: **¥5.8 billion**

Human Capital

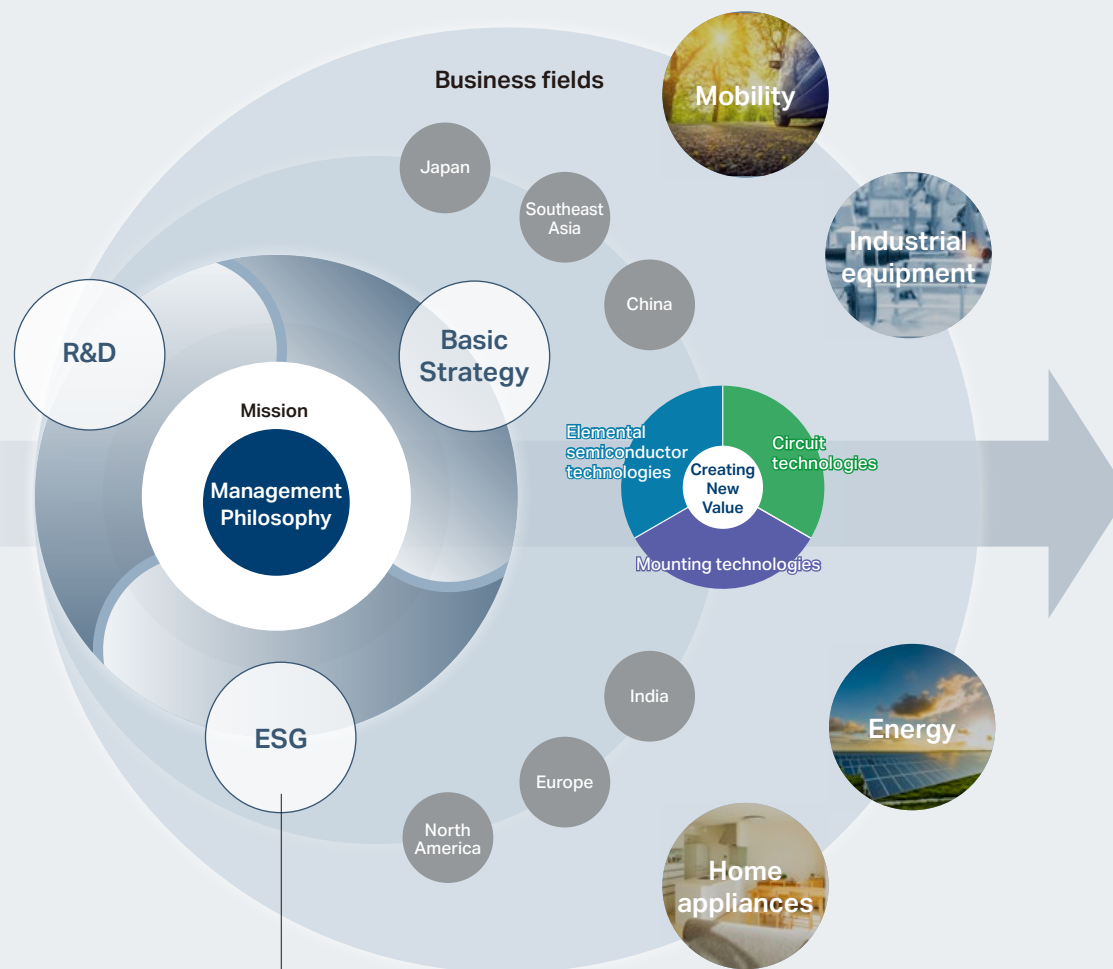
- Human resource development
- Active participation of diverse HR
- Expanding flexible work styles
- Respect for human rights
- Health and safety
- Employees: **5,251** individuals in **12** countries and regions
- Improvement initiatives

Social and Relationship Capital

- Trust-based relationships with customers
- Regions of business expansion

Natural Capital

- Electricity and water needed for business activities
- Annual energy use: **134,700 MWh** (150,755 MWh in the previous fiscal year)



Shindengen aims to help solve urgent challenges facing society, including climate change, global carbon emissions, and health- and welfare-related issues. We believe meeting the demands and expectations of the Group's diverse stakeholders is essential to fulfilling our corporate responsibility.

Output

Power Device

- Diodes
- Power MOSFETs
- Power ICs
- SiCs
- SiDCs
- Power modules
- Thyristors

Power Unit

- ECUs and PCUs for motorcycles
- Regulators and rectifiers for motorcycles
- Ignition systems for motorcycles
- DC/DC converters for four-wheel vehicles
- ECUs for four-wheel vehicles
- Inverters used for generators
- Quick chargers and AC chargers for EVs

Power Systems & Solutions

- Power supplies for telecommunications equipment

Outcome

17th Medium Term Business Plan

■ Targets for Final Fiscal Year (Fiscal 2027) (Consolidated)

Net sales	Operating income margin	ROE
¥120 billion	5.0%	6.0%

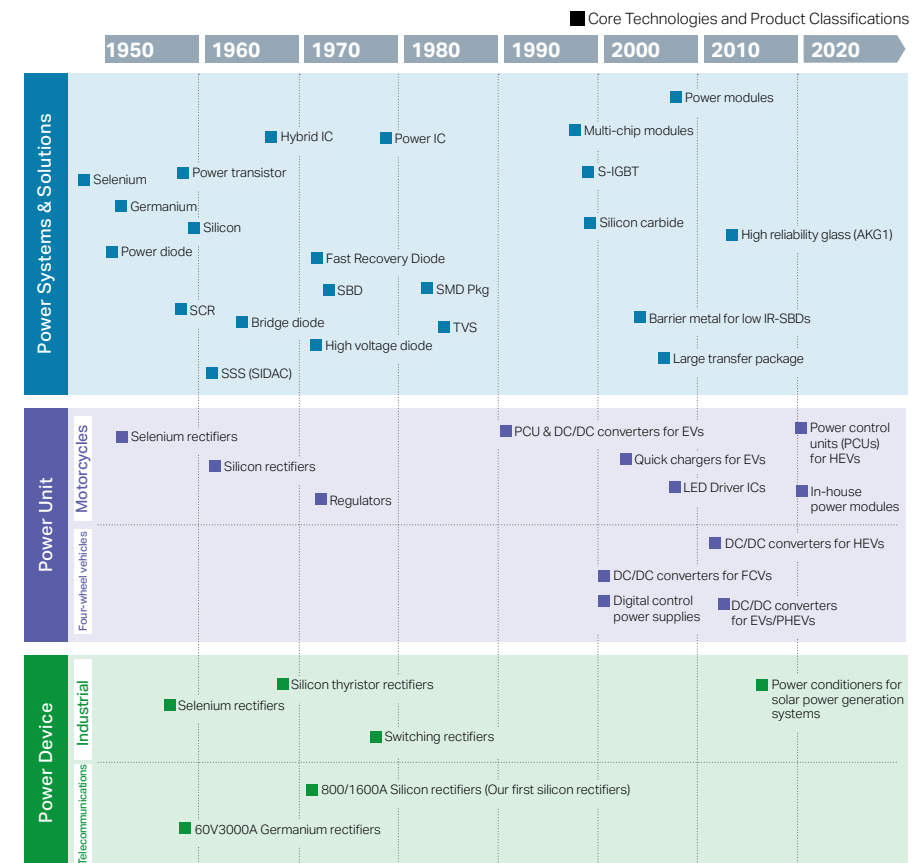
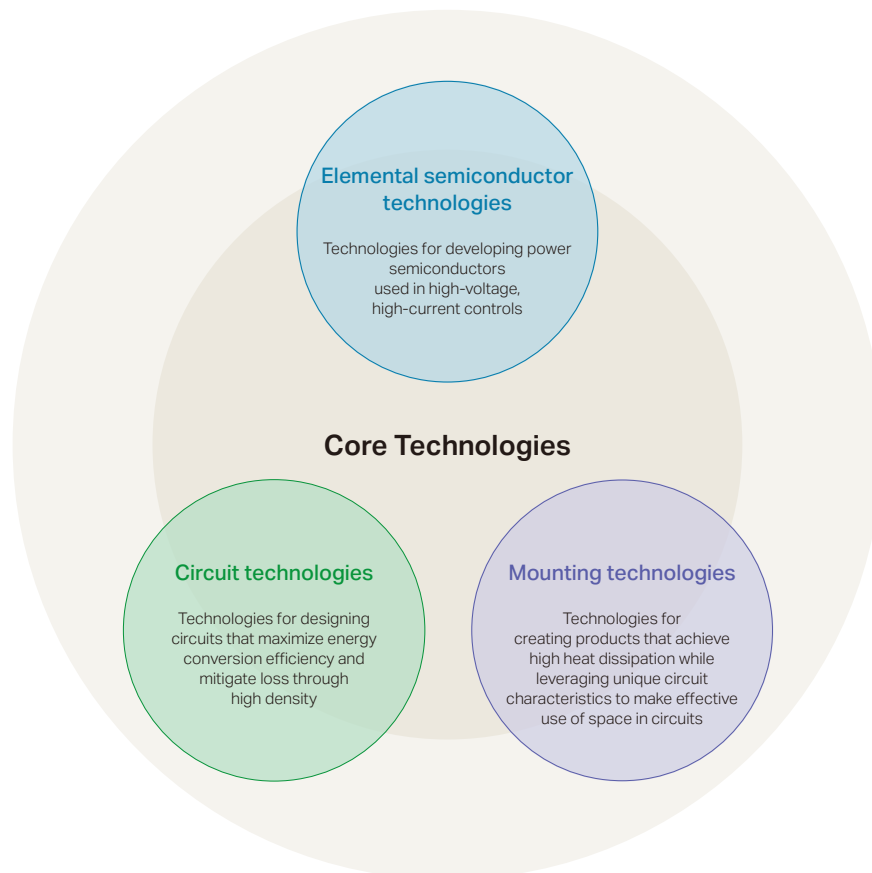
■ The Path to a Sustainable Society

- Providing value through environmentally friendly products
- Harmony between the environment and our business activities
- Creating diverse and fulfilling workplaces (Well-being)

Reference: For details on our initiatives and indicators, please refer to "Non-Financial KPIs" on page 24.

The Three Core Technologies Driving Shindengen's Growth

Shindengen's strengths lie in its elemental semiconductor technologies used in developing power devices, circuit technologies for creating efficient power system products, and mounting technologies, which enable both high quality and high performance in limited space (in terms of both volume and area). By combining these three technologies, we create optimal products that are smaller and lighter.

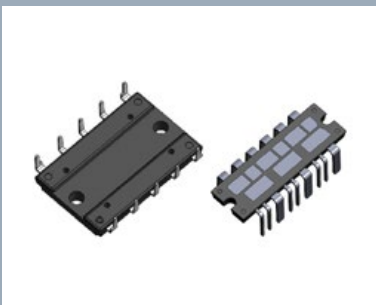


The Three Core Technologies Driving Shindengen's Growth

Growth Driver Expanding our product lineup in the industrial machinery and mobility markets

Power modules

These products package multiple power semiconductors together. In addition to leveraging mounting technologies cultivated in Car Electronics products and Energy Systems & Solutions products, we utilize copper clips to connect electrodes to meet increasing needs for higher voltages and currents. This not only enables us to make products smaller than discrete devices, it also makes mounting easier for customers.



PCUs for electric motorcycles

These power control units (PCUs) control the drive motors in motorcycles, improving handling by detecting various vehicle information in real time, including battery voltage, driving speed and motor speed. These products also contribute to energy efficiency by facilitating smooth acceleration and deceleration.



DC/DC converters for four-wheel vehicles

These power supplies convert high-voltage electricity produced by electric motors in EVs and other eco-friendly vehicles into the low-voltage energy needed for other electric functions in the vehicle. Shindengen develops the main components needed to increase conversion efficiency and reduce size in-house. This includes not only power devices, but also such main components as transformers. By tailoring these components to the requirements of DC/DC converters, we achieve higher efficiency, smaller size, and lighter weight.



Quick chargers for EVs

Quick chargers with higher maximum power output can shorten charging times. Shindengen is leveraging its strengths in power supply technologies to develop chargers with high power output. In addition, by utilizing Shindengen devices in these products, we realize optimal design that achieves both high quality and high performance.

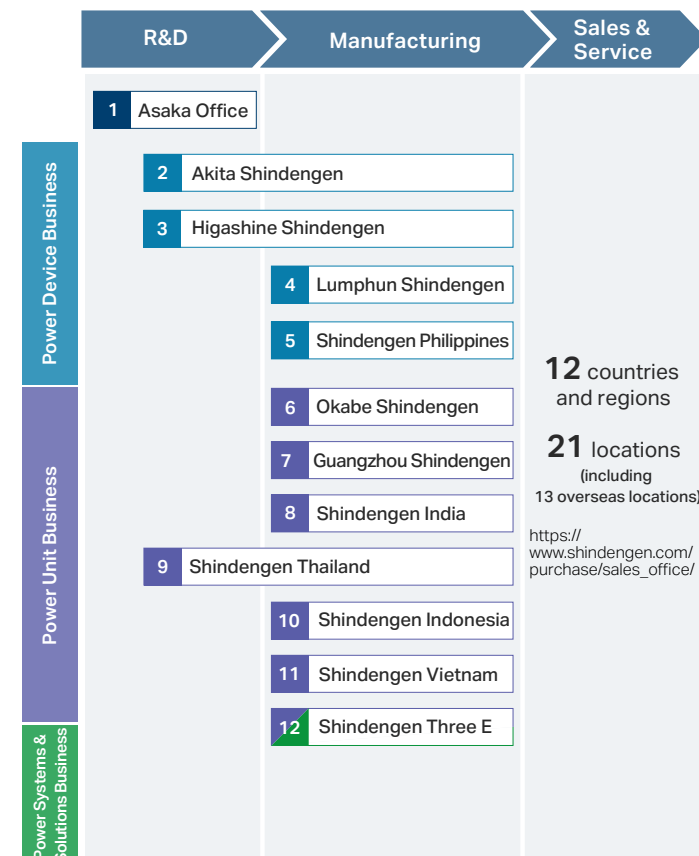
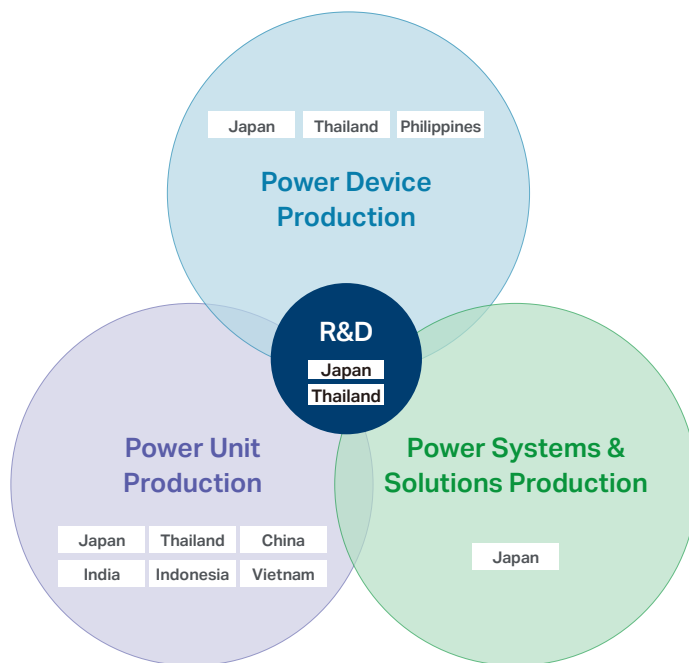


Our Businesses

Business Structure—From R&D to Manufacturing and Sales

The Shindengen Group is currently engaged in the R&D, manufacture and sale of semiconductors, electronics parts, and power supplies in 12 countries and regions around the world.

* Japan, South Korea, United States, Singapore, Germany, Taiwan, China, Thailand, Indonesia, Vietnam, India and the Philippines



Our Businesses

Our Main Products and Markets

Power Device Business

The Power Device Business produces diodes, thyristors, MOSFETs, high voltage power ICs and power modules, among other products.

