

ShinDengen

New power. Your power.

Integrated Report 2026

Management Philosophy

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 of 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.

Contents

Integrated Report 2026

Vision and Value Creation

Our Philosophy 01
Contents/Editorial Policy 02
Message from the President Q1 Q2 Q3 Q4 03
Value Creation Process 06
Shindengen's Business Portfolio 07
Business Overview 08
Our Business 09

Strategy

Long-Term Vision 2030 10
17th Medium Term Business Plan Progress and Future Outlook 11
Special Feature: Growth Potential of Overseas Businesses —India Strategy Q3 12
Special Feature: Acquisition of the Power Device Business and Future Outlook Q2 13
Message from the Head of Finance Q1 14
Power Device Division Group 15
Power Unit Division Group 17
Power Systems & Solutions Division 19
Technology & Development Center 21
Monozukuri Center 22

Sustainability

Message from the Head of Sustainability Promotion 23
Sustainability 24
Sustainability ESG Material Issues 25
Non-Financial KPIs 26
DX Strategy/Intellectual Property (IP) Strategy 27

Environment 28
Society 31
Message from the Head of Human Resources Q4 31
Governance 38
Dialogue with the Independent Outside Officers Q1 42

Financial Section

Management's Discussion and Analysis 47
Financial Statements 50

Corporate Information

Corporate data/Corporate history/Stock information and Japan Offices 54
External Activities and Recognition (Participation in Initiatives) 55

Answering your questions about Shindengen's outlook

Q1

How would you evaluate the first year of the 17th Medium Term Business Plan?

Q2

FY2025 saw a return to profitability in the Power Device Business and the acquisition of Kyocera Corporation's Power Device Business. What other strategies are you considering to drive future growth?

Q3

How do you plan to expand your operations in India, a market you view as a growth market?

Q4

In order to achieve your business strategy, what approach to human capital management do you envision?

Contents

Editorial Policy

Integrated Report 2026 is designed to clearly communicate the Group's strategies and initiatives aimed at achieving sustainable growth and enhancing corporate value over the medium to long term to our stakeholders, including shareholders and investors. By clearly conveying our approach to and initiatives for value creation from both financial and non-financial perspectives, we aim to foster further constructive dialogue. For detailed financial information and sustainability-related content, please visit the Company's website.

Period covered

FY2025 (April 1, 2025 to March 31, 2026) (Includes some information about events after April 2026)

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 and Company-Investor Dialogue for Collaborative Value Creation

Forward-Looking Statements

This integrated report contains forward-looking statements regarding the Company's plans 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

Message from the President

Vigorously progressing toward becoming "a power electronics company that continues to be needed by all stakeholders" by strengthening our management foundation and expanding our production capacity

A Review of FY2025

In FY2025 (the fiscal year under review), net sales rose 7.6% year-on-year to ¥113.836 billion, driven by solid performance across all three business segments. Combined with the positive effects of structural reforms implemented in the Power Device business during the previous fiscal year, operating profit reached ¥3.848 billion. The recognition of foreign exchange gains increased ordinary profit while extraordinary gains, from the sale of investment securities, more than offset an extraordinary loss in connection with the implementation of the Career Design Support* program, enabling Shindengen's return to profitability for the first time in three fiscal years. ROE also improved to 8.2%.

The results of the first year of the 17th Medium Term Business Plan leave us confident that we have successfully set ourselves on the right track to achieve the goals of the plan's final year.

This turnaround to profitability was largely driven by structural reforms in the Power Device Business. We determined that recovering to pre-pandemic levels in the Chinese market, which had been struggling since the pandemic's onset, would be difficult due to such factors as national policies prioritizing locally manufactured products. Consequently, in FY2024, we reviewed our production, logistics, and sales structure.

While the impact of these efforts was reflected in FY2025's operating results, they have yet to reach the levels initially anticipated. To address the shortfall, we will implement additional measures and continue to enhance the profitability of our business as a whole.

Coinciding with the launch of our current Medium Term Business Plan, we also implemented a major corporate restructuring during FY2025. Along with integrating our vertically segmented business units with cross-functional, Companywide organizations to strengthen our matrix management structure, we have established a new Monozukuri (manufacturing excellence) Center. We are confident the new center will serve as a foundation for the Shindengen Group's growth and will be a major driving force in achieving the goals of our Medium Term Business Plan and realizing our Long-Term Vision 2030.

* A program open to regular and second-career employees aged 50 or older, with at least 10 years of continuous service with the Company, as of March 20, 2026. In addition to their regular severance payments, the program provides a special bonus as well as reemployment support through an external professional agency.

Message from the President

Growth Strategy Approach and Initiatives

Uncertainty and challenges in the external environment are intensifying, driven by various factors such as geopolitical risks and market volatility. In times like these, we believe that the most important factor in formulating a growth strategy is determining how to adapt to these changes. This requires that we avoid being unduly swayed by short-term fluctuations, continuously review our business and product portfolios in line with prevailing trends, and make well-timed growth investments. Guided by this approach during the fiscal year under review—the first year of our Medium Term Business Plan—we have steadily advanced various initiatives that will lay the groundwork for the future.