Main Products and Markets

Products	- Bridge diodes - High-speed rectifier diodes - Thyristors - SIDACs - Power MOSFETs - Power ICs - Power modules
Markets	- Mobility (four-wheel vehicles) - Industrial equipment (factories) - Home electronics (major consumer appliances, air conditioners, lighting, etc.) Composition of Sales by Market (Non-consolidated) Mobility ... 52.4% Home electronics ... 26.1% Industrial equipment ... 16.6%



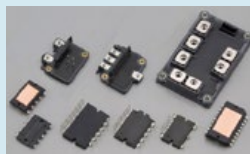
Bridge Diodes



General Rectifying Diodes,
High Speed Rectifier Diodes



Power MOSFETs and Power ICs



Power Modules

Power Unit Business

The Power Unit Business produces motorcycle products, four-wheel vehicle products and general-purpose inverters, among other products.

Main Products and Markets

Products	- ECUs and PCUs for motorcycles - Regulators/rectifiers for motorcycles - Transistor magnets for motorcycles - DC/DC converters for four-wheel vehicles - ECUs for four-wheel vehicles - Inverters for generators - Quick chargers and AC chargers for EVs
Markets	- Mobility (motorcycles, four-wheel vehicles) - Generators Composition of Sales by Market (Non-consolidated) Motorcycles ... 73.2% Four-wheel vehicles ... 22.2% General-purpose inverters ... 4.6%



Products for motorcycles and four-wheel vehicles



PCUs for electric motorcycles



DC/DC converters for four-wheel vehicles and ECUs



EV/PHEV chargers

Power Systems & Solutions Business

The Power System Business produces telecommunications power supplies and EV/PHEV chargers, among other products.

Main Products and Markets

Products	Telecommunications power supplies
Markets	Telecommunications



High-power rectifiers for telecommunications buildings



Outdoor-use and compact rectifiers



Power supply unit for telecommunications equipment

A Message from the Chief Financial Officer



Director and Senior Executive Officer
Osamu Ukegawa

Review of Financial Results for Fiscal 2023 under the 16th Medium-Term Business Plan

In fiscal 2024, the final year of the 16th Medium Term Business Plan, we set targets of ¥117.9 billion in net sales and an operating margin of 6.6%, while promoting various measures to achieve these targets. The Group was, however, unable to adequately adapt to changes in the external environment, such as rising raw material and logistics costs, as well as the delayed shift to electric vehicles in the mobility area. This resulted in challenges such as declining profitability, sluggishness in growth businesses, and a reevaluation of the marketability of environmentally friendly products. In addition, expenses related to the restructuring of the Electronic Device segment had a significant impact on profits and losses,

leading to disappointing results. Net sales amounted to ¥105.4 billion and the operating margin was just 0.1%. We fell far short of the targets.

The 17th Medium Term Business Plan

The 17th Medium Term Business Plan began with fiscal 2025. When it concludes in fiscal 2027, we aim to achieve net sales of ¥120 billion, an operating margin of 5.0%, and ROE of 6.0% under our basic policy of moving into a growth stage by establishing a solid business foundation and improving capital efficiency.

Through our business endeavors, we will contribute to a decarbonization of society and create a virtuous cycle of sustainable growth with a focus on securing stable earnings, returning profits to employees, and creating new added value, with the aim of maximizing human capital value. To this end, we will assign capital costs to operating profit and losses, introduce lateral strategies that support management and business strategies by function, and maximize the effectiveness of our limited management resources. Furthermore, we intend to accelerate the reduction of cross-shareholdings and the disposal of idle assets in order to streamline our balance sheet.

The Company's price-to-book ratio (PBR) continues to be below 1.0, and breaking out of this situation is a pressing issue. By completing the 17th Medium Term Business Plan, we will raise our market valuation and increase our PBR.

• Growth Investment

In terms of growth investment, we are actively pursuing not only organic growth but also non-organic growth through M&A and alliances. Recently, Kyocera Corporation announced that it would spin off its power device business, which will be taken over by the Company. Through this acquisition, Shindengen will improve competitiveness and corporate value by integrating the Group's technical capabilities and products.

The Company is also committed to human capital management

and places great importance on investment in human capital. We believe that the source of value creation for companies lies in the growth of their people. We promote skill development and strive to strengthen sustainable organizational capabilities by improving employee engagement and enhancing training programs.

• Shareholder Returns

With regard to shareholder returns, we consider returning profits to shareholders to be one of our most important management issues. Our basic policy is to distribute profits based on a comprehensive assessment of factors such as internal reserves for maintaining and strengthening our competitiveness in the industry, return on equity, and performance. Under this basic policy, we have decided to maintain annual dividends at 65 yen per share in the fiscal year ended March 2025.

To Our Stakeholders

The Company believes that building trust with its stakeholders requires a sincere review of its 16th Medium Term Business Plan and steady implementation of the strategies and measures set forth in its 17th Medium Term Business Plan, which began in fiscal 2025.

We consider active dialogue with our stakeholders to be extremely important. In particular, we intend to proactively create opportunities for communication with our shareholders so that we can earn their trust and that of the market. Furthermore, we will return to our roots and work to strengthen our brand by communicating our strengths and purpose to the world. We would like to hear the opinions of our stakeholders and discuss the future of Shindengen and its management strategies.

We will continue to make every effort to enhance corporate value and optimize capital efficiency for the sustainable growth of Shindengen. We look forward to your continued support and understanding.

Medium Term Business Plan

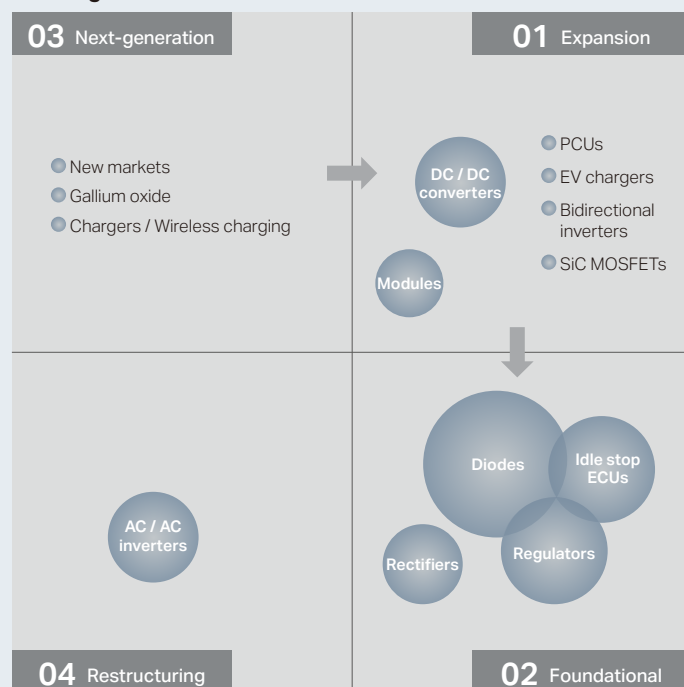
Long-Term Vision 2030

(Fiscal 2021–Fiscal 2030)

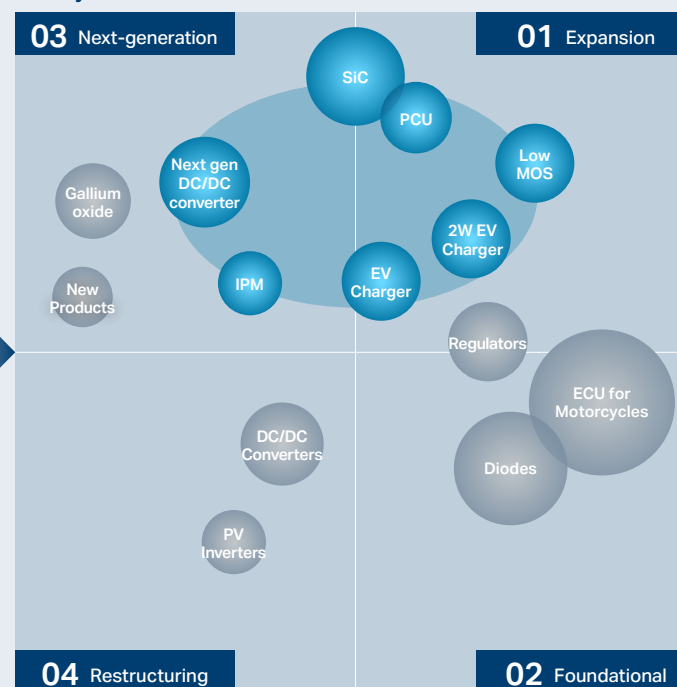
A power electronics company which creates environmentally-friendly cutting edge solutions via innovative technologies, contributes to a sustainable society, and continues to be needed by all stakeholders.

Optimization of Product Portfolios

Existing



In 10 years



01 Expansion businesses

Businesses which serve as drivers for company growth. Proactively invest in these businesses and bring value-added products to market.

02 Foundational businesses

Utilize developed competitive capabilities and track record to support profits.

03 Next-generation businesses

Fields which will support Shindengen's business in the future. Invest resources in fields which allow for application of core technologies.

04 Restructuring businesses

Analyze future trends and revise allocation of resources.

Medium Term Business Plan

The Evolution of Shindengen's Medium Term Business Plans

15th Medium Term Business Plan (Fiscal 2019–Fiscal 2021)	16th Medium Term Business Plan (Fiscal 2022–Fiscal 2024)
■ Management Policy Advancing product strategy for sustainable growth 1. Enhance the competitiveness of mainstay products Reinforce earnings power amid intensifying competition with mega-suppliers, local suppliers and new players by pursuing the following: • Increased productivity • Overall optimization • Quality and added value 2. Develop growth businesses • Effectively utilize external resources to make power modules and electric vehicle-related products our next business pillars • Target the mobility and industrial machinery markets 3. Create next-generation products that are a decade ahead • Move beyond existing business frameworks, possibly utilizing business alliances, to create next-generation products	■ Management Policy Building a foundation aimed at realization of the long-term vision 1. Earnings structure construction (construct systems for affordable manufacturing) We will optimize integrated manufacturing and sales business processes by increasing wafer diameter, automating production lines, and leveraging DX. 2. Building a foundation for expansion (development of unique and appealing products, accelerate market introduction) We will generate new ideas and synergies between businesses to achieve competitive manufacturing. 3. Focus resources on product groups which can reduce greenhouse gas emissions We will promote the transition to a product portfolio that balances business growth and sustainability.
■ Achievements and Challenge Achievements • Acquired new customers in the Indian motorcycle market • Increased earnings power through Groupwide business structure reforms • Secured agreements to supply new products for electrified vehicles • Released the first high-output EV quick charger from a Japanese manufacturer • Developed next-generation devices through external alliances • Developed wireless charging systems • Established the Future Product Development (FPD) Department Remaining challenges • Further increasing the earnings power of the Electronic Device Business (consolidate clean rooms, increase wafer sizes, etc.) • Creating high value-added products and reinforcing earnings power in power modules • Commencing mass production of next-generation devices and expanding lineup of compatible products • Utilizing external resources to accelerate development	■ Achievements and Challenges Achievements • Developed larger-diameter wafers in the Electronic Device business • Developed competitive car electronics using our own device products • Developed distinctive products for EVs Remaining challenges • Enhancing profitability through integrated design-to-sales packages • Enhancing profitability in the Electronic Device business and improving fundamentals through structural reforms • Optimizing resource allocation and improving overall business process performance • Performance pressure due to quality issues • Promoting management mindful of capital costs and stock prices

Medium Term Business Plan 17th Medium Term Business Plan

(Fiscal 2025–Fiscal 2027)

Management Strategy

Moving into a growth stage by establishing a solid business foundation and improving capital efficiency

Earnings structure construction

We will build a system to improve profitability through a total package from procurement to design, manufacturing, and sales.

Concentrating resources on growth sectors

We will concentrate resources on businesses and products that will become future core businesses and nurture them into pillars of our business by 2030.

Development of target markets

We will allocate resources on a priority basis toward developing the Indian market and will undertake this challenge with the full support of the entire company, including both business and non-business divisions.

Promotion of sustainability management

By proactively advancing our business activities and investing in human resources, we will provide environmentally friendly products to society and build a sustainable growth cycle toward the realization of the decarbonization of society.

Power Device Division Group

A Message from the Division Group Head

Launched in tandem with our 17th Medium Term Business Plan, the Power Device segment was designed to reverse performance that had grown sluggish. This new segment originates with the concept of boldly taking on fresh challenges, recognizing that the greatest risk is to remain unchanged. In addition to low-loss, low-noise products that contribute to the decarbonization of society, we have established the Shindengen Power Device brand through the rapid introduction of high value-added products with features that meet market demands, thereby advancing to a new stage of growth.

Officer and General Manager of the Power Device Division Group

Yoshiaki Matsumoto



Segment Overview

We are expanding our business with a focus on the manufacture of power semiconductors used in high-voltage and high-current controls. These devices are increasingly important as power usage increases, reflecting electrification in the automobile market and the growing use of robotics in the industrial machinery market. Diodes, one of our mainstay products, are used in power supply for automobile components, industrial machinery and consumer electronics. MOSFETs, a type of switching device, are used in automobile components and consumer electronics, as well as in motorcycle and four-wheel vehicle ECUs in the Power Unit segment. We also supply power modules for industrial machinery and automobiles, power ICs (integrated circuits) for lighting and automobiles, and other high-performance products.

R&D

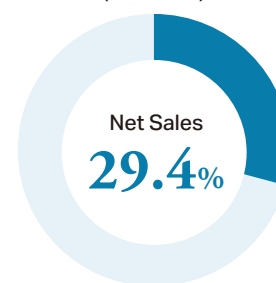
In diodes, we have developed high-efficiency bridge diodes, surge absorption diodes, and SiC-SBD (Schottky Barrier Diodes). Furthermore, we also continued the development of new diode structures that enable larger wafer sizes while reducing costs, and are promoting early commercialization.

In MOSFET products, we have expanded our lineup of second-generation MOSFETs featuring low-noise and low-Ron characteristics for automotive applications, and have increased the range of voltage ratings and packages available. We are also promoting the development of new third-generation technologies. Furthermore, we have completed the development of first-generation SiC-MOS processes and devices, and are now developing a new product series.

In power modules, we developed a SiC-MOS full bridge module that achieves low noise for DC/DC converters for electrified vehicles. We are also promoting the development of fully customized modules that meet the needs of specific customers and MOS modules for in-house motorcycles.

In IC products, we have developed multi-chip ideal diodes and are promoting product development for 48V batteries.

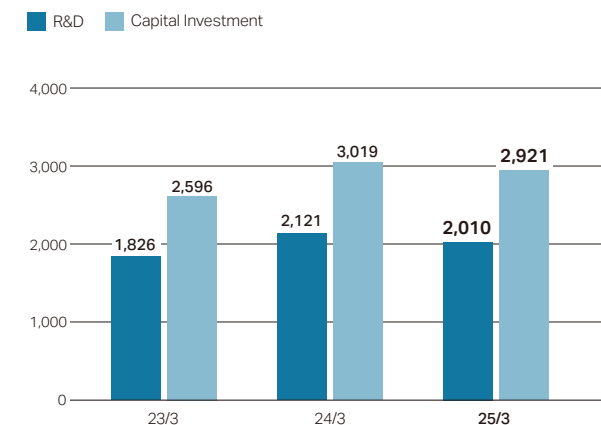
Percentage of total net sales
(Fiscal 2024)



Capital Investment

Segment capital investment went mainly toward expanding production capacity and upgrades at Akita Shindengen Co., Ltd., Higashine Shindengen Co., Ltd. and Lumphun Shindengen Co., Ltd.

R&D and Capital Investment (Millions of Yen)



Power Device Division Group

Results in the Final Year of the 16th Medium Term Business Plan

Opportunities and Risks in the Power Device Business

Opportunities	Risks
- Medium- to long-term demand growth for power semiconductors for industrial machinery and automobiles with the shift to EVs - Growing demand for energy saving and efficiency improvements to accommodate increasing data traffic volumes and processing capacity while meeting global calls for reducing CO₂ emissions	- Soaring prices of materials, fuel, and electricity against a backdrop of international conflicts, etc. - Increased uncertainty due to U.S. tariff policies, damage to global supply chains and related BCP due to U.S.-China decoupling

Power Device Business Strategy and Results

Business Strategy		Results
1. Earnings structure construction	Reduce product costs at the development stage	Minimize costs by such means as using low-cost components and advancing development, including smaller chip size through low-VF and low-Ron design.
	Reduce product costs at the production stage	Increase wafer and lead frame sizes, utilize OEM production, automate and rationalize visual inspection processes, and utilize robotics in manufacturing processes to improve productivity and minimize costs.
	Reduce product costs through management	Promote digital transformation (DX) in production management and process management.
2. Building a foundation for expansion of growth businesses	Quickly release low-loss, high-current, high-voltage products	Reinforce the development of low on-resistance (low-Ron), low-noise MOSFETs, low-VF diodes, and 1,200–1,600 V diodes and MOSFETs, and expand the lineup of products to accommodate all voltages, from low to medium, high, and super high.
	Develop unique elemental technologies and utilize them in product development	Expand the lineup of general-use and semi-custom power modules using our circuit technologies and system mounting technologies.
	Develop products using next-generation devices	Development of SiC-SBD (Schottky Barrier Diodes) and SiC-MOS, as well as product development using proprietary module technologies.
3. Focusing resources on product groups that can reduce greenhouse gas emissions	Develop low-loss, compact and other products that contribute to electrification	Develop eco-friendly products that are both low-loss and compact.
	Reduce energy used by production facilities and factories	Advance upgrades to high-efficiency utility equipment and promote energy conservation in air conditioners.

1 Diodes/Thyristors

- Developed elements and technologies for new-structure general rectifying diodes (planar type and mesa type), and achieved large-diameter wafers and low-cost production in process development. Mass production is scheduled for fiscal 2026
- Developed SiC Schottky barrier diodes, fast recovery diodes with ultra-low injection anode structures, and bidirectional TVS diodes for surge absorption.

2 MOSFETs

Completed process development of EETMOS6 (40V/100V) and realized product development of sixth-generation low-voltage MOSFETs with a new structure that offers low Ron and low noise.

- Established chip thinning technology using the TAIKO process, which, when combined with the above new structure, enables further Ron reduction.
- Completed development of first-generation processes and devices for SiC-MOS, and promoted development of discrete devices and modules.
- Shortened development time through the use of dynamic characteristic simulation (switching, recovery).

3 Power Modules

Established structural technology for SiC-MOS modules that use a low-inductance structure. Optimized internal wiring layout and achieved low noise through a low-inductance structure.

4 ICs

Developed the ideal diode for four-wheel vehicles, which won adoption by a top-tier domestic manufacturer.

Power Unit Division Group



A Message from the Division Group Head

In accordance with the Company-wide policy of the 17th Medium-Term Business Plan, we will establish a solid business foundation by further expanding sales of products for internal combustion engines, while promoting the introduction of new products compatible with electrification. We plan to start up Shindengen India's second factory in 2027 in our target market of India, while also establishing a local development support system to facilitate growth.

Senior Officer and General Manager of the Power Unit Division Group

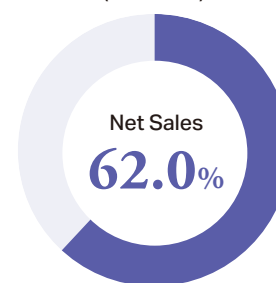
Shoji Chiba



Segment Overview

The Power Unit Business has expanded with a focus on products that mainly handle battery charging, voltage control, and engine control for motorcycles, using semiconductors manufactured in-house by the Power Device segment as key parts. We also supply DC/DC converters for environmentally friendly vehicles, inverters for portable engine generators, and normal and quick chargers for EVs and HEVs.

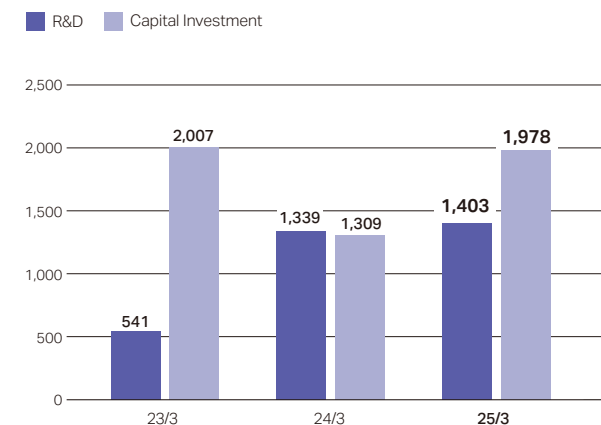
Percentage of total net sales
(Fiscal 2024)



Capital Investment

Segment capital investment was aimed at expanding production capacity at Shindengen India Pvt. Ltd. and other facilities, as well as investments in cybersecurity measures for the development process of in-vehicle ECUs and converters.

R&D and Capital Investment (Millions of Yen)



R&D

In the motorcycle field, we are establishing motor drive control and charging control technologies that eliminate the need for external sensors for internal combustion engine products, as well as engine control technologies that enable the use of biofuels. In electrified vehicles, we have worked to establish technology for power control units (PCUs) equipped with converters capable of direct output to external devices.

In the four-wheel vehicle field, we expanded our lineup of platform power supplies, including the development of high-voltage input, high-output power supplies that incorporate platform technology. We have also begun development of a module-type power supply designed for high power density.

We are establishing technologies to apply increasingly necessary cybersecurity measures to our motorcycle and four-wheel products.

In terms of common mounting technology, we are promoting activities that will lead to faster product development by working to improve simulation technology, such as solder stress analysis and vibration damping estimation.

Power Unit Division Group

Results of the Final Year of the 16th Medium Term Business Plan

Opportunities and Risks in the Power Unit Business

Opportunities	Risks
- Increased volume of electrification-related components for motorcycles due to continued use of internal combustion engines and tightening environmental regulations - Growing DC/DC converter demand due to the spread of electrified vehicles - Increased demand for electric vehicle chargers due to advances in electrification	- Decreased volume of engine-related components due to the electrification of motorcycles and general-purpose machinery - Growing development burden due to the shift from single component supply to multifunctional system unit development and enhanced unit security - Slow growth in demand for electric vehicle chargers due to delays in the spread of electrification, and increased workload due to parallel development of internal combustion engines and electrification

Power Unit Business Strategy and Results

Business Strategy	Results
1. Earnings structure construction	Developed a design capable of producing simple waterproof DC/DC converters on a shared production line as part of our integrated design and manufacturing efforts. Ensured profit levels by passing on price increases for parts and labor costs at appropriate levels.
2. Building a foundation for expansion of growth businesses	Developed PCUs and DC/DC converters in anticipation of the trend toward electrification of motorcycles and four-wheeled vehicles.
3. Focusing resources on product groups that can reduce greenhouse gas emissions	Focused on the development of such products as PCUs for motorcycles that use power devices manufactured by the Power Device segment as key parts, DC/DC converters, chargers, bidirectional inverters that use power source technology (one of our core technologies). Also introduced solar power generation at each of our production sites to promote decarbonization efforts in our manufacturing operations.

1 Products for motorcycles

Developed and started mass production of phase-controlled regulators and various PCUs that make full use of digital control, and ECUs for starter generators for local manufacturers in India

2 Products for four-wheeled vehicles

Full-scale mass production of DC/DC converters for hybrid vehicles



Power Systems & Solutions Division



A Message from the Division Head

We will secure market superiority by expanding our lineup of high-efficiency rectifiers ranging from small to large capacities, in addition to our mainstay HVDC rectifiers, for the telecommunications market. We will also review all processes related to design, production, management, and procurement, as we promote efficiency and optimization with the aim of strengthening our cost competitiveness. As a new market, we will begin developing technologies for DC grid-compatible power supply systems with the aim of realizing products and services required in the power system market.

Officer and Division Manager of the Power Systems & Solutions Division

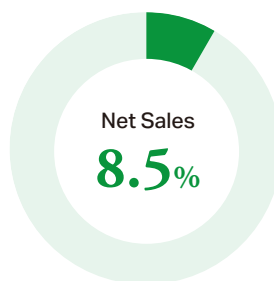
Yoshiharu Yokoi



Segment Overview

This segment offers power supplies and monitoring equipment focused on efficient energy conversion and use based on the Group's wealth of electric power conversion technologies built up over the decades. To meet society's needs as energy diversifies, we will continue to tirelessly advance technological development and quickly realize technologies that can reduce environmental burden in order to help realize a sustainable society.

Percentage of total net sales
(Fiscal 2024)



R&D

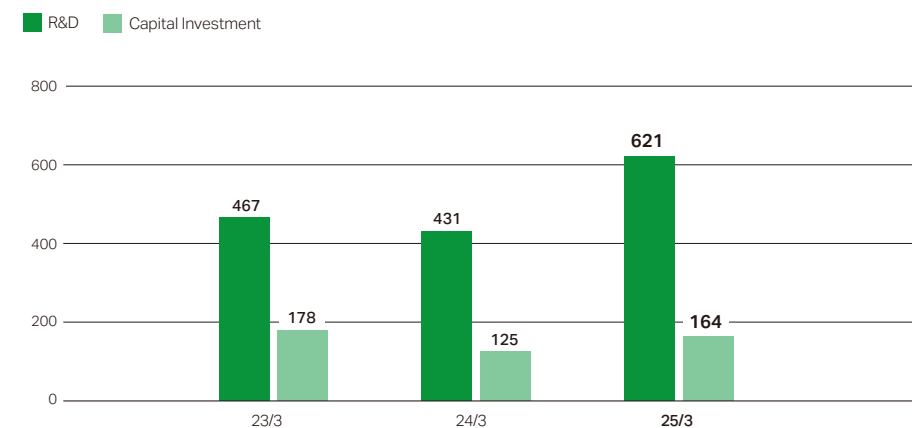
In the field of EV recharging infrastructure, we worked on advancing size reductions for power units and dispenser-type structures for our next-gen products, and developed three-phase V2X systems and metered EV chargers for mass production.

In the information and telecommunications market, we developed rectifiers for large-scale equipment for telecommunications carriers that are more efficient and compact than conventional products, as well as small-capacity inverters that are more efficient and have a larger capacity, in addition to improved environmental resistance.

Capital Investment

Segment capital investment was aimed at expanding production capacity at Shindengen Three E Co., Ltd. in response to growing demand for EV quick chargers.

R&D and Capital Investment (Millions of Yen)



Power Systems & Solutions Division

Results of the Final Year of the 16th Medium Term Business Plan

Opportunities and Risks in the Power Systems & Solutions Business

Opportunities	Risks
• Rising demand for recharging infrastructure alongside the increase in EVs • Growing needs for high-efficiency products due to rising electricity costs	• Decreased profit due to price hikes in components and materials, as well as higher labor and transportation costs, and opportunity loss due to delays in component and material deliveries • Loss of opportunities due to changes in recharging infrastructure subsidy funding

Power Systems & Solutions Business Strategy and Results

Business Strategy	Results
1. Earnings structure construction	Developed power supplies with high power conversion efficiency for telecommunications equipment as we expanded our lineup of products that contribute to reducing the electricity consumption of data centers, telecommunications buildings and mobile base stations.
2. Building a foundation for expansion of growth businesses	• Expanded the product lineup of EV/PHEV chargers (quick chargers and AC chargers) and broaden sales to a wide range of customers. • Developed power conversion devices that alter the charging and discharging cycles of batteries to ensure stable electrical supply and energy saving.
3. Focusing resources on product groups that can reduce greenhouse gas emissions	• The mission of the Power Systems & Solutions Division is to efficiently contribute to the creation of various energy sources in a manner that ensures the safe and secure use of energy. The division contributes to efficient energy use through the development of power-conversion-related efficiency technology and will work to further expand its eco-friendly products.

1 Power supply unit for small stations

Developed a low-profile rectifier device that also takes into consideration the wiring work at installation sites. In addition to doubling the capacity, the conversion efficiency has been improved up to 6% or more, contributing significantly reducing greenhouse gas emissions.

2 Compact 50kW chargers (Compliant with the latest CHAdeMO standard)

Increased the length charging cables can be pulled out to 1,800 mm, improving operability. Significantly advanced size reductions of conventional products by increasing the output capacity of the power supply unit and reducing the number of units mounted.

3 6kW EV AC charging modules (Camouflage AC chargers) and charging system

Developed a charging system that enables connection between specialized 6kW AC chargers and a higher-level server. BLE telecommunications enable charger status and maintenance work to be monitored, and by limiting the charger itself to LED displays only, the customer's installation flexibility is improved. Furthermore, the simple concept specialized solely for charging was highly acclaimed, winning the 2024 Good Design Award.

4 Three-phase V2X system

Developed a V2X device that can be used in conjunction with EVs, renewable energy, storage batteries, and other technologies. Its lightweight design makes it about one-third the weight of competing products, and its natural air cooling structure ensures low noise levels. In addition to its high environmental resistance, it is equipped with a highly safe self-sustained operation function.



Technology & Development Center

A Message from the Center Head

At the core of each of Shindengen's businesses stands power electronics technology. This is also the growth engine driving the Company's medium- to long-term management strategy. We will further enhance the added value and competitiveness of our products through technological advancement and differentiation. In fiscal 2025, we accelerated technological development of next-generation power devices and power units for mobility, as well as created new applications, contributing to business growth.

Officer and Division Manager of the Technology & Development Center
Ryu Sudo



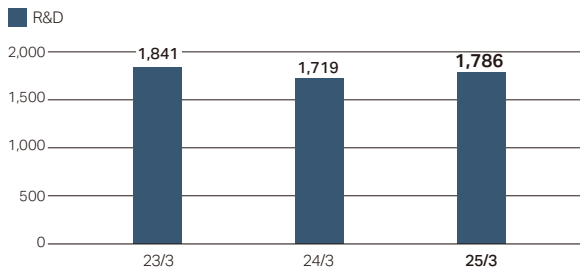
Overview of the Technology & Development Center

The Technology & Development Center handles the basic research and applied research development stages that come before product commercialization. The technological challenges we are working on include developing elemental technologies and prototypes for low-loss devices, module mounting technologies, IC product process technologies, as well as high-efficiency, low-noise power supply circuits. Using simulations, we determine the properties and key points of technologies in development, accumulating knowledge in order to efficiently pass on the results of our work to the business divisions.

R&D

R&D expenses were as follows.

R&D Investment (Millions of Yen)



Results of the Final Year of the 16th Medium Term Business Plan

Technology & Development Center Strategy and Progress

Business Strategy	Results
Our basic technological development strategy was to develop unique and appealing products, pursue open innovation and strictly adhere to development schedules. To realize the Company's Long-Term Vision, we advanced the development of products and technologies with competitive advantages in growth businesses.	In low-loss power devices, power modules and power supply units, we aimed to acquire technologies that enable differentiation from competitors and the provision of new added value. Targeting new markets, we further honed our existing technologies and incorporate outside expertise regarding technologies we do not currently have in order to make product development into a growth engine going forward.

Next-Generation Device Technology

Established product design technology for SiC-MOSFETs and promoted development of GaN and Ga₂O₃ devices.

Device Mounting Technology

Developed a high-density structure, then selected and evaluated highly heat-resistant resin materials as next-generation power module technology. Evaluated sintering materials with high thermal conductivity and high reliability as a bonding technology for semiconductor chips and substrates.

IC Technology

Developed ideal diode ICs and expanded the series lineup. Promoted the development of driver ICs for next-generation power semiconductors.

Power Supply Technology

Established design technology to enable high efficiency and to reduce the size of small inverters for telecommunications equipment and DC/DC converters for automotive use. Promoted the development of ultra-compact DC/DC module power supplies for automotive use.