Key initiatives include our efforts to expand into the Indian market, one of our most important markets. India continues to experience remarkable economic growth as it reaps the benefits of its demographic dividend. Our core motorcycle market is expected to see demand driven primarily by internal combustion engines through the 2030s; however, against the backdrop of increasingly stringent environmental regulations aimed at combating air pollution, demand for electrification-related products is also projected to rise in the future. We offer a full range of products for both of these sectors, enabling us to adapt to market changes and drive business growth.

Sales to India currently account for approximately 30% of the Power Unit Business's motorcycle-related products, and Shindengen India's Plant I is already operating near full capacity. To capitalize on India's growing demand for motorcycles, we decided to significantly expand our local production capacity and began construction of our second plant at Shindengen India during the fiscal year under review. Operations at this second plant are scheduled to begin in April 2027 and are expected to enhance labor efficiency and productivity through the introduction of automated production lines, thereby strengthening our cost competitiveness. Furthermore, while Japanese motorcycle manufacturers currently account for the majority of our business in this market, we plan to develop relationships with local Indian manufacturers in the future to further expand our sales channels. Through these initiatives, we plan to increase our net sales in India to 1.5 to 2 times their current level by 2030.

We are also accelerating the expansion of the Power Device Business into India, where we have already established a new sales office and bolstered our resources. On the production front, we are carefully assessing the risks associated with local manufacturing while flexibly exploring various entry strategies, including the use of Outsourced Semiconductor Assembly and Test (OSAT). As a first step, we are preparing to transfer part of the back-end manufacturing process for power modules to India.

Furthermore, in January 2026, we welcomed Hadano Shindengen Co., Ltd., which acquired the Power Device Business from Kyocera Corporation, as a new member of the Shindengen Group. We are confident that this acquisition will serve as the core driver of the next phase of growth for the Company's Power Device Business.

This acquisition has not only significantly expanded our product lineup but has also forged connections with new customers and applications, particularly in the industrial machinery market, with which we had no prior business dealings. The acquired facilities also include a production line capable of handling 8-inch wafers, which are among the largest in the world for producing diode chips. We believe this will strengthen our cost competitiveness. While addressing the challenge of rising fixed costs associated with increased production sites, we aim to swiftly optimize production layouts from a holistic perspective. This involves relocating and consolidating useful equipment from certain acquired facilities into existing factories, followed by the closure of those facilities, in order to improve overall profitability.

Personally, I believe that building a solid organizational foundation is key to successful business integration. I'm also mindful that merging organizations with different corporate cultures is by no means something that can be accomplished overnight. That is precisely why we must not rush the process. Rather, by uncompromisingly sharing our unique philosophy of manufacturing excellence—a core value, upheld by our company for many years, that centers on high quality, cost and delivery performance—we can lay a solid foundation that will generate true synergy.

This meticulous integration process will generate synergies that lead to the creation of new technologies and products, which we expect will contribute significantly to profits starting with the next Medium Term Business Plan. Within the current Medium Term Business Plan, however, we have raised the sales target for the final fiscal year from ¥120 billion to ¥130 billion, taking into account the acquisition of Kyocera Corporation's Power Device Business.

Industry Consolidation and Our Positioning

Discussions regarding large-scale restructuring in the semiconductor industry are currently gaining traction. In such a defining moment, I believe maintaining a clear-eyed view of the broader trends without being swayed by short-term developments is essential. Rather than aimlessly pursuing business expansion, our fundamental stance is to carefully assess the compatibility and alignment of potential partners with our business operations before proactively and flexibly exploring partnerships and M&A opportunities. The decision to acquire Kyocera Corporation's Power Device

Message from the President

Business during the fiscal year under review was made precisely based on the strong potential for distinct synergy.

Amid industry restructuring trends centered on cutting-edge power semiconductors, our Power Device Business focuses primarily on diodes. Though indispensable to all electronic devices, these products occupy a niche within the industry and are considered somewhat of a legacy item. We must carefully assess the future direction of these products and the surrounding market environment to solidify our position in the market.

Our greatest strength lies in our uniqueness as a power electronics company—one whose capabilities extend far beyond those of a mere semiconductor manufacturer. Our competitive edge stems from the fact that we do not merely sell our in-house-developed devices as standalone products, but rather integrate them into our own units and infrastructure products, thereby maximizing the added value of the entire application. We are committed to establishing a unique position in an increasingly competitive market by fully leveraging our ability to integrate the expertise of each operating department and propose comprehensive solutions to our customers' challenges.



Progress Assessment of Human Capital Management

To embody the innovative and cutting-edge qualities required of a power electronics company that "continues to be needed by all stakeholders"—as outlined in our Long-Term Vision 2030—we must remain committed to the pursuit of innovation. Recognizing human capital management as a key priority for energizing the human resources that drive this innovation, we are implementing multifaceted initiatives to address this challenge.

Building a resilient, innovation-driven organization requires a dynamic approach that intentionally fosters mobility and invigorates the workforce while ensuring the comprehensive transmission of technologies cultivated over many years. We are committed to creating an environment where employees feel empowered to take on challenges autonomously. In addition to expanding our career development programs, we have introduced internal recruitment systems and an in-house side job system to provide each employee with greater opportunities to freely demonstrate their capabilities and contribute across a wide range of roles.