Robotics Technology

Established technologies such as force control applicable to general-purpose motors, lightweight image recognition that reduces development costs, and a robot arm structure, both compact and lightweight, suitable for use in confined spaces. We expect to exhibit this arm in a robot demonstration at the 2025 Japan Mobility Show. Plans are underway to apply all these technologies to commercial products.

Contactless Power Transfer Technology

Established magnetically resonant non-contact power supply technology for EVs and promoted development of electrically resonant technology.

Simulation Technology

Developed HILS technology that links a simulator modeling vehicle behavior with an actual ECU for the development of an ECU that controls automotive dampers.

Pursuit of Open Innovation/Adherence to Development Schedules

Utilized the expertise of external research institutions and the facilities of universities and related companies in the development of next-generation devices. Actively utilizing external FABs in IC development has improved technical capabilities and shortened product and technology development times.

A Message from the Head of Sustainability Promotion



Officer and Department Manager of Sustainability Promotion Dept.
Isao Matsubara

The Shindengen Group takes an earnest approach to addressing various social issues—such as climate change, human rights, and the Sustainable Development Goals (SDGs)—in the course of its business activities. We believe that contributing to the solution of these issues through our business activities will also lead to increased corporate value.

Based on our management philosophy, “Together with society, our customers, and our employees,” we pursue our corporate mission, “Maximizing energy conversion efficiency for the benefit of humanity and society.” We are committed to developing and providing eco-friendly products.

In fiscal 2025, we identified environmental, social, and governance (ESG) issues and determined the following four key issues for materiality.

1. Providing value through environmentally friendly products
2. Harmonizing business activities with the environment
3. Creating diverse and fulfilling workplaces (Well-being)
4. Strengthening a sustainable, fair, and highly transparent management foundation

With these key issues in mind, we have set specific key performance indicators (KPIs) and clearly demonstrated our contribution to the SDGs by visualizing our progress.

The Group shares its Basic Sustainability Policy among all companies and continues to accelerate its efforts toward solving the global issues facing humanity. Going forward, we will continue to strive to meet everyone’s expectations, and we ask for your continued support.

ShinDengen
New power. Your power.

The Shindengen Group's Basic Sustainability Policy

The Shindengen Group will actively promote ESG (Environment, Social and Governance) management as we pursue our corporate mission. We will contribute to the realization of a sustainable society and strive to enhance our corporate value from a long-term perspective. To this end, we will:

- Contribute toward achieving the goals of “decarbonization,” “a recycle-oriented society,” and “a society in harmony with nature” in line with our Environmental Vision.
- Respect human rights and diversity and strive to improve stakeholder engagement.
- Strive to create a safe and secure workplace that is rewarding to work in through the development of human resources and improvements to the internal environment.
- Conduct management in a fair and transparent manner as we live up to the trust and expectations of a wide range of stakeholders.

Shindengen Electric Manufacturing Co., Ltd.
Established in April 2023

Sustainability

Concept and Initiatives for Sustainability

The Shindengen Group's sustainability lies in fulfilling our promise to "Listen closely, look ahead, and create a future of value," our brand statement of "New power, Your power," and our corporate mission of "Maximizing energy conversion efficiency for the benefit of humanity and society," thereby realizing our management philosophy of being "Together with society, our customers, and our employees."

In the 16th Medium Term Business Plan, we strengthened our corporate social responsibility (CSR) activities from an environmental, social, and governance (ESG) perspective, mainly focusing on risk management, as we promoted the resolution of social issues alongside our business activities. In the 17th Medium Term Business Plan, we have reviewed our materiality from the broader perspective of sustainability, incorporating the element of "opportunity," which we have integrated into our management policy. We will thus strive to achieve sustainable growth, which will increase corporate value, as we contribute to a sustainable society.

For the policies and guidelines of the Shindengen Group, please refer to the following link:
https://www.shindengen.com/csr/sustainability/shindengen_policy/

Governance and Risk Management Concerning Sustainability Overall

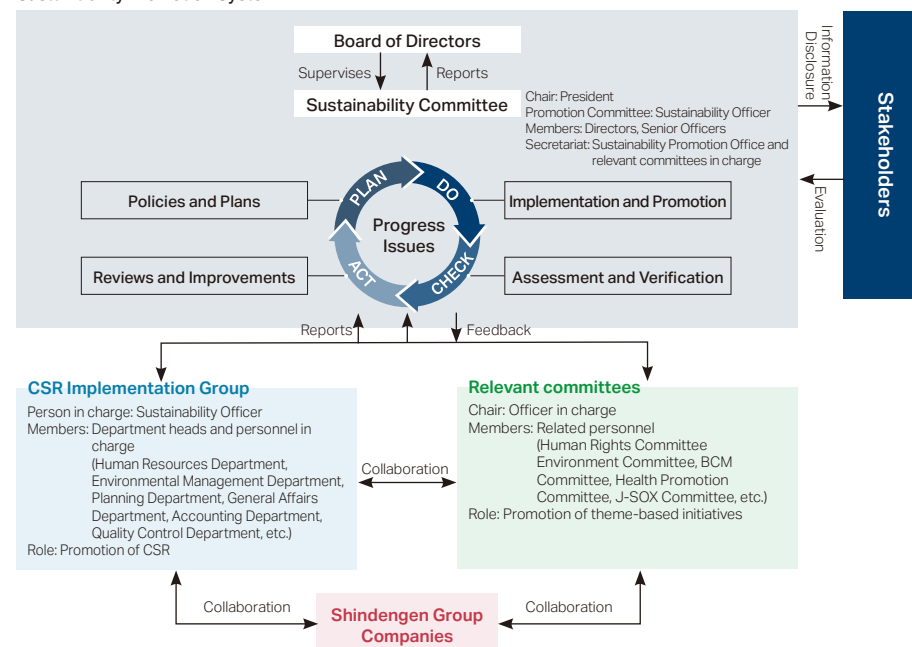
Under our Medium Term Business Plan, we will create sustainable corporate value by implementing the initiatives listed on the right.

ESG Material Issues

1. Providing value through environmentally friendly products
2. Harmonizing business activities with the environment
3. Creating diverse and fulfilling workplaces (Well-being)
4. Strengthening a sustainable, fair and highly transparent management foundation

To address these ESG Material Issues and non-financial issues put forward by the relevant committees, we have established an integrated management system centered around the Sustainability Committee, chaired by the President, with the CSR Implementation Group and various related committees under its jurisdiction.

Sustainability Promotion System



Indicators and Targets

To ensure initiatives are advanced appropriately in line with our Sustainability Basic Policy and Annual Policy, we have defined initiatives, indicators, and targets (KPIs) for each materiality topic.

Materiality
<https://www.shindengen.com/csr/sustainability/sdgs/>

Monitoring

The Sustainability Committee has been bolstering its initiatives for ESG management and SDGs by regularly monitoring the status of KPI achievement and other sustainability-related measures. Please refer to the following for quantitative targets (KPIs) related to materiality.

Initiatives for ESG Management and the SDGs
<https://www.shindengen.com/csr/sustainability/esg/>

Sustainability ESG Material Issues

The Shindengen Group has reviewed its Sustainability ESG Material Issues for its 17th Medium Term Business Plan (FY2025-FY2027) by identifying key social issues that are material to the Group from the perspective of sustainability. The four identified ESG Material Issues are classified into two categories: (1) those that enable sustainable growth and (2) those that contribute to a sustainable society. The first category includes “strengthening a sustainable, fair and highly transparent management foundation,” while the second category includes the remaining three key issues: “providing value through environmentally friendly products,” “harmonizing our business activities with the environment,” and “creating diverse and fulfilling workplaces.”

For the three material issues that contribute to a sustainable society, the Group will establish medium- to long-term targets and report on their progress.



Contributing to a sustainable society



Enabling sustainable growth



Strengthening a sustainable, fair and highly transparent management foundation

Governance and compliance / Risk management / Respect for human rights

The Shindengen Group's Basic Sustainability Policy

The Shindengen Group will actively promote ESG (Environment, Social and Governance) management as we pursue our corporate mission. We will contribute to the realization of a sustainable society and strive to enhance our corporate value from a long-term perspective.

Our Process



Relationship between value chain mapping and SDGs

By addressing key issues across the entire value chain, we will achieve sustainable growth and enhance corporate value, thereby contributing to the resolution of social issues. We shall also strive to reduce the negative impact of our business activities on the environment and society.

Mapping the Relationship between the 16 Key Items in our SDG Focus Areas							
Positive impacts (opportunities)	① Health management ② Health and safety ③ Human capital development ④ Utilization of diverse human capital ⑤ Flexible working styles ⑥ Respect for human rights						
	⑦ Resource recycling ⑧ Coexistence with nature						
	⑨ Intellectual property strategy ⑩ Manufacturing strategy ⑪ DX strategy						
	⑫ Contributing to decarbonization through environmentally friendly products						
Negative impacts (risks)	Procurement of raw materials	Development and design	Production	Distribution	Maintenance	Sales and use	Recycling and disposal
	⑬ Reducing environmental burden (Greenhouse gases, chemicals, waste, water resources, etc.)						
	⑭ Respect for human rights						
	⑮ Risk Management (BCM, information security, intellectual property, import/export management, etc.)						
Negative impacts (risks)	⑯ Governance and compliance						

Non-Financial KPIs

Contributing to a sustainable society: Medium-term goals (10 initiatives and 13 targets)

ESG Material Issues	Initiatives	Targets	Medium- to long-term goals						Relevant SDGs
			FY2025	FY2026	FY2027	FY2030	FY2040	FY2050	
Providing value through environmentally friendly products	Contributing to decarbonization through our products	Contribution to CO ₂ reduction through our products (Consolidated)	700,000t- CO ₂	750,000t- CO ₂	780,000t- CO ₂	—	—	—	  
Harmonizing business activities with the environment	Reduction of greenhouse gas emissions from business activities (Base year: 2021)	Reduced Scope 1 and 2 emissions (Consolidated)	32.0%	35.0%	37.0%	42.0%	73.0%	Net zero	  
		Reduced Scope 3 emissions (Consolidated)	11.0%	13.0%	16.0%	25.0%	—	—	
	Resource recycling and waste reduction	Waste recycling rate (Domestic)	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	 
	Water conservation	Water intake (Consolidated)	Disclosure planned from FY2026						  
Creating diverse and fulfilling workplaces (Well-being)	Ensuring safety and health	Number of serious occupational accidents* (Non-consolidated)	0	0	0	0	0	0	  
	Promoting health management	Periodic health checkup participation rate (Non-consolidated)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	 
	Leveraging our diverse human resources	Percentage of female employees in their 20s (Non-consolidated)	23.0%	24.0%	25.0%	—	—	—	  
		Percentage of men utilizing childcare leave (Non-consolidated)	100.0%	100.0%	100.0%	100.0%	—	—	
		Employment rate of persons with disabilities (Non-consolidated)	2.50%	2.50%	2.70%	Above legal requirements	—	—	
	Human capital development	Career training hours (Annually per person, non-consolidated)	40	41	42	45	—	—	 
	Promotion of flexible working styles	SDK Engagement Index (Non-consolidated)	64.0	65.0	66.0	69.0	—	—	  
	Respect for human rights	Participation rate in human rights training (Non-consolidated)	100.0%	100.0%	100.0%	100.0%	—	—	   

* Serious occupational accident: An accident in which three or more employees are gravely injured or suffer a serious illness in the course of their work, including those who are not on duty.

DX Strategy

We have formulated a DX vision and are conducting business to achieve our Long-Term Vision 2030. By pro-actively promoting digital transformation and creating an environment enabling mutual, automated flows of supply chain data (for managing procurement and sales) and engineering chain data (for managing planning and design), we will implement process-wide reforms and expediently bring products offering even greater value to the market.

DX Vision

We aim to become a power electronics company which utilizes digital technologies to work toward organically linking the engineering chain and supply chain, and which revolutionizes business processes in order to contribute to the realization of a sustainable society and creates new value.

Outline of DX Promotion Initiatives

■ Supply Chain Management (SCM)

Promoting DX in the supply chain is a key initiative that contributes to both improving the Group's overall profitability as well as fulfilling its social responsibilities. We are committed to enhancing our "earning structure construction" by gaining a comprehensive understanding of the entire supply chain and sharing relevant information in real time, thereby achieving waste-free material procurement and efficient production.

■ Engineering Chain Management (ECM)

We believe that achieving a balance between engineering information sharing and expedient development is the ideal way for the manufacturing industry to contribute to a sustainable society, and we will strengthen our R&D system by promoting DX in the engineering chain.

■ Organic linking

We will create an environment in which data from the supply chain, such as procurement and sales, and data from the engineering chain, such as planning and design, can be automatically and mutually exchanged. This will enable us to reform the entire process and deliver products with even greater value to the market in a timely manner.

To that end, we will build a core system and development platform that enables organic collaboration between the engineering chain and supply chain.



Intellectual Property (IP) Strategy

The Shindengen Group views its intellectual property (IP) as an important management resource and, in order to enhance corporate value and achieve sustainable growth, will comply with various laws and regulations related to IP; appropriately manage, acquire, protect, and utilize IP rights; and conduct business while fully respecting the IP rights of third parties. We will also promote the following measures to implement the Companywide Basic IP Policy of the 17th Medium Term Business Plan.

- | | |
|--|--|
| (1) Three-In-One Initiative and IP Mix Strategy | (2) Open Patent Initiatives |
| (3) Counterfeit Products – Zero-Tolerance | (4) Incentive Program for Inventions, etc. |
| (5) Inter-Group Collaboration on IP-Related Activities | |

Companywide Basic IP Policy of the 17th Medium Term Business Plan

A Proactive IP Strategy

Strengthening IP (the source of management resources) and gaining the trust of stakeholders

Priority Measures

1. Enhancing the Group's intellectual property (IP) portfolio

- ① Promoting invention and design applications related to key technical issues
- ② Acquiring IP rights (patents, utility models, designs, trademarks, etc.) related to specific fields of application*1
- ③ Increasing our holdings of IP rights

2. Visualizing and promoting the application of IP holdings

- ① Visualizing the construction of our IP portfolio*2
- ② Visualizing IP citation counts

3. Strengthening the Group's IP

- ① Holding meetings of the Patent Committee and Group IP Liaison Committee
- ② Participating in technical report meetings and discovering inventions, etc.

4. Optimizing IP Costs

- ① Visualizing IP costs
- ② Digital transformation of IP operations and the invention production process

5. IP Awareness

- ① Holding training sessions with experts (both in-house and external)
- ② Encouraging employees to acquire IP-related qualifications and conducting training sessions

*1 Specific fields refer to the following specialized fields.

Co-creation: Co-creation-type IP utilization strategies, open innovation strategies, etc.

Competitive: IP superiority strategies, exclusive rights utilization strategies, etc.

*2 Visualizing through the IP landscape

Environmental Vision 2050

Environmental Vision

Environmental Vision 2050 defines the sustainable society towards which the Shindengen Group aspires as “the decarbonization of society,” “a recycling-oriented society,” and “a society in harmony with nature.” We focus on this ideal not only in the Shindengen Group’s business activities, but throughout our entire value chain; implementing the following initiatives aimed at minimizing

environmental burden by the year 2050. We will also establish the FY2030 Environmental Targets as a milestone toward Environmental Vision 2050, and will contribute to the environment by achieving our SDGs materiality targets.



Environmental Vision 2050		
We believe that only by passing on a beautiful Earth to the next generation can we realize a future of value. We will pursue sustainability to contribute towards achieving the goals of “the decarbonization of the society,” “a recycling-oriented society,” and “a society in harmony with nature.”		
Contributing to the decarbonization of society We aspire to realize the decarbonization of society throughout the entire value chain.	Contributing to a recycling-oriented society We aim to minimize impact on the environment through both efficient resource use and environmentally friendly products.	Contributing to a society in harmony with nature We aim to minimize impact on the environment by continuously strengthening our activities to protect biodiversity.