With more diverse work styles such as remote work and flexible schedules, communication among employees tends to weaken. In response, we have adopted a human resource strategy centered on the theme of "connection," fostering psychological safety in the workplace by creating opportunities for face-to-face interaction and establishing mechanisms to convey feedback from the front lines to senior management. These steady efforts are beginning to bear fruit: discussions within the Company have become livelier, and our proprietary engagement index shows year-over-year growth.

Moving forward, we will continue to build a vibrant organization by balancing both individual growth and organizational connection.

To Our Stakeholders

For FY2026, the second year of our Medium Term Business Plan, we anticipate ongoing challenges in the business environment due to rising protectionist policies in various countries, heightened geopolitical risks, and exchange rate fluctuations. However, we will not be unduly swayed by short-term fluctuations and will vigorously advance the various initiatives we launched in the past fiscal year as a foundation for future growth.

Furthermore, achieving sustainable growth in corporate value going forward will require a dual approach that addresses both financial and non-financial aspects. On the financial front, we recognize that a key challenge lies in implementing management practices mindful of the cost of capital and stock price. We will pursue efficient business operations relative to invested capital through measures such as the effective management of ROA by business segment.

Meanwhile, from a non-financial perspective, the Company will collectively focus its efforts toward achieving the four materiality issues redefined in the current Medium Term Business Plan along with its non-financial KPIs, thereby contributing to a sustainable society and driving the Company's growth.

To date, our efforts, including our approaches to information dissemination and branding, have been insufficient. However, moving forward, we are committed to vigorously communicating Shindengen's positive changes in order to deepen our dialogue with all stakeholders. We will continue striving to develop into a company worthy of the trust and pride of all our stakeholders—from shareholders and investors to customers, local communities, and employees. We ask for your continued understanding and support.

Value Creation Process

Input

(As of March 31, 2026)

Financial Capital

- Stable financial foundation
- Funding to support sustainable growth
- Equity ratio: **50.2**%
- Capital investment: **¥5.8** billion

Manufactured Capital

- Global manufacturing bases and manufacturing facilities
- Manufacturing bases: **13** worldwide (5 domestic, 8 overseas)

Intellectual Capital

- Research and development bases
- Development and production technology
- Cultivated intellectual property
- R&D bases: **4** worldwide
- R&D expenses: **¥5.2** billion

Human Capital

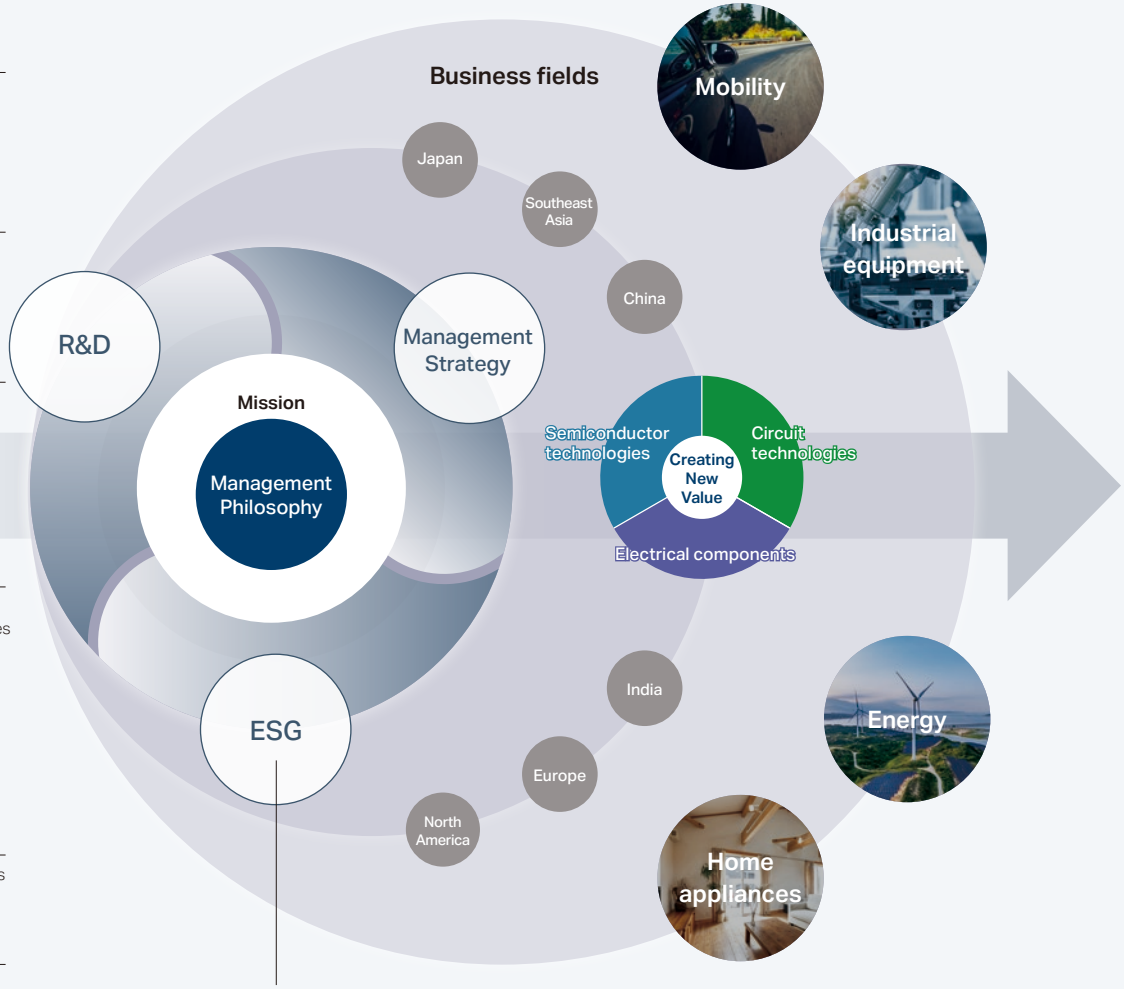
- Human resource development
- Empowerment of diverse human resources
- Expanding flexible work styles
- Respect for human rights
- Health and safety
- Employees: **5,091** individuals in **12** countries and regions
- Improvement initiatives

Social and Relationship Capital

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

Natural Capital

- Electricity and water needed for business activities
- Annual water consumption: **1,556,000** m^3 (1,625,000 m^3 in the previous fiscal year)
- Annual energy consumption: **133,611** MWh (134,700 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

- Bridge diodes
- High-speed rectifier diodes
- Thyristors
- SIDACs
- Power MOSFETs
- Power ICs
- Power modules

Power Unit

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

Power Systems & Solutions

- Power supplies for telecommunications equipment
- Lithium-ion battery systems

Outcome

17th Medium Term Business Plan

Targets for Final Fiscal Year (FY2027) (Consolidated)

Net sales	Operating income margin	ROE
¥130 billion	5.0%	6.0%

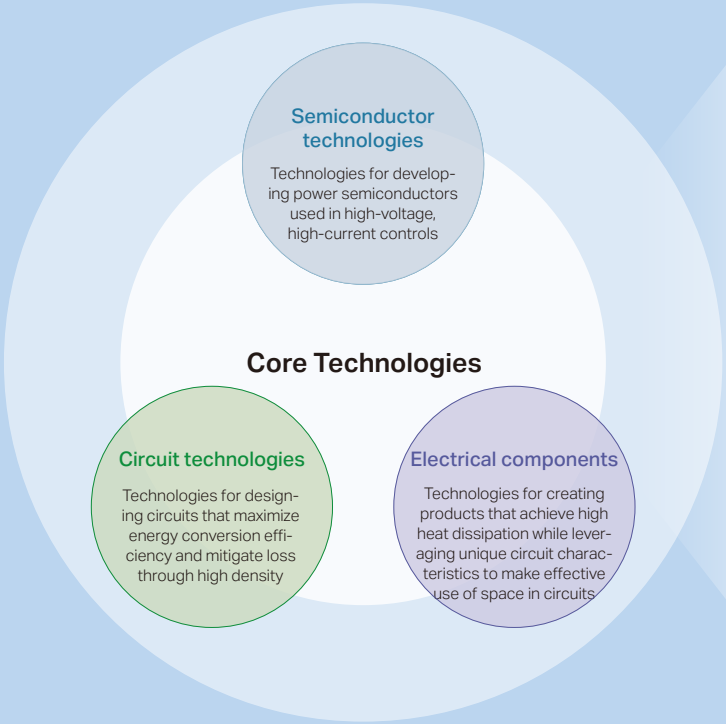
The Path to a Sustainable Society

- 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 26.

Shindengen's Business Portfolio

Shindengen's strengths arise from the semiconductor technologies we use to develop power devices, circuit technologies for efficient power system products, and electrical components that enable both high quality and performance in limited space (in terms of volume and footprint). By combining these three technologies, we create optimal products that are compact and lightweight.



Power Device Business

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

Main Products

- Bridge diodes
- High-speed rectifier diodes
- Thyristors
- SIDACs
- Power MOSFETs
- Power ICs
- Power modules


Bridge Diodes


General Rectifying Diodes, High Speed Rectifier Diodes


Power MOSFETs and Power ICs

Power Unit Business

The Power Unit Business produces electrical components for motorcycles, four-wheel vehicles, general-purpose inverters, and chargers for EVs and PHEVs.

Main Products

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


Products for motorcycles and four-wheel vehicles


PCUs for motorcycles

Power Systems & Solutions Business

The Power Systems & Solutions Business produces telecommunications power supplies among other products

Main Products

- Telecommunications power supplies
- Lithium-ion battery systems


High-power rectifiers for telecommunications buildings


Outdoor-use and compact rectifiers

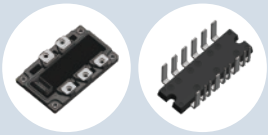

Power supply unit for telecommunications equipment

Business Synergy

We incorporate Shindengen's proprietary power semiconductors into the power stages of our electrical components. By breaking down the barriers between our Power Device and Power Unit businesses, we are able to optimally equip our products with the necessary functions and eliminate unnecessary components, thereby delivering highly competitive, high-performance units that maximize performance.


DC/DC Converter

We are advancing the development of value-added products by leveraging the electrical components we have cultivated in Power Unit products and Power Systems & Solutions products. To meet growing demand for power semiconductors that handle higher currents and capacities, we have adopted copper clips for electrode connections. Compared to discrete devices, this enables miniaturization and eases mounting for our customers.