Environmental Targets in 2030		
Contributing to the decarbonization of society ▼ Reduction of greenhouse gas (GHG) emissions • 42% reduction in Scope 1+2 (compared to FY2021) • “SBT 1.5°C” target • 25% reduction of Category 11 emissions in Scope 3 (compared to FY2021) ▼ Further reduction of CO ₂ emissions through products We will promote decarbonization for CO ₂ emissions resulting from both the Group’s business activities (Scope 1* and Scope 2*) and CO ₂ emissions resulting from the supply chain (Scope 3*).	Contributing to a recycling-oriented society ▼ Maintain a recycling ratio of 99.9% or higher ▼ Strengthen development of environmentally friendly products and technologies We will boost our contribution towards a recycling-oriented society by continuing to focus on effective utilization of limited resources. In addition, we will strengthen the development of environmentally friendly products and technologies, which will lead to more efficient use of energy.	Contributing to a society in harmony with nature ▼ Promotion of water resource preservation ▼ Promotion of nature conservation through the use of FSC-certified paper and other initiatives We will promote the conservation of water resources, which are indispensable for building a society in harmony with nature and are vital to our business activities, and we will enhance our activities to protect biodiversity and forests.

*Scope 1: Direct greenhouse gas emissions resulting from the business (fuel combustion, industrial processes)

*Scope 2: Indirect emissions resulting from electricity, heat, and steam supplied by other companies

*Scope 3: Indirect emissions other than those stipulated in Scope 1 and Scope 2 (emissions generated by other companies in relation to our business activities)

* For environmental objectives and targets, please refer to the following link.



<https://www.shindengen.com/csr/environment/management/>

Our Business Activities and Initiatives to Reduce Environmental Impact

The Shindengen Group is committed to reducing the environmental impact and mitigating the environmental risks of its business activities in areas including global warming countermeasures, chemical substance reduction, waste reduction, and water resource and biodiversity conservation. The following are examples of key activities among the initiatives we undertook in FY2024.

Initiatives to Reduce Energy Consumption

The Shindengen Group is endeavoring to reduce its CO₂ emissions to achieve its environmental targets for FY2030, which were announced concurrently with Environmental Vision 2050.

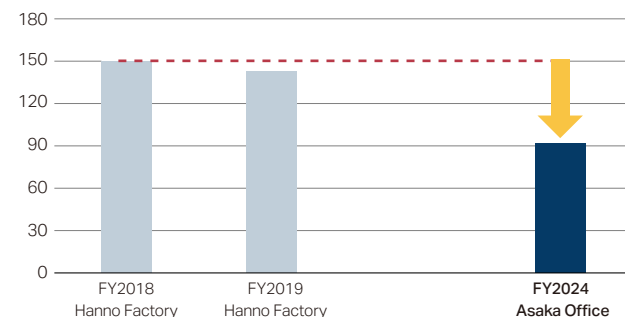
As a participant in the Carbon Neutrality Action Plan, formulated and promoted by Japanese electrical and electronics industries as a voluntary action plan, the Shindengen Group in Japan seeks to improve its energy consumption intensity by a yearly average of 1% or higher and reduce its CO₂ emissions by 46% compared to FY2013. To this end, we have launched initiatives to improve the energy efficiency of our production processes and equipment and to reduce CO₂ emissions in our business activities.

The Asaka Office, which opened in 2021, has significantly reduced Shindengen's energy consumption by consolidating the functions of business divisions and departments that were previously spread across the Otemachi Head Office and multiple buildings at the Hanno Factory into a single building, and by attaining ZEB Ready* building certification.



FY2024 Reduced Energy Consumption Achieved by the Asaka Office Energy Reduction

Energy Consumption(Unit: TJ)



* The Asaka Office acquired ZEB Ready certification as an advanced building approaching ZEB (Net Zero Energy Building), the highest rank in the Building-Housing Energy-Efficiency Labeling System (BELS).

Shindengen Group's Main Energy Conservation Initiatives (FY2024)

LED light installation	Shindengen Electric MFG, Higashine Shindengen, Shindengen Three E, Lumphun Shindengen, Shindengen Thailand, Shindengen Vietnam
Conversion of equipment to inverters, etc.	Shindengen Philippines, Lumphun Shindengen, Shindengen Thailand, Shindengen Vietnam
Improvement of operational efficiency of power regenerators	Shindengen Three E

Adopting Electricity Derived from Renewable Energy Sources

The Shindengen Group is working to adopt electricity derived from renewable energy sources to achieve its goal of carbon neutrality by FY2050.

The following is a summary of the status of renewable energy adoption.

FY2023 25,836MWh ▶ FY2024 37,675MWh (28.0% of the entire Group)

FY2024 Shindengen Domestic Group Renewable Energy Power Contract Status

Shindengen	100%	FY2022 onward
Okabe Shindengen	88%*1	FY2022 onward
Shindengen Three E	10%*2	FY2023 onward
Akita Shindengen	30%	FY2024 onward
Higashine Shindengen	40%	FY2024 onward

*1 Since September 2024, Okabe Shindengen has been operating its own solar power generation facilities to meet 100% of its electricity consumption with renewable energy.

*2 Shindengen Three E's results are for FY2023.

FY2024 Solar Power Generation Equipment Installation Status

Okabe Shindengen	449 MWh (September 2024 onward)
Shindengen India	360MWh
Lumphun Shindengen	760MWh
Shindengen Thailand	FY2025 introduction planned (under consideration)
Shindengen Indonesia	FY2025 introduction planned (under consideration)
Guangzhou Shindengen	FY2025 introduction planned (under consideration)

* Please refer to the following website for information on our efforts to reduce CO₂ emissions through the supply of our products.

<https://www.shindengen.com/csr/sustainability/esg/>

* Please refer to the following website for information disclosure based on the TCFD recommendations.

<https://www.shindengen.com/csr/environment/tcfd/>

Contributing to a Recycling-Oriented Society and a Society in Harmony with Nature

Biodiversity Initiatives

Recognizing the importance of biodiversity in relation to its business activities, Shindengen trains all employees at its Asaka Office using "Let's Study Biodiversity Ver. 2," an educational tool developed by the Japanese electrical and electronics industries. As part of the Company's forest protection efforts, we use FSC-certified paper for our brochures and product catalogs and serve Rainforest Alliance-certified coffee in our employee cafeteria. Through these initiatives, we are working to preserve the habitats of local flora and fauna.

Our overseas Group companies actively participate in afforestation activities held annually by municipalities and local communities. They also endeavor to increase the area of green space and trees planted on their factory grounds and preserve the habitat of flora and fauna surrounding their offices.

Lumphun Shindengen took part in an afforestation project in Mae Takhrail National Park, located in Lumphun Province, as part of its efforts to contribute to the conservation of the local ecosystem and the realization of a sustainable society. Mae Takhrail National Park boasts a rich natural environment located near Chiang Mai and is also known as the headwaters of the Ping River, which flows through northern Thailand. This highland area is home to a variety of plants and precious wildlife and plays an important role in biodiversity conservation.

Through such activities to preserve the natural environment, the Company is committed to fulfilling its responsibility to the global environment.



Mae Takhrail National Park
Afforestation Project
(Lumphun Shindengen)



Afforestation Activities
Afforestation at a Buddhist temple
(Lumphun Shindengen)

Plastic Reduction Initiatives

The Shindengen Group in Japan is committed to protecting the environment by replacing or reducing the use of plastic, with each company setting specific targets for this initiative.

Asaka Office conducted internal briefings centered on the Act on Promotion of Resource Circulation for Plastics (the Act), which went into effect in 2022. This allowed us to raise the awareness regarding plastics of all our employees and deepen their understanding of future initiatives.

Our criteria for product design include provisions for plastic reduction, which we utilize to develop product design based on the Act's Guideline for Design of Plastic-containing Products.

Meanwhile, individual domestic Group companies have set targets relevant to them, such as packaging reduction, selecting recycling operators, and increasing the recycling rate through improved sorting.

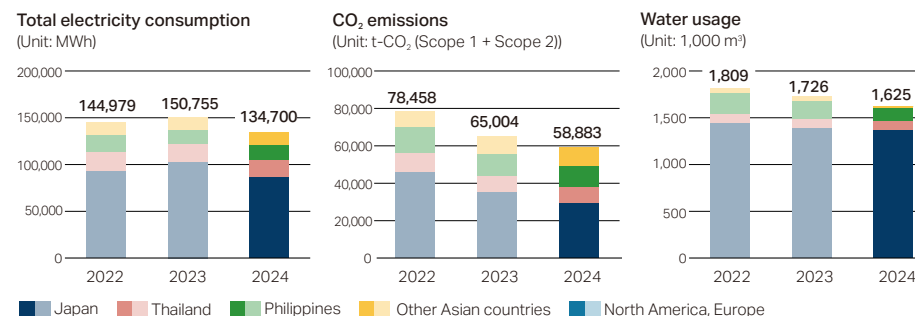
For example, we promote reusable plastic for product transportation and replace various disposable plastics used throughout the Company with reusable ones.

Water Conservation Initiatives

The Shindengen Group considers sustainable water conservation initiatives, including water recycling, to be necessary to address the global water shortage caused by factors such as population growth and climate change. The Group's water conservation initiatives involve a variety of efforts tailored to the local environment and business conditions at each of our domestic and overseas companies.

Shindengen Philippines is engaged in water recycling, maintaining a recycling rate of over 20% through both heating and recovery processes. Shindengen Indonesia purifies water used for bathing then uses it to water plants throughout the factory grounds.

Key Environmental Data



*Please refer to the following websites for additional environmental data.



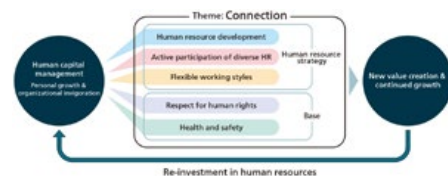
<https://www.shindengen.com/csr/esgdata/>

<https://www.shindengen.com/csr/environment/data/energy/>

Human Capital Management

Human Capital Management Initiatives

The Management Philosophy of the Shindengen Group is “together with society, our customers, and our employees.” We are therefore pursuing human capital management initiatives based on the belief that people’s growth is the source of our corporate value creation and that the diverse and autonomous fusion of various forms of knowledge will lead to the creation of new value and continued growth, and we are implementing our human resource strategy under the theme of “connection” with the aim of realizing “personal growth and organizational invigoration.”



Human Resource Strategy: Personal Growth and Organizational Invigoration

The goal of our human resource strategy aims to realize “personal growth and organizational invigoration.” Through this strategy, we are aiming to create an environment in which every one of our diverse range of employees feel rewarded in their work and is able to freely exercise their capabilities and in which we will create new value through the fusion of autonomous knowledge from individuals.

Theme: Connection

Shindengen’s human capital management comprises five fields: a foundation of “respect for human rights” and “health and safety” alongside the fields for action in our human resource strategy of “human resource development,” “empowerment of a diverse range of human resources,” and “expansion of flexible working styles.” The theme of “connection” has also been adopted with the aim of restoring both connections between people and connections between departments as these bonds were weakened by the COVID-19 pandemic and telecommuting.

Human Resource Development

Shindengen faces a significant challenge in securing outstanding human resources amidst a declining workforce. We are therefore pursuing greater diversity in our recruitment, including the hiring of recent graduates with work experience. We are also promoting an in-house side job system and providing career development support to give our employees more opportunities to demonstrate their skills through various career training, division-specific and theme-based training, and reskilling in order to improve the retention rate of young employees and to train successors.

Promotion of Diversity

Through the creation of a safe and secure working environment, we seek to create an organization where all employees can leverage their individuality and strengths. Based on this idea, the Company is promoting the following initiatives to achieve diversity.

- | | |
|--|--|
| a. Supporting the career development of our female employees | Advancing female employee recruitment |
| b. Promoting the active participation of our senior employees | Mandatory retirement age of 65 (Company policy) |
| c. Promoting the active participation of employees with disabilities | Follow-up measures after employment |
| d. Supporting the success of our foreign employees | Appointing local managers at overseas subsidiaries |
| e. Realizing equality for minorities | Diversity training |

Expanding Flexible Working Styles

a. Improving engagement

We have established a proprietary engagement index leveraging a self-reporting system that is run based on our talent management system, and we are striving to improve this index by implementing age- and workplace-responsive measures.

b. Improving psychological safety in the workplace

We are implementing measures to revitalize workplace communication. We are also working to revive, such as by designating in-person/office-based workdays, connections between employees that otherwise tend to diminish due to the expansion of telecommuting.

c. Promoting work-life balance

We are striving to provide our employees with a comfortable working environment through a combination of telecommuting and flextime systems, long-term career leave based on years of service, mandatory uptake of 5 days of paid leave per year, and maximum limits on overtime.

Respect for Human Rights

The Shindengen Group has established a human rights policy that emphasizes respect for human rights, provides human rights-related training in areas such as harassment and diversity, and mandates human rights risk assessments, including regular human rights due diligence in our supply chain.

Health and Safety

The Shindengen Group recognizes the importance of promoting health and safety, and is working to constantly improve occupational health and safety as well as to provide safe and healthy working environments for its employees. We have established the Occupational Health and Safety Policy, and have obtained ISO 45001 certification, the international standard for occupational health and safety management systems. We also promote health management and have been recognized among the 2025 Outstanding Organizations of KENKO Investment for Health.

Supply Chain Management

Major Sustainability Initiatives in the Supply Chain

The Shindengen Group, in its efforts to promote sustainability initiatives throughout the supply chain, has established the Shindengen Group Supply-Chain CSR Promotion Guidelines, using the JEITA* Responsible Business Conduct Guidelines as a reference, as well as adopting the Shindengen Group Materials Procurement Policy, to promote sustainability initiatives throughout the supply chain.

* Japan Electronics and Information Technology Industries Association



Shindengen Group Supply-Chain CSR Promotion Guidelines
https://www.shindengen.com/csr/files/docs/Supplychain_Guideline_E.pdf

Building Partnerships

Shindengen endorses the intent of the Council on Promoting Partnership Building for Cultivating the Future promoted by the Cabinet Office and the Small and Medium Enterprise Agency. We have also introduced the “Declaration of Partnership Building” with the aim of establishing new partnerships by pursuing cooperation, co-existence, and co-prosperity with our supply chain business partners and value-creating business operators.



Declaration of Partnership Building
<https://www.shindengen.com/csr/social/csrguidebook/partnership/>

Human Rights for the Supply Chain

The Shindengen Group's Initiative for Responsible Minerals Trade

Human rights violations are occurring in the excavation of conflict minerals (gold, tantalum, tungsten, and tin), which are being used as a source of funding for armed conflict, in the Democratic Republic of the Congo and neighboring countries.

The final rule of Article 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), which was adopted and announced by the U.S. Securities and Exchange Commission (SEC) on August 22, 2012, stipulates that all public companies in the United States must report to the SEC whether their products contain conflict minerals.

Shindengen is under no obligation to submit such a report to the SEC. However, from a humanitarian perspective, the Shindengen Group is committed to clarifying whether its products contain conflict minerals and is taking steps to eliminate them. Furthermore, as mineral sourcing issues are expanding beyond areas of conflict, and to address the risks outlined in Annex II of the OECD Guidance, we will promote responsible mineral sourcing throughout the supply chain for minerals sourced from areas of conflict and high-risk areas to limit involvement in serious human rights violations and environmental pollution.

Human Rights

Human Rights Due Diligence

We conduct human rights due diligence in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs) to ensure that the human rights of all stakeholders affected by our business activities are respected.



Human Rights of Our Employees

Labor Union Relations

Shindengen and its domestic Group companies actively maintain forums for discussion with labor unions, Shindengen employees, and management. Shindengen has signed a collective agreement with the labor unions to guarantee the rights of all members. We constantly strive to maintain mutual understanding between employees and management by regularly convening labor-management meetings to discuss various working conditions and management issues such as living wage assurance.

Employee Consultation

The Shindengen Group (domestic) has established a support desk where employees and their families can receive specialist counselor advice for daily anxiety, stress, and other issues. Educational mental health workshops are also provided to all employees.