Power Modules

Business Overview

Building on the core power supply technologies we have cultivated over many years, Shindengen operates across three main business segments: Power Device, Power Unit, and Power Systems & Solutions. Our products and solutions are employed across a wide range of markets and industries and are in use around the world.

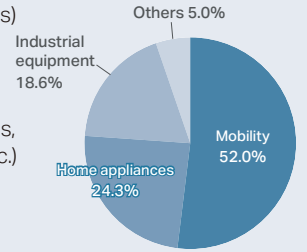
Power Systems & Solutions

Main Markets
- Telecommunications

Power Device

Main Markets
- Mobility (four-wheel vehicles)
- Industrial equipment (factories)
- Home appliances (major consumer appliances, air conditioners, lighting, etc.)

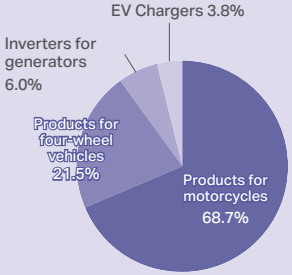
Breakdown by Markets

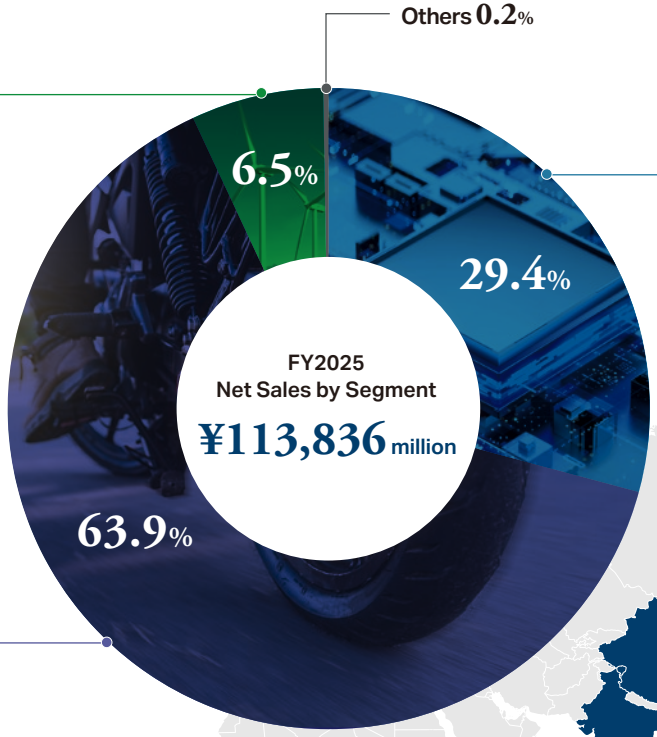


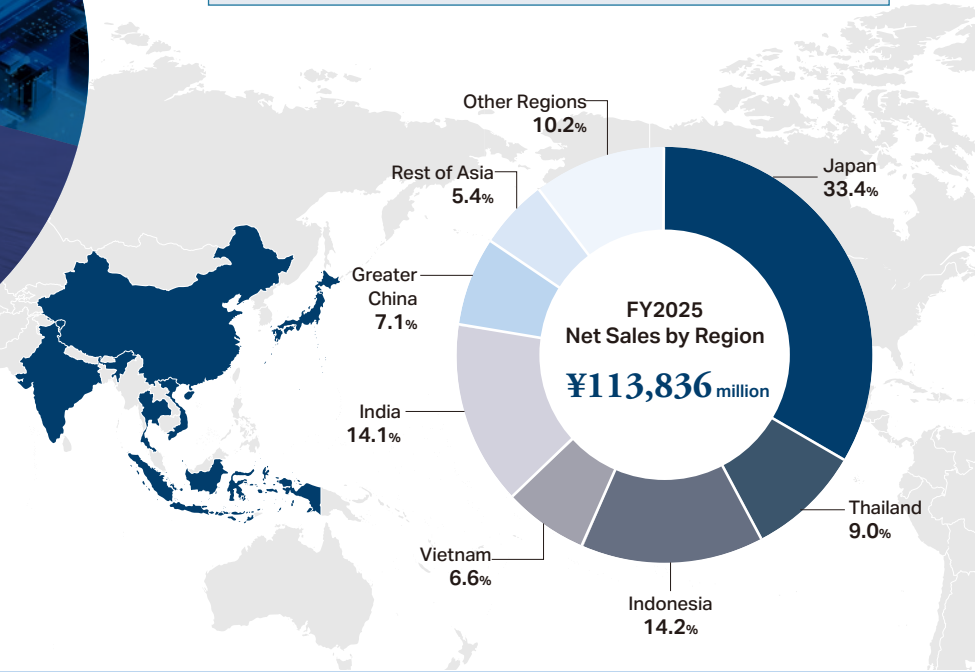
Power Unit

Main Markets
- Mobility (motorcycles, four-wheel vehicles)
- Generators

Breakdown by Product







Our Business

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





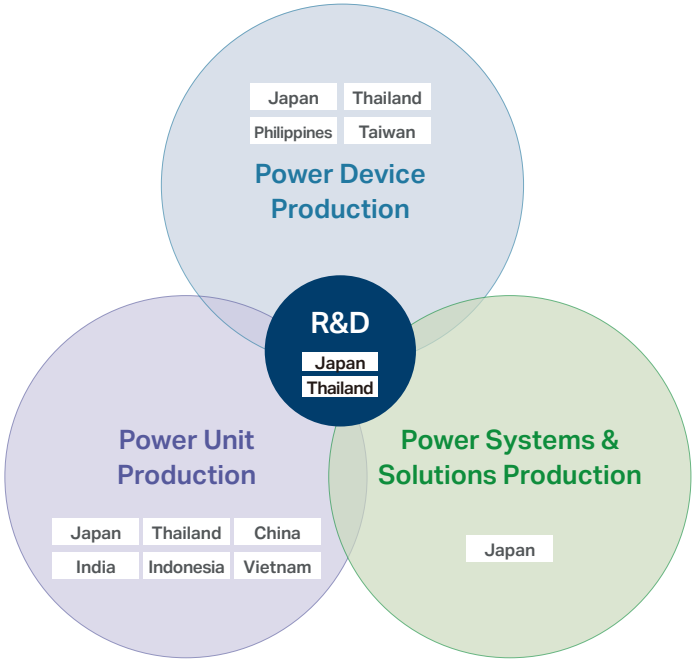
















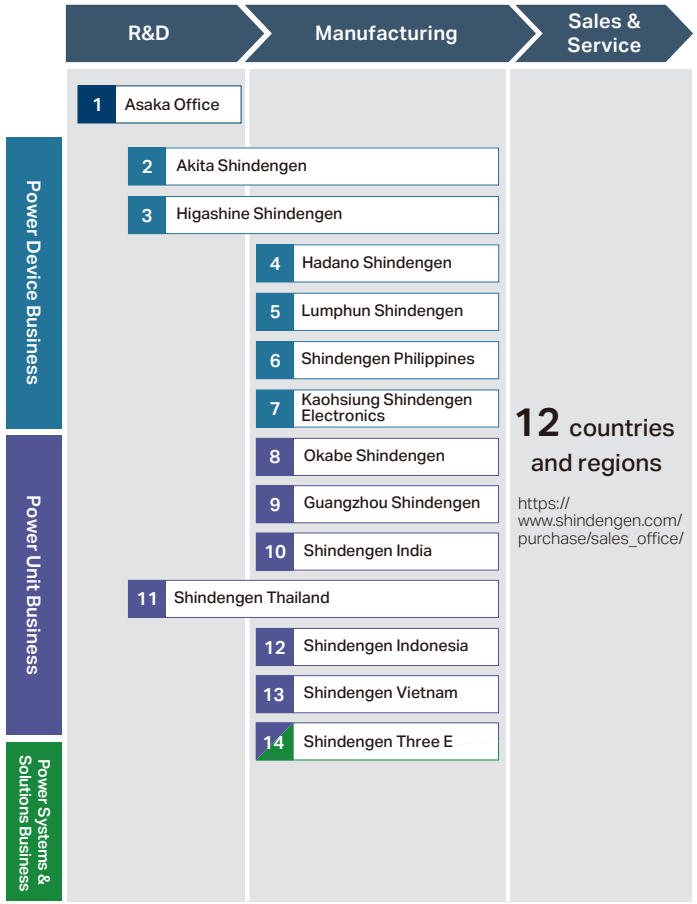








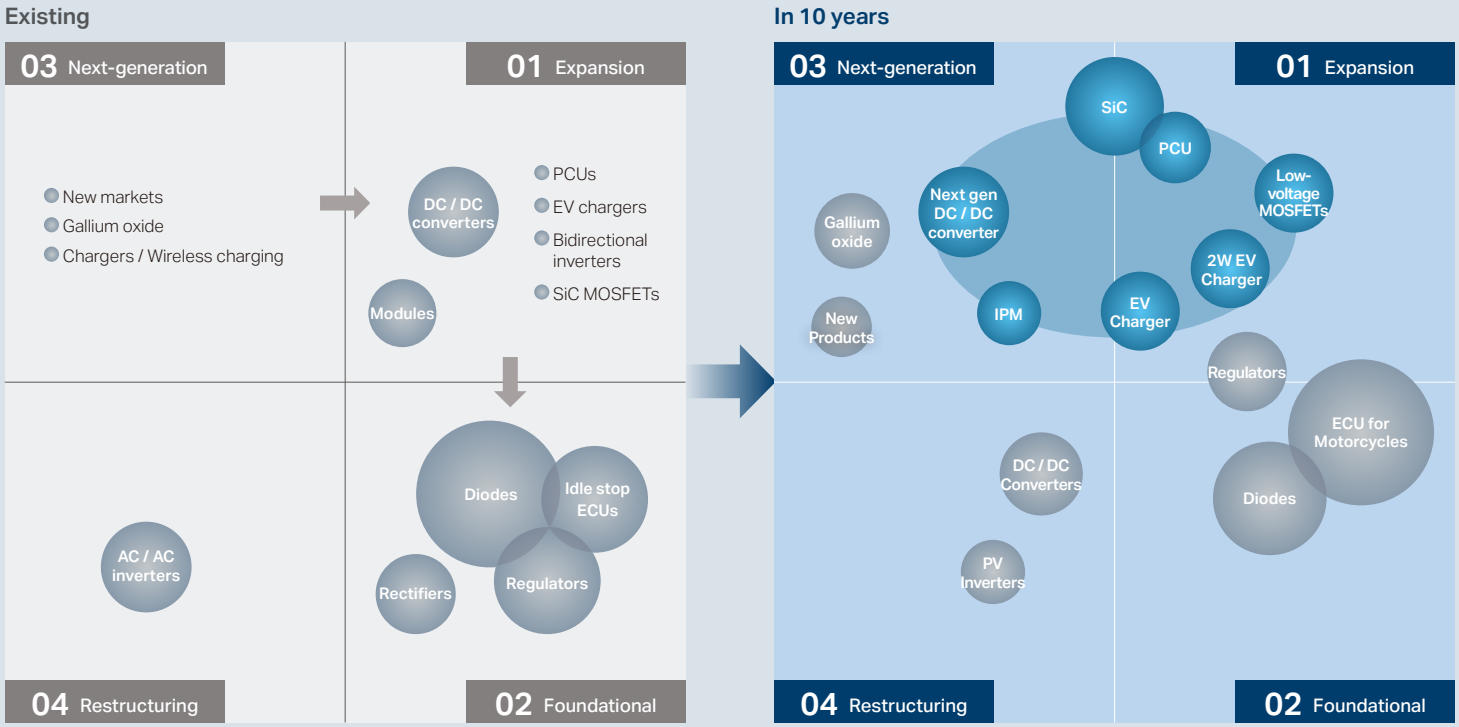




Long-Term Vision 2030 (FY2021–FY2030)

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



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 secure competitive advantage.

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 growth potential and profitability in order to optimize our strategy.

17th Medium Term Business Plan (FY2025–FY2027): Progress and Future Outlook

Medium Term Business Plan Strategy

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

FY2025 Results (Consolidated)

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
113,836 million yen	3,848 million yen	4,577 million yen	5,655 million yen

FY2026 Earnings Forecast and FY2027 Operating Targets (Consolidated)

	FY2026 Outlook
Net sales	121,200 million yen
Operating profit	4,000 million yen
Ordinary profit	3,900 million yen
Profit attributable to owners of parent	2,700 million yen

FY2027 Targets	
Net sales	130,000 million yen
Operating profit margin	5.0%
ROE	6.0%

Revision of the target for the final fiscal year (FY2027) to reflect the consolidation of the Power Device Business acquired from Kyocera Corporation through an M&A transaction

	Review (Results and Progress)	Future Initiatives
1 Earnings structure construction	• Management control strengthened with a heightened focus on cost of capital. • Efforts were made to improve productivity through automation and labor-saving measures in order to strengthen earnings power and cost competitiveness.	Maintain high reliability and quality while pursuing efficient business operations that maximize return on invested capital Production innovation, including at Plant II in India (page 12) / Effective ROA management by business
2 Development of target markets	• Shindengen India is constructing Plant II with the aim of further developing the growing motorcycle market in India. • To expand sales of Power Device products, sales capabilities were established in India while participation in local trade shows enhanced Shindengen's visibility and presence.	Timely introduction of products into target markets where demand growth is anticipated Building of production and sales systems for the Power Device and Power Unit Businesses in India (page 12)