Zero Tolerance for Sexual and Power Harassment

The Shindengen Group has a zero-tolerance policy towards sexual harassment and/or power harassment. The Shindengen Group Action Guidelines have been put in place to effectively manage any instances of such harassment.

With the aim of preventing disruption to workplace order, interference with work, and the loss of valuable human resources, we invite external lecturers to conduct harassment training for all employees. This training is designed to raise awareness that anyone can become a victim (or perpetrator) of harassment, to promote understanding of harassment, and to develop communication skills for its prevention.

Occupational Health and Safety

Promotion System

The Shindengen Group, recognizing the importance of promoting health and safety, maintains its efforts to improve occupational health and safety and to provide safe and healthy working environments for its employees.

Chaired by the safety promotion officer, the Central Health and Safety Committee, in accordance with the Occupational Health and Safety Policy, strives to ensure the safety of all employees, maintain and promote their physical and mental health, and create a comfortable working environment.



Shindengen Group Occupational Health and Safety Policy
https://www.shindengen.com/csr/sustainability/shindengen_policy/

Acquisition of ISO 45001 Certification

Shindengen's Asaka Office (Asaka City, Saitama Prefecture), Okabe Shindengen Co., Ltd. (Fukaya City, Saitama Prefecture), and Shindengen Thailand (Thailand) have each obtained ISO 45001 certification, the international standard for occupational health and safety management systems.

ISO 45001 set the standard for the construction and operation of systems that provide safe and healthy workplaces and prevent injuries and diseases related to worker labor. Since its publication, this has become a global standard. The Shindengen Group is committed to improving occupational health and safety, upgrading work environments with a focus on employee health and safety, enhancing productivity, and ensuring business continuity.



Company	Certifying agency	Registration number	Effective until
Shindengen Electric Manufacturing Co., Ltd. Asaka Office, Okabe Shindengen Co., Ltd.	JQA	JQA-OH0364	2028.3.24
SHINDENGEN (THAILAND) CO., LTD.	UKAS	TH021209	2026.8.31

Occupational Health and Safety Activities

In FY2024, Lumphun Shindengen (Thailand) received the National Excellent Award for Safety, Occupational Health, and Environment Management System for the 22nd consecutive year. Enterprises that inspire others through their outstanding occupational accident prevention efforts and continuous efforts toward improving workplace environments are given this award. Lumphun Shindengen has long since maintained its educational activities aimed at raising employee safety awareness and community-based activities related to traffic safety and health management, garnering high praise. The Group will continue to prioritize the creation of safe and secure workplaces as we strive to strengthen occupational health and safety activities across the globe.

Traffic Safety Activities

The Shindengen Group regularly conducts traffic safety training programs to raise employee awareness and ensure their safety. We are also implementing various initiatives designed to reduce traffic accidents in local communities. Okabe Shindengen contributes to the safety and security of its local community through the donation of various items with reflective surfaces for pedestrian use to students at nearby elementary schools.

Hailed as an organization that excels in addressing traffic safety problems, Lumphun Shindengen received the Prime Minister Road Safety Award from Thailand's Prime Minister in December 2021. The company's traffic safety initiatives, which have been conducted since FY2022, include free inspections of the cars and motorcycles of its employees and lessons on safe driving offered in cooperation with local companies.



Free inspection of commuter motorcycles (Lumphun Shindengen)



Donation of various items with reflective surfaces for pedestrian use to nearby elementary schools (Okabe Shindengen)

Risk Assessment Training

Shindengen has established workplace health and safety committees and provides risk assessment training to members of its committees. We strive to prevent workplace accidents and disasters by identifying potential risks and hazards and by implementing controls to prevent, eliminate, and mitigate them.

In FY2024, there were no fatal accidents or serious occupational accidents resulting in permanent disability.

Health Management

Promotion System

The Shindengen Group regards the physical and mental health of its employees as an important management issue. Since March 2024, the “Health Declaration” and the Health Promotion Committee, chaired by the officer in charge of safety promotion, have been in effect. In FY2024, Shindengen’s Asaka Office conducted voluntary checks for employees of blood vessel age, vegetable consumption, and bone strength as a means of encouraging interest in dietary habits and health. Shindengen Three E and other Group companies also hold health seminars. The Shindengen Manufacturing Health Insurance Association also works to provide opportunities for exercise, such as group participation in the Chichibu Mountain Pass Walk organized by Saitama Prefecture’s Health Insurance Federation.



Shindengen Group Health Declaration

In order to realize the “creation of new value and continued growth,” the Shindengen Group is committed to improving the physical and mental health of our officers, employees, and their families who form the cornerstone of our growth. By promoting health management of our employees, we are preventing productivity losses due to ill-health and disease, and are creating a valuable future by stimulating the autonomous improvement and growth that drive our innovation.

Nobuyoshi Tanaka, President
March 2024

Health Management Strategy Map

The Shindengen Group has created a “Health Management Strategy Map,” which demonstrates the quantitative results of its health management initiatives and activities, and conducts PDCA cycles of those activities. We have defined creating new value and achieving sustainable growth as management issues to be addressed through health management. To this end, we are implementing various health promotion measures to achieve “individual growth and organizational vitality” as well as to strengthen connections between people and between departments.



Health Management Strategy Map <https://www.shindengen.com/csr/social/healthcare/>

Acquired Certifications (Shindengen)

Outstanding Organizations of KENKO Investment for Health

Shindengen has been recognized as a company that practices excellent health management and, in March 2025, was included in the large enterprise category of the 2025 Outstanding Organizations of KENKO Investment for Health by the Ministry of Economy, Trade and Industry and the Japan Health Conference.



Sports Yell Company

Shindengen has been designated as a “Sports Yell Company 2025” by the Japan Sports Agency for its efforts to promote exercise in the workplace.



Health Promotion Initiatives



Healthy Navi (Blood vessel age check)
(Shindengen Asaka Office)



Stretching Seminar for Fall Prevention
(Shindengen Asaka Office)



Women's Health Maintenance and
Promotion Exercise Class (Yoga)
(Shindengen Asaka Office)



Sports Festival
(Lumphun Shindengen)

Consumer Issues

Product Quality and Safety

The Shindengen Group strives to ensure product quality and safety by establishing a strict management system that integrates product planning, design and development, manufacturing, and quality assurance departments in order to provide our customers with safe, high-quality products.

Medium-Term Company-wide Quality Policy (FY2025–FY2027)

Back to basics

"We respond to our customer's trust with refinement on the all our technologies."

 Basic Policy on Product Safety https://www.shindengen.com/csr/sustainability/shindengen_policy/

Quality Control System & Acquisition of Third-Party Certification (Efforts to Enhance Trust)

The Shindengen Group's domestic and overseas production bases have acquired ISO 9001 series and IATF 16949 certification, which are international standards for quality management systems, and are committed to contributing to sustainable consumption and enhancing customer satisfaction and trust.

 ISO 9001 & IATF 16949 Certification Status <https://www.shindengen.com/company/iso/iso9001/>

Promoting Initiatives for Improvement

Every year, representatives from our Group's factories and other facilities gather in Japan to participate in the Shindengen Group Improvement Presentation which provides an opportunity to share the results of improvement initiatives undertaken

across the Shindengen Group. As we share information through these presentations with improvement examples, we strive to improve quality by combining the Group's collective manufacturing expertise.



Shindengen Group Improvement Presentation
(Shindengen Asaka Office)

Local Community Involvement

Shindengen Group's Social Contributions in Partnership with Local Communities

The Shindengen Group, with its aim to become a global enterprise, actively pursues employee-oriented initiatives that contribute to local communities, thereby establishing a strong presence in each region.

Lumphun Shindengen is based in Thailand, where close ties between Buddhist temples and the Thai people are a feature of life. As part of its safety initiatives, the company donated fire extinguishers and provided training on their use to local temples.

In India, vaccines were provided by Shindengen India to public medical institutions in the region, helping to ensure that medical services reached people facing economic hardship.

And in Indonesia, in conjunction with the important Islamic religious holiday of Islam Eid al-Adha, Shindengen Indonesia donated cattle to local mosques and schools. Furthermore, at the end of Ramadan, the company engaged in activities that reflect local customs, such as distributing gifts to employees, police, and military personnel.

These initiatives represent an important step toward building a brighter future together, not merely through material support, but also by deepening relationships of trust with local communities. The Shindengen Group will continue its efforts to grow alongside local communities and contribute to the realization of a sustainable society.



Donation of fire extinguishers
(Lumphun Shindengen)



Vaccine support
(Shindengen India)

Contributions to Education

In order to support the children who will shape the future, the Shindengen Group provides various forms of assistance to educational institutions. Shindengen Vietnam collaborated with other companies in the same industrial park to award scholarships and donate equipment to local elementary and junior high schools. Shindengen Philippines donated research equipment to the University of the Philippines for the purpose of supporting education and research. Going forward, the Shindengen Group will continue its efforts to improve learning environments in cooperation with local communities.



Donation of research equipment
(Shindengen Philippines)



Scholarship awards
(Shindengen Vietnam)

Corporate Governance

Corporate Governance [Our Basic Stance]

Corporations are required to engage in effective governance that embraces transparency and compliance. Shindengen's basic policy is to maintain and continually improve its management system to enable prompt and precise responses to the rapidly changing operating environment. In addition, by separating management and execution, we allow for the coexistence of rapid decision-making and improved oversight of business execution while enhancing the effectiveness of the internal control system through which the Audit & Supervisory Board conducts independent audits. The management organization of our corporate governance system consists of a group of bodies serving different functions and includes the Board of Directors, the Management Committee, the Audit & Supervisory Board. These bodies pursue organic Group management through rapid decision-making and efficient business activities. Regarding information disclosure, we continually strive to strengthen IR activities to enhance the fairness and transparency of management.

Steps toward Corporate Governance Enhancement

Shindengen conducts business in line with its management philosophy of "Together with society, our customers, and our employees" and in a manner that values all of its stakeholders. Our management team is highly motivated, ethical, and committed to improving corporate value and ensuring compliance through efficient and transparent management.

Steps toward Corporate Governance Enhancement

2006	Introduced an executive officer system
2013	Established a CSR Committee
2014	Introduced an outside director system
2017	Established a Compliance Committee
2019	Abolished stock option system Introduced restricted stock compensation system
2021	Established Nomination and Compensation Committee Appointed female outside directors and outside Audit & Supervisory Board members
2022	Moved to Prime Market following revision of Tokyo Stock Exchange market classification
2023	Renamed CSR Committee to Sustainability Committee

Compliance with the Corporate Governance Code

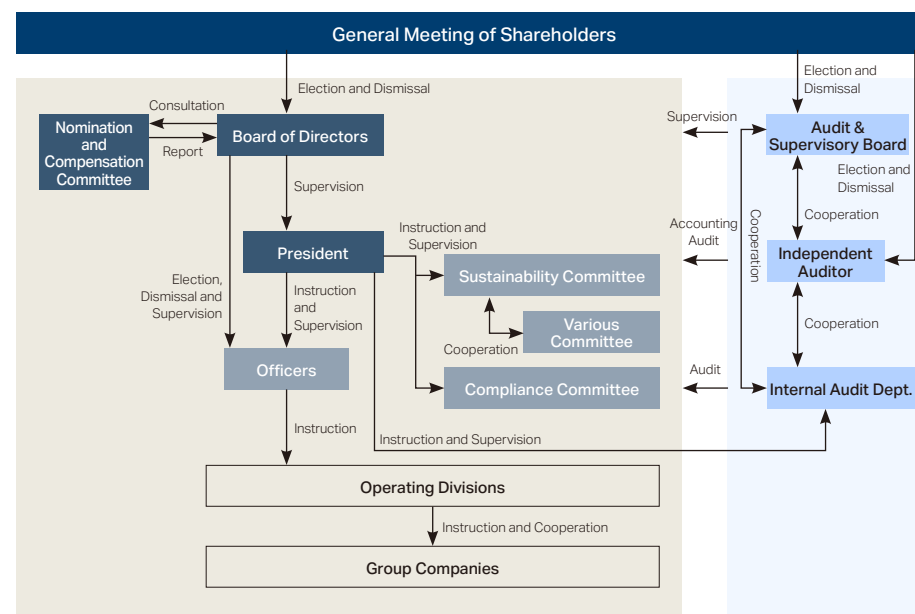
Shindengen seeks to meet the expectations of and build trusting relationships with diverse stakeholders including customers, shareholders, investors, suppliers, employees, government and administrative agencies, and local communities. We are committed to engaging in appropriate dialogue with stakeholders and providing information disclosures and explanations in accordance with the Corporate Governance Code.

In November 2021, we established a Nomination and Compensation Committee as an advisory body to the Board of Directors. It consists of two outside directors and the Representative Director. The committee considers and debates topics, such as director nominations and appropriate compensation, and reports to the Board of Directors as required. We are working even harder to strengthen our governance structure in light of that.



Corporate Governance Report <https://pdf.irpocket.com/C6844/gaLs/km84/GBRm.pdf>

Corporate Governance System (as of April 2025)



Corporate Governance

Approach to Compliance

The Shindengen Group considers strict compliance with competition and anti-bribery laws and regulations in its domestic and overseas companies as one of its top priorities and promotes the creation of a system capable of adapting to changes in social values. The Compliance Committee chaired by the President was formed in order to establish, maintain, enhance, supervise, and

improve compliance management at Shindengen, and to support the establishment, maintenance, enhancement, and improvement of compliance management at domestic and overseas Group companies. To date, the Committee has undertaken the following initiatives.

Thorough Dissemination of the Shindengen Group Guidelines for Action

These revised guidelines, disseminated to all employees of Shindengen Group companies via our intranet, regard behavior that must be observed primarily under competition laws and bribery regulations. To ensure that everyone is thoroughly informed and in full understanding, our overseas Group companies translated the Guidelines for Action into the local language of their host country.

 Shindengen Group Guidelines for Action <https://www.shindengen.com/csr/governance/guidelines/>

Establishment of the Compliance Committee

The Compliance Committee, which is an inter-departmental body that includes senior management, meets regularly to identify risks, discuss countermeasures, and finalize decisions.

Competition Law Initiatives

As the main promotion body, the Compliance Committee continually conducts PDCA cycles to build a compliance program for Competition Laws. Specifically, the Committee established rules for complying with antitrust laws, rules for interacting with competitor companies, and a manual for applying for penalty reductions and exemptions; provided cooperative support to overseas Group companies on preparing corresponding rules; and regularly provides in-house education and training to sales departments.

Bribery Prevention Initiatives

To prevent bribery, we provide in-house education and training to sales departments while preparing the in-house rules and manuals (including bribery prevention rules and rules related to providing gifts or benefits to foreign government officials), similar to our initiatives undertaken regarding Competition Laws.

Initiatives for the Act on the Protection of Personal Information

- The Compliance Committee also takes the lead and works to comply with the Act on the Protection of Personal Information, ensuring compliance with relevant laws and regulations in Japan and overseas.
- We amended our privacy policy and internal rules and updated our operations manual, outsourcing contract forms, and other documents to align with the 2020 Personal Data Protection Act. In light of the importance of fully assessing the status of personal data held by each division, we conduct Companywide mapping of personal data. In terms of internal education and training, we conduct two internal online seminars that explain the main revision points of the 2020 Personal Data Protection Act as well as our compliance measures.
- We regularly assess the content of laws and regulations in each country where overseas Group companies are located and, going forward, will continue working to respond to data protection regulations in our capacity as a corporate group.

 Privacy Policy <https://www.shindengen.com/privacypolicy/>

Operation of a Whistleblowing System and Corporate Ethics Hotline

A system is in place that accepts whistleblower reports via internal and external hotlines, and cases are investigated and addressed by staff in collaboration with experts, with the protection of whistleblowers as a priority.

Implementation of Training and Awareness Initiatives

All employees are encouraged to improve their compliance awareness through e-learning and group training. In particular, training tailored to the roles of new employees and managers is being enhanced.