3 Concentrating resources on growth sectors	• Positioned electrification-related products as the core products of the future, concentrating resources to accelerate their development. • To expand the market share and strengthen the competitiveness of the Power Device Business, we have acquired through M&A all shares of a newly established company that took over the Power Device Business of Kyocera Corporation.	Concentrate resources on core products while accurately identifying the direction of low-margin products Strengthen competitiveness through business integration with Kyocera Corporation's Power Device Business (page 13)
4 Promotion of sustainability management	• The material issues (key challenges) and non-financial KPIs for the 17th Medium Term Business Plan were announced, and we worked toward ensuring the sustainable growth of the Company. • Acquisition of Kurumin Certification	Advance sustainability strategy with environmental impact reduction and human capital management as pillars; pursue enhancement of corporate value Achieve the targets (KPIs) set in the material issues aligned with the Medium Term Business Plan (page 26)

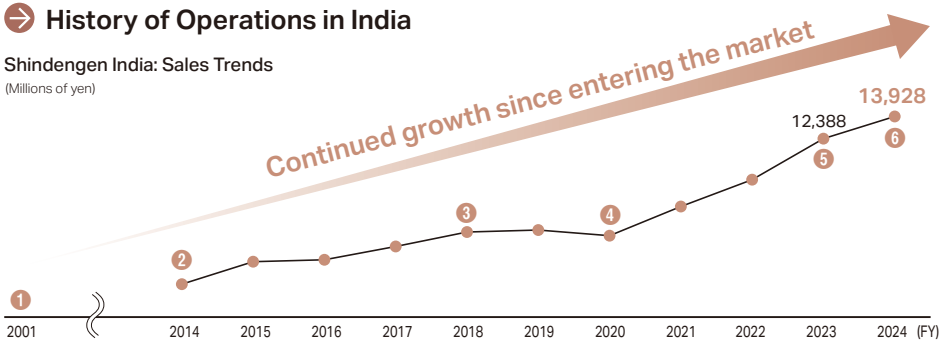
Special Feature 1

Growth Potential of Overseas Businesses —India Strategy

History of Operations in India

Shindengen India: Sales Trends

(Millions of yen)