Corporate Governance

Authority and Role of the Nomination and Compensation Committee

To improve the supervisory functions of the Board of Directors and enhance our corporate governance system by further establishing the objectivity and transparency of the procedures concerning the nomination and compensation of directors, Shindengen established a Nomination and Compensation Committee as a voluntary advisory body to the Board of Directors.

The majority of the Committee is made up of independent outside directors, one of whom also serves as the chairperson.

Officer Compensation

The basic policy behind Shindengen's director compensation is that the compensation system should be linked to shareholder profit so that it can function sufficiently as an incentive to work towards sustained growth in corporate value, and that compensation for each director should be set at an appropriate level that reflects their individual responsibilities. Specifically, compensation for directors (including outside directors) is composed of monetary and non-monetary compensation.

Monetary compensation is made up of basic compensation (fixed compensation) and variable compensation (performance-based compensation) that depends on the fiscal year's performance and medium- to long-term performance. Performance-based compensation is based on a combination of short-, medium-, and long-term indicators and ESG-oriented indicators, and the amount of compensation reflects factors such as position. Non-monetary compensation is defined as compensation in the form of restricted stock, and a portion of compensation is granted as restricted stock in accordance with internal regulations stipulating monthly sum criteria based on position and other factors, within the maximum amount (i.e., within 60 million yen per year) approved at the General Meeting of Shareholders.

Regarding the performance-linked portion of compensation for each individual, the Nomination and Compensation Committee reports the results of its deliberations to the Board of Directors, and after the Board of Directors has deliberated on them, the specific details are delegated to the President and CEO based on the resolution of the Board of Directors.

Assessment of the Effectiveness of the Board of Directors: FY2024

To improve the functions of the Board of Directors, Shindengen evaluates the Board's effectiveness once a year. A summary of the results for FY2024 is as follows.

1. Analysis and Assessment Process

A survey on the effectiveness of the Board of Directors was administered to six directors (two of whom were outside directors) and three auditors (two of whom were outside auditors). Discussions were held on the results and an assessment was compiled, incorporating the opinions of an outside organization as well.

2. Summary of the Assessment Results

The survey identified matters the Board of Directors considers important for effectively performing its roles and responsibilities (the constitution and management of the Board of Directors, management strategy and business strategy, etc.), as well as corporate ethics, risk and crisis management, performance monitoring, and management evaluation. The results of the survey have confirmed the Company's Board of Directors is fulfilling its duties and functioning effectively in the following areas.

- The members of the Board of Directors are aware of their individual responsibilities, engage in constructive discussion and opinion exchange, and operate effectively.
- Among the strengths of the Board of Directors are the effectiveness of its whistleblowing system, reporting and appropriate handling of significant risks, and reporting on deliberations from the Nomination and Compensation Committee.
- Improvements were seen in terms of the issues leading up to the previous assessment, including provision of information to outside officers, more vigorous debate cognizant of capital cost and efficiency, the monitoring of indicators to improve business execution reports, and role-based assessments of officer performance.

However we also confirmed issues that needed further improvement, such as provision of information to outside officers, more vigorous debate based on an awareness of capital costs and capital efficiency, improvements in business execution reports based on monitoring indicators, and officer performance assessments according to their role.

3. Future Measures

Based on these results, the Company's Board of Directors will make continuous improvements and endeavor to improve its effectiveness even further.

Risk Management

Business Continuity Plans (BCP)

The Shindengen Group considers risk management and supply chain management in the event of a large-scale disaster to be one of its social responsibilities in its business activities. We have formulated business continuity plans in line with ISO 22301 (business continuity management) and are implementing systematic management. We have established a Business Continuity Management (BCM) Committee, which has put in place disaster countermeasures and rapid initial response and business continuity systems based on our Disaster Prevention and Business Continuity Policy. The committee centrally manages the collection and dissemination of risk information from domestic and overseas Group companies. Every year, we conduct training and top management reviews to continuously improve the suitability, appropriateness, and effectiveness of our Business Continuity Management System (BCMS). In FY2024, we conducted remote business continuity training with conditions imposed on each department. Through training based on realistic scenarios and questions closely related to the business continuity of each department, we have gained many insights and improved and strengthened our BCP.



 Disaster Prevention and Business Continuity Plan—Statement of Principles
https://www.shindengen.com/csr/sustainability/shindengen_policy/

Information Security

Shindengen has established an information security promotion system under the supervision of the executive officer in charge of information systems, with the Information Systems Department as its lead department, to thoroughly ensure the prevention of data leaks. We have also implemented robust internal regulations designed to ensure the security of our data assets. All employees are kept up to date on these regulations. Furthermore, we conduct targeted attack email training and educational sessions on information security for all employees (once a year) to enhance human resource measures and address risks. From a systemic perspective, we are strengthening various measures to combat external security threats. Measures to ensure security against internal data leaks include monitoring access to the external Internet and monitoring PC operation logs using integrated security monitoring tools.

 Shindengen Group Information Security Policy
https://www.shindengen.com/csr/sustainability/shindengen_policy/

Export Control (Security Trade Control) and Import Control

The Shindengen Group complies with export-related laws and regulations such as the Foreign Exchange and Foreign Trade Act to maintain international peace and security, and strives to prevent the proliferation of weapons of mass destruction and the excessive accumulation of conventional weapons by establishing a strict export control system.

Shindengen export control system appoints the president and CEO as the chief security trade control officer and has organized the Security Trade Control Committee, chaired by the chief security trade control officer. The Company has also formulated the Security Trade Control Regulations to ensure that export transactions are conducted appropriately, and has formulated the Security Trade Operational Rules to ensure the smooth implementation of those regulations. Even when selling domestically, if it is clear that the product will ultimately be exported by the customer, we make every effort to confirm the end user and intended use to the greatest extent possible, ensuring that no products manufactured by Shindengen threaten international peace.

In accordance with internal regulations, we restrict the execution of import and export operations to internally certified personnel in order to facilitate smooth operations and manage risk. Internally certified personnel are required to acquire the necessary specialized skills.

Whistleblowing System and Corporate Ethics Hotline

The Shindengen Group has established and operates a whistleblowing system (hotline) as a mechanism for identifying signs of risk at an early stage and responding quickly and appropriately. The system provides two reporting channels: the Shindengen Legal Compliance Department (internal channel) and an external lawyer (external channel). The system is accessible not only to the Company but also to domestic and overseas Group companies. Through this system, we strive to protect whistleblowers by ensuring their anonymity and the confidentiality of their reports, and by ensuring no adverse treatment results from their reports. We also aim to maintain the Company's credibility and prevent damage to our corporate value.

Intellectual Property Risk Management

The Company considers intellectual property to be an important source of corporate value and is bolstering its intellectual property risk management system in order to achieve sustainable growth and enhance competitiveness. For such risks as counterfeit distribution and patent infringement, we have established a monitoring and response system in cooperation with each operating department, led by the Legal and Intellectual Property Department. We are also engaged in intellectual property education, tailored to job type and position, to prevent risks before they occur, as we work to improve the intellectual property literacy of our employees.



Q1 With regard to achieving sustainable growth, what do you perceive as salient points in the evolution of Shindengen's corporate governance? Please elaborate on your thoughts in light of the current situation.

Yoshihiro Nishiyama Allow me to offer my observations from a perspective that differs from last year's. Looking back at FY2024's performance, while there were multiple factors at play, we recognize that there were issues with accurately grasping information related to sales performance and forecasts. The downward revision of sales forecasts led directly to a decline in profits, while delays in production adjustments resulted in an excessive inventory buildup, creating a dire situation. This indicates that there were deficiencies in not only the responsiveness of the Board of Directors but also the mechanism for communicating information from the front lines to management, highlighting the urgent need to improve information coordination and decision-making accuracy. Recognizing this, the president took the initiative to establish a new Monozukuri (manufacturing excellence) Center and began developing interdisciplinary functions that transcended the traditional divisional structure. We expect this will serve as a foundation for improving the quality of management decisions.

Moreover, in 2025, the Company will reach a turning point with the acquisition of a business from Kyocera Corporation. Integrating newly acquired businesses across the entire Company and generating synergy effects are key management issues, requiring early results from an

investment recovery perspective. Further strengthening of organizational management and governance systems is essential to achieve this. Research and development also require forward progress while integrating different corporate cultures, meaning that integration itself can be seen as a test of governance capabilities. From the perspective of global governance and internal control, visiting factories and seeing actual production sites deepened our understanding of the Company's manufacturing processes and provided opportunities to identify issues. During a recent visit to our production facility in Vietnam, it became clear that we must not rest on our laurels and that we need to develop a new strategy with a focus on the shift to four-wheel vehicles.

Lastly, I would like to comment on the composition of the Board of Directors. As it stands, there are six directors, two of whom are outside directors, ensuring a certain degree of independence. However, in light of the current trend toward requiring a majority of independent directors, we plan to review this structure in the future. Beyond just the body's composition, discussions will move forward to ensure its effective revitalization.

Yaeko Kitadai I would like to emphasize the importance of fostering deeper dialogue with stakeholders. The Company recognizes the need to improve its investor relations activities, including dialogue with investors, as one of the reasons why it is not currently receiving a favorable evaluation from the stock market. Although medium- to long-term management policies have been announced to a certain extent, my honest impression is that they have not been communicated to the

market in a convincing manner. From this perspective, we believe that the establishment of the President's Office last year and the initiation of efforts to enhance IR activities are extremely positive steps forward, and we look forward to further progress in the future. Especially with investor relations, we believe that it is essential to utilize quantitative evidence in demonstrating strategic intent, performance indicators, and post-M&A scenarios in order to gain the understanding of investors. For example, regarding the business transfer from Kyocera Corporation, there is room for clearer communication with more narrative on points such as the purpose of the acquisition and the value it will create.

At the same time, rebuilding Group governance is also an important issue. The Company is currently strengthening its global production system, including the construction of a second plant in India, but there is also a need to enhance internal control in line with the operating environment in each region. During last year's visit to the production facility in Vietnam, we confirmed stable operations while on-site, but different challenges await us in India. Building a flexible governance framework that is not limited by existing systems is crucial. As we expand our overseas bases and integrate new businesses, fostering a sense of unity across the entire Group and maintaining sound controls will be important issues in deepening governance.

Q2 Could you tell us about the challenges facing Shindengen that have become clear through board meeting discussions focusing on the medium to long term?

Yoshihiro Nishiyama The Company's biggest challenge boils down to how to identify and nurture businesses in ways that will drive growth. Currently, the Power Unit Division, formerly the Car Electronics segment, generates stable cash flow and serves as a pillar supporting the Company's overall finances. However, we recognize that we are currently at a turning point before it can be called a true growth business. On the other hand, the Electronic Device segment has been in the red for two consecutive fiscal years, so drastic measures will still be urgently needed following the transfer of business from Kyocera Corporation and structural reforms. We believe that rapid reinforcement of existing businesses and rapid exploration of new growth areas will directly lead to improvements in management indicators such as PBR and ROE.

The re-evaluation of the Company's competitiveness is also important. Our mainstay products are facing a wave of commoditization and fierce price competition, particularly from Chinese companies. Beating the competition on price alone is difficult, so differentiation through technology is the key to survival. With a focus on highly efficient power management, we are confident that the Company's technological

An Interview with Independent Outside Directors

DNA will be put to good use in next-generation industries such as EVs, autonomous driving, and generative AI.

Turning our attention to corporate culture, the Company tends to be cautious and stability-oriented. While this is an advantage in terms of building trust, it also hinders quick decision-making in response to market changes. Culture cannot change without institutional backing. I will, in my capacity as an outside director, contribute to the design of structures that clarify decision-making rules and responsibilities and successfully evolve corporate culture.

Lastly, we see the structural reform measures, such as reducing executive compensation and reorganizing personnel, as a sign of the strong sense of crisis among the staff. Our responsibility is to address the root causes and establish mechanisms to prevent recurrence. It is my sincere belief that much work remains to be done.

Yaeko Kitadai At this stage, I would like to highlight one important issue: establishing a system for swift decision-making and execution. I feel that the ambiguity surrounding the framework for decision-making—what, when, and who decides—is contributing to the organization's sluggishness.

If we draw a clearer line between matters that require discussion at board meetings and matters that require quick decisions on the front lines, the overall speed of operations should increase dramatically. For a company of its size, nimble decision-making can drive competitive advantage, and the accuracy of system design and operation is crucial.

Another issue is the lack of benchmark awareness. Regularly reviewing your position within the industry and comparing yourself to other companies is essential for revising your strategy. While the Company has its own strengths, its tense relationship with external



Yaeko Kitadai

parties restricts opportunities to view itself objectively.

As an outside director, I believe that my role is to bring this perspective into the Company and engage in ongoing dialogue.

Q3 Please explain the areas where you are focusing to ensure effective board operations.

Yoshihiro Nishiyama To ensure the effectiveness of the Board of Directors, I always keep in mind that what is common sense within the Company may not necessarily be common sense in broader society, and I never neglect to ask questions and point out issues from an outside perspective. Even from the perspective of due diligence, we strive to clearly express our own opinions without being swayed by preconceived notions when making important decisions.

During the last fiscal year, we placed particular emphasis on information communication in the sales field, repeatedly raising issues regarding numerical assumptions, risk response, and preparations for downturn. We view this not merely as an assessment of results, but as a challenge in designing a system that enhances our ability to respond.

Yaeko Kitadai As an outside director, I strive to speak from a shareholder's perspective. For example, when it comes to the timing and clarity of disclosures in investor relations, we place great importance on reexamining what investors want to know.

Outside directors also have limited access to internal information, so cooperation with Audit & Supervisory Board members is important. We believe that the sharing of information between Audit & Supervisory Board members and outside directors from their respective perspectives will enable more balanced decision-making. Annual consultation meetings also contribute to invigorating the Board of Directors.

Q4 Do you have any other messages that you would like to convey to stakeholders?

Yoshihiro Nishiyama In FY2024, the Company made every effort to implement structural reforms with a strong sense of urgency amid the difficult operating environment surrounding its existing businesses. Achieving profitability as soon as possible is our top priority,



Yoshihiro Nishiyama

and we would like to convey our determination to do so to all of our stakeholders.

On the other hand, we believe that the transfer of business from Kyocera Corporation, as well as capital investment and management participation in the Indian market, will contribute to the strengthening of existing businesses and bring great potential to the future of the Company. In the medium to long term, we will focus on developing growth areas centered on technological development, aiming to generate results by leveraging synergy with our existing businesses.

We also believe that it is important to strike a balance between growth investment and the return of profit to shareholders as we utilize cross-shareholdings, and we believe that the Medium Term Business Plan should promote transparency in policy. We will continue to pioneer the future together with you as we expand globally, focusing on India and Southeast Asian countries.

Yaeko Kitadai The Company's operating environment is extremely challenging, and I am acutely aware of the weight of my responsibilities as an outside director. Going forward, I will continue to faithfully carry out my duties, keeping in mind the questions: "What can I do?" and "What is the best way for me to approach this?"

In addition to its proven technical capabilities, the Company is trusted by local communities, especially by those in Saitama Prefecture, where it has developed a long and deeply rooted history. We firmly believe that this "invisible capital," such as human capital and social capital, forms the foundation of the Company's value.

We hope that our shareholders and all other stakeholders will understand this multifaceted value and continue to provide us with their warm support.

Board of Directors



1 Nobuyoshi Tanaka President

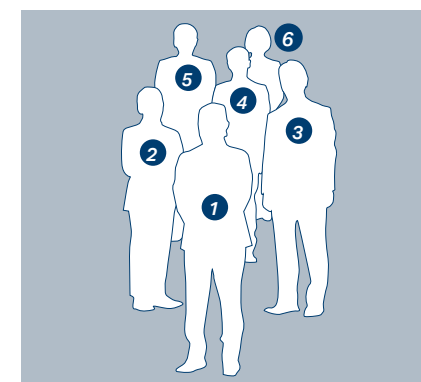
2 Osamu Ukegawa Director and Senior Executive Officer

3 Masahiro Sasaki Director and Executive Officer

4 Satoshi Hatori Director and Senior Officer

5 Yoshihiro Nishiyama Independent Outside Director

6 Yaeko Kitadai Independent Outside Director



Board of Directors (As of the end of June 2025)

1 President Nobuyoshi Tanaka

1985	Joined Shindengen
1992	Department Manager, Sales Department, Shindengen Singapore Limited
2006	Department Manager, Planning Department, Corporate Planning Group
2010	Department Manager, Administration Department, Electronic Device Management Division, Electronic Device Division Group
2010	General Manager, Electronic Device Management Division, Electronic Device Division Group
2011	Officer; Division Director, Electronic Device Division Group
2015	Officer; Division Director, Electronic Device Division Group; Division Director, Sales Division Group
2016	Senior Officer
2017	Division Director, Sales Division Group; In Charge of Electric Vehicle Project
2017	Director
2018	Executive Officer
2020	In Charge of Sales Departments, CSR Promotion Office
2022	In Charge of Sales, Energy Systems & Solutions Division
2023	President, In Charge of Sales
2025	President (current position)

4 Director and Senior Officer Satoshi Hatori

1988	Joined Shindengen
2010	Department Manager, Quality Assurance Department, Car Electronics Component Division, Car Electronics Division Group
2015	Department Manager, Design Department No. 2, Car Electronics Component Division, Car Electronics Division Group
2018	General Manager, Car Electronics Component Division, Car Electronics Division Group; and Department Manager, Design Department No. 2 Car Electronics Component Division, Car Electronics Division Group
2018	General Manager, Car Electronics Component Division, Car Electronics Division Group
2022	Officer; Deputy Division Director, Car Electronics Division Group; and General Manager Car Electronics Component Division, Car Electronics Division Group
2024	Officer; Deputy Division Director, Car Electronics Division Group
2025	Director and Senior Officer (current position); In Charge of Sales & Information, Environment; and General Manager, Corporate Planning Group (current position)

2 Director and Senior Executive Officer Osamu Ukegawa

1984	Joined The Dai-ichi Kangyo Bank, Limited
2001	Deputy Branch Manager, Singapore Branch, The Dai-ichi Kangyo Bank, Limited
2002	Assistant Director, Internal Business Management Division, Mizuho Corporate Bank, Ltd.
2005	Deputy Branch Manager, Beijing Branch, Mizuho Corporate Bank, Ltd.
2008	Assistant General Manager, International Management Division, Mizuho Corporate Bank, Ltd.
2009	General Manager, Asian Business Division, Mizuho Corporate Bank, Ltd.
2011	General Manager, Audit Operations Department, Mizuho Financial Group
2013	Senior Executive Officer and General Manager, Education Business Division, Mizuho Information & Research Institute
2016	Joined Shindengen; Officer, In Charge of Accounting, Finance and Internal Audits
2020	Senior Officer, In Charge of Accounting, Finance, Internal Audits and Information Systems
2022	In Charge of Accounting, Finance, and Internal Audits
2023	Director and Executive Officer, In Charge of Finance & Risk Management, Accounting, and Internal Audits
2025	Director and Senior Executive Officer (current position), In Charge of Finance & Risk Management, Accounting, and Internal Audits (current position)

5 Independent Outside Director Yoshihiro Nishiyama

1978	Joined Nippon Mining Co.
2013	Executive Officer, JX Nippon Mining & Metals Corporation; Deputy Director, Metal Division, JX Nippon Mining & Metals Corporation; In Charge of Planning Department Executive Officer, Pan Pacific Copper Co., Ltd.; Director, Japan Korea Joint Smelting Co., Ltd.
2013	Director and Executive Officer, JX Nippon Mining & Metals Corporation; Director and Executive Officer, Pan Pacific Copper Co., Ltd.
2014	Director, Metal Division, JX Nippon Mining & Metals Corporation; Vice President and Officer, Pan Pacific Copper Co., Ltd.; President, Japan Korea Joint Smelting Co., Ltd.; President, Hibi Kyodo Smelting Co., Ltd.
2015	President, Pan Pacific Copper Co., Ltd.
2016	Managing Executive Officer and Director, Metal Division, JX Nippon Mining & Metals Corporation
2017	President and Chief Executive Officer, Toho Titanium Co., Ltd.
2021	Corporate Advisor, Toho Titanium Co., Ltd.
2023	Outside Director, SODA NIKKA CO., LTD. (current position)
2023	Outside Director of the Company (current position)
2024	Member of the Expert Committee on Metal Mineral Resource Development and Mine Pollution Prevention, Japan Organization for Metals and Energy Security (current position)

3 Director and Executive Officer Masahiro Sasaki

1987	Joined Shindengen
2006	General Manager, Product Development Department, Power Systems Division Group
2008	Department Manager, Design Department No. 1, Power Systems Division Group
2009	Department Manager, Design Department, Power Systems Division Group
2009	Department Manager, Design Department No. 1, Power Systems Division Group
2010	General Manager, Power Systems Division, Power Systems Division Group
2012	Deputy Division Director, Power Systems Division Group; General Manager, Power Systems Division, Power Systems Division Group
2012	Officer; Division Director, Power Systems Division Group; General Manager, Power Systems Management Division, Power Systems Division Group
2013	Division Director, New Energy Division Group
2015	General Manager, Technology & Development Center; In Charge of New Energy Technology Development and Intellectual Property
2017	General Manager, Technology & Development Center; In Charge of Quality and Intellectual Property
2020	Senior Officer; General Manager, Corporate Planning Group; In Charge of Personnel
2023	Director and Executive Officer; In Charge of Production and SCM and General Manager, Corporate Planning Group; In Charge of Personnel
2025	Director and Executive Officer (current position); In Charge of Technology & Monozukuri, Personnel and Administration (current position)

6 Independent Outside Director Yaeko Kitadai

2000	Registered as an attorney
2007	Judicial Commissioner, Tokyo Summary Court
2016	Arbitration Committee Member, Tachikawa Branch, Tokyo Family Court
2019	Outside Audit & Supervisory Board Member, Citizen Watch Co., Ltd. (current position)
2021	Outside Director, Inageya Co., Ltd. (current position)
2022	Vice-president, Dai-Ichi Tokyo Bar Association
2023	Outside Director of the Company (current position)

Corporate Information

Corporate Data (as of March 31, 2025)

Company Name	Shindengen Electric Manufacturing Co., Ltd.
Established	August 16, 1949
Capital	¥17,823,148,008
Number of Employees	5,251 (Consolidated basis) 1,080 (Nonconsolidated basis)

Corporate History

1949	Established as Shindengen Electric Manufacturing Co., Ltd., with its Head Office in Shinjuku Ward, Tokyo, with additional facilities including the Hanno Factory in Hanno, Saitama prefecture and the Murayama Factory in Higashimurayama City, Tokyo. Relocated its Head Office to Chiyoda Ward, Tokyo
1951	Adopted the first corporate logo
1956	Consolidated the Murayama Plant into the Hanno Plant to centralize operations
1958	Shares listed on stock exchange (started selling as Tokyo Stock Exchange OTC securities, elevated to the First Section in 1968)
1970	Established Akita Shindengen Co., Ltd. in Tagata Honjo City (present-day Yurihonjo City)
1981	Established Higashine Shindengen Co., Ltd. in Higashine City, Yamagata Prefecture
1985	Established Okabe Shindengen Co., Ltd. in Okabe Town, Osato District, Saitama Prefecture (present-day Fukaya City)
1987	Established Shindengen America Inc. in California, USA
1988	Established Shindengen (THAILAND) Co., Ltd. in Bangkok City, Thailand.
1989	Made Sanko Denki Co., Ltd. an affiliated company by increasing its capital (currently Shindengen Three E Co., Ltd.) Established Shindengen Kumamoto Techno Research Co., Ltd. in Kumamoto City, Kumamoto Prefecture (relocated to Kikuyo Town, Kikuchi District, Kumamoto Prefecture in 2009) Established Shindengen Enterprise Co., Ltd. in Hanno City, Saitama Prefecture
1990	Established Shindengen Singapore Pte Ltd. in Singapore
1991	Established Lumpfun Shindengen Co., Ltd. in Chiang Mai, Thailand
1994	Established Guangzhou Shindengen Electronic Co., Ltd. in Guangzhou City, PRC
1995	Established Shindengen Philippines Corp. in the Province of Laguna, Philippines
2001	Established PT. Shindengen Indonesia in West Java, Indonesia
2009	Established Shindengen (SHANGHAI) Electric Co., Ltd. in Shanghai City, PRC (renamed Shindengen (Shanghai) Electronics Co., Ltd. in 2025)
2010	Established Shindengen Vietnam Co., Ltd in Hung Yen Province, Vietnam
2012	Established Shindengen India Pvt. Ltd. in Karnataka, India.
2017	Renewed the corporate logo
2021	Established Asaka Office in Asaka City, Saitama, Japan
2022	Moved from the Tokyo Stock Exchange's First Section to the Prime Market due to the Tokyo Stock Exchange's restructuring
2024	Established Shindengen Europe GmbH in the State of North Rhine-Westphalia, Germany

Stock Information

Stock Exchange Listing
Tokyo Stock Exchange,
Prime Market

Security Code
6844

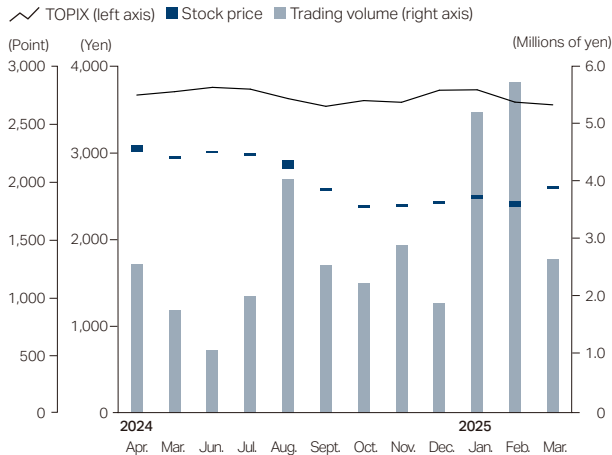
Total Number of Issued Shares
10,338,884

Ordinary General Meeting of Shareholders
June

Independent Auditor
Ernst & Young ShinNihon LLC

Number of Shareholders
12,088

Stock Price and Trading Volume



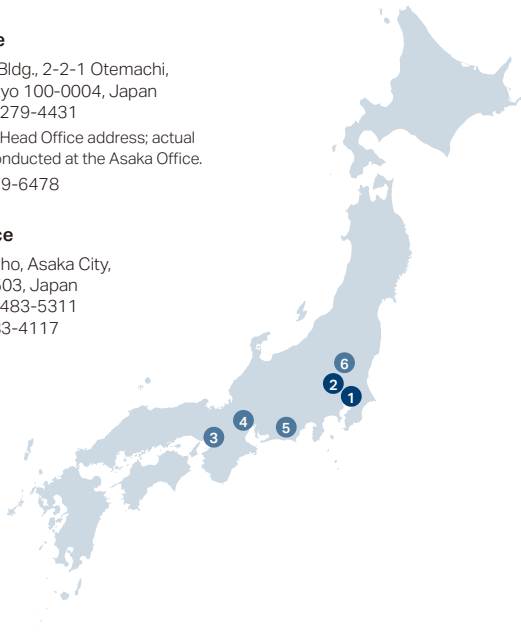
Japan Offices

① Head Office

Shin-Otemachi Bldg., 2-2-1 Otemachi,
Chiyoda-ku, Tokyo 100-0004, Japan
Phone: +81-3-3279-4431
Note: Registered Head Office address; actual
operations are conducted at the Asaka Office.
FAX: +81-3-3279-6478

② Asaka Office

3-14-1 Saiwai-cho, Asaka City,
Saitama 351-8503, Japan
Phone: +81-48-483-5311
FAX: +81-48-483-4117



Sales Offices

③ Osaka Branch Office

Minami Sennba Heart Bldg., 2-3-2
Minami-Senba, Chuo-ku, Osaka
City, Osaka 542-0081, Japan
Phone: +81-6-6264-7770

④ Nagoya Branch Office

Nagoya Daiichi Bldg., 1-19-24
Nishiki, Naka-ku, Nagoya City,
Aichi 460-0003, Japan
Phone: +81-52-221-1361

⑤ Hamamatsu Sales Office

Hamamatsu Daiichiseimei Nittsu
Bldg., 110-5 Itaya-cho, Chuo-ku,
Hamamatsu City, Shizuoka
430-0928, Japan
Phone: +81-53-450-3800

⑥ Utsunomiya Sales Office

Flora Bldg., 1-9-15 Higashi
Syukugou Utsunomiya City,
Tochigi 321-0953, Japan
Phone: +81-28-637-3615

External Activities and Recognition (Participation in Initiatives)

1. United Nations Global Compact (UNGC)

The United Nations Global Compact (UNGC), which Shindengen joined in January 2023, is a voluntary initiative aimed at encouraging companies to act as responsible members of society and achieve sustainable growth by exercising responsible and creative leadership. Through this initiative, we remain committed to promoting the Ten Principles of the UNGC in the four areas of human rights, labor, the environment, and corruption prevention.



2. CDP

CDP is a non-profit organization whose principal activity involves collaborating with institutional investors and others to request disclosure of corporate climate change strategies and greenhouse gas emissions data, thereby encouraging action.

Since fiscal 2022, the Shindengen Group has maintained its participation in the CDP Climate Change Survey, disclosing its climate change initiatives and strategies.



3. EcoVadis

Since fiscal 2024, Shindengen has registered as a supplier with EcoVadis, disclosing information through this proprietary platform that evaluates the environmental and social sustainability performance of corporations.



4. Task Force on Climate-related Financial Disclosures (TCFD)

The Shindengen Group recognizes tackling climate change as one of its key management issues. In August 2022, we announced our endorsement of the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and joined the TCFD Consortium*, which was established as a discussion forum for endorsing companies, financial institutions, and other stakeholders.

Going forward, we will continue to appropriately disclose climate-related information and pursue environmentally conscious business activities. Through these efforts, we aim to contribute to the realization of a sustainable society while further enhancing our corporate value.



* Established on May 27, 2019, as a forum for discussing initiatives to promote effective corporate disclosure and to connect disclosed information to appropriate investment decisions by financial institutions and others. The Ministry of Economy, Trade and Industry; the Financial Services Agency; and the Ministry of the Environment participate as observers.

5. Science Based Targets initiative (SBTi)

The Science Based Targets initiative (SBTi) is an international climate change initiative established by CDP, the UN Global Compact, the World Resources Institute (WRI), and the World Wildlife Fund for Nature (WWF). SBTi certifies reduction targets set by companies to limit average global temperature rise caused by climate change to 1.5°C above pre-industrial levels.

In October 2023, the Shindengen Group obtained SBT certification for its greenhouse gas emission reduction targets set for fiscal 2030, confirming these targets align with the levels required by the Paris Agreement.



6. Recognized as a 2025 Outstanding Organization of KENKO Investment for Health (Large Enterprise Category)

The KENKO Investment for Health Program, administered by Nippon Kenko Kaigi, aims to create an environment where corporations—including large enterprises and small and medium-sized enterprises—that practice particularly outstanding health management can receive social recognition. The program heightens visibility for these companies to employees, job seekers, related companies, financial institutions, and others.

Shindengen has been accredited as a 2025 Outstanding Organizations of KENKO Investment for Health by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi, which recognizes corporations practicing outstanding health management.



7. The Sports Yell Company

The Sports Yell Company certification is a program administered by the Japan Sports Agency that recognizes companies implementing initiatives to support and promote sports activities among their employees. Being certified as a company that promotes sports activities enhances the company's social reputation and demonstrates its proactive stance toward employee health management.

Shindengen has been certified as a "Sports Yell Company 2025" by the Japan Sports Agency for its proactive efforts to promote sports activities and enhance the health of its employees.