1. Invested in Napino Auto & Electronics Ltd. and made it an affiliate. Full-scale manufacturing and sales of electrical components for motorcycles in India began.
2. Shindengen India, a wholly owned subsidiary, was established in 2012. It began operations in 2014.
3. Factory expansion to meet growing demand for motorcycles.
4. Market slump due to the impact of COVID-19.
5. Start of mass production of PCUs for electric motorcycles.
6. Decision made to establish a second factory. Construction began in 2025.

Driver of Shindengen's Growth—Business Expansion in the Indian Market

The ASEAN motorcycle market has long served as the foundation of our Power Unit Business. As this market matures, our growth strategy is entering a major turning point. During this transition, we have identified the Indian market as our top priority within the "development of target markets," a key management policy of the 17th Medium Term Business Plan. Shindengen has conducted business in India since 2001, expanding its operations primarily in the area of motorcycle products.

Going forward, through the strategic allocation of resources to the Indian market, we aim to transform the market into a growth engine for the Company and expand net sales* of our local manufacturing subsidiary, Shindengen India, by 1.5 to 2 times by 2030.

*Shindengen India net sales (FY2024): ¥13,928 million

Expanding Production Capacity: Shindengen India Plant II

To keep pace with the rapid economic growth and rising demand in the Indian market, we have begun construction of Shindengen India's Plant II near Bengaluru, with operations scheduled to begin in April 2027.

Production capacity at Plant II is on par with that of the first plant. By identifying the optimal balance between the competitive advantage of local labor costs and the automation of production equipment, we will establish a production model that maximizes production efficiency.

Business Opportunities Arising from Tighter Environmental Regulations: Tapping into Local Manufacturers

The Company strives to strengthen its presence in the Indian market by maintaining strong, trusting relationships with existing Japanese manufacturers while expanding sales to previously untapped local manufacturers. In India, environmental regulations are being rapidly tightened to address severe air and water pollution, and emissions standards such as Bharat Stage 6 have been implemented in the mobility market. These shifts in the market environment are creating more opportunities for us to propose high-value-added products, such as power control units (PCUs) for electric motorcycles, to local manufacturers.

Expansion of Business Fields: Development of the Power Device Business

The Power Device Business is also actively expanding its operations in India. In December 2024, the Company established sales capabilities for its Power Device Business in India and we enhanced our locally driven sales structure by expanding our sales engineering team. Additionally, we have secured land at the site of Shindengen India Plant II, currently under construction, to accommodate future local production of Power Device products. At the same time, rather than focusing solely on in-house capital investment, we are aiming to build a flexible production system that adapts to market trends by also considering the use of external manufacturing partners.

Power Device Initiatives for Expanding into the Indian Market

December 2024
Establishment of Power Device Sales Capabilities

April 2025
Signing of Land Agreement for Plant II

2027
Scheduled Start of Production of Power Unit at Plant II

We will gradually expand our team of sales representatives and sales engineers dedicated to the Power Device Business.

Aiming to Establish a Locally Led Sales Expansion Framework

In line with increased production of Power Unit products, we have also secured land to produce Power Device products. We are currently considering a phased approach to production in India, including the use of OSAT providers.

While utilizing the facility as a production base for the Power Unit Business, preparations will be made to ensure that frameworks can be established quickly and flexibly in accordance with the status of deliberations.

Special Feature 2

Acquisition of the Power Device Business and Future Outlook

New Growth Drivers for the Power Device Business

Since the onset of the COVID-19 pandemic, the Power Device Business has continued to face difficulties against the backdrop of a sluggish Chinese economy, and in FY2024, we implemented sweeping corporate restructuring to rebuild our earnings platform. In FY2025, as the effects of these measures begin to materialize, the business is returning to a growth trajectory.

In preparation for the transition to a new phase of growth, in January 2026, we completed the acquisition of all shares in the operating company that held Kyocera Corporation's Power Device Business, which we have positioned as a key driver of growth in our own Power Device Business. We have welcomed this company, renamed Hadano Shindengen Co., Ltd., into the Shindengen Group and have launched a new organizational structure aimed at strengthening the competitiveness of our Power Device Business.

Strengthening Competitiveness Through Complementary Relationships

Both our existing Power Device Business and the corresponding business acquired from Kyocera Corporation (hereinafter referred to as the "acquired business") are highly compatible, and by leveraging each other's strengths, we can generate synergy.

In terms of products, our Power Device Business has a long track record of developing power modules tailored to customer specifications, while the acquired business offered a wide range of highly versatile, general-purpose products. In recent years, against the backdrop of rising supply chain risks, demand for standardized products has been increasing. We have expanded our product lineup to also include general-purpose products, thereby establishing a system that enables us to provide optimal solutions tailored to our customers' diverse needs. On the sales front, the establishment of new connections with previously untapped applications and customer segments has enabled us to propose cross-selling opportunities that incorporate our existing product portfolio.

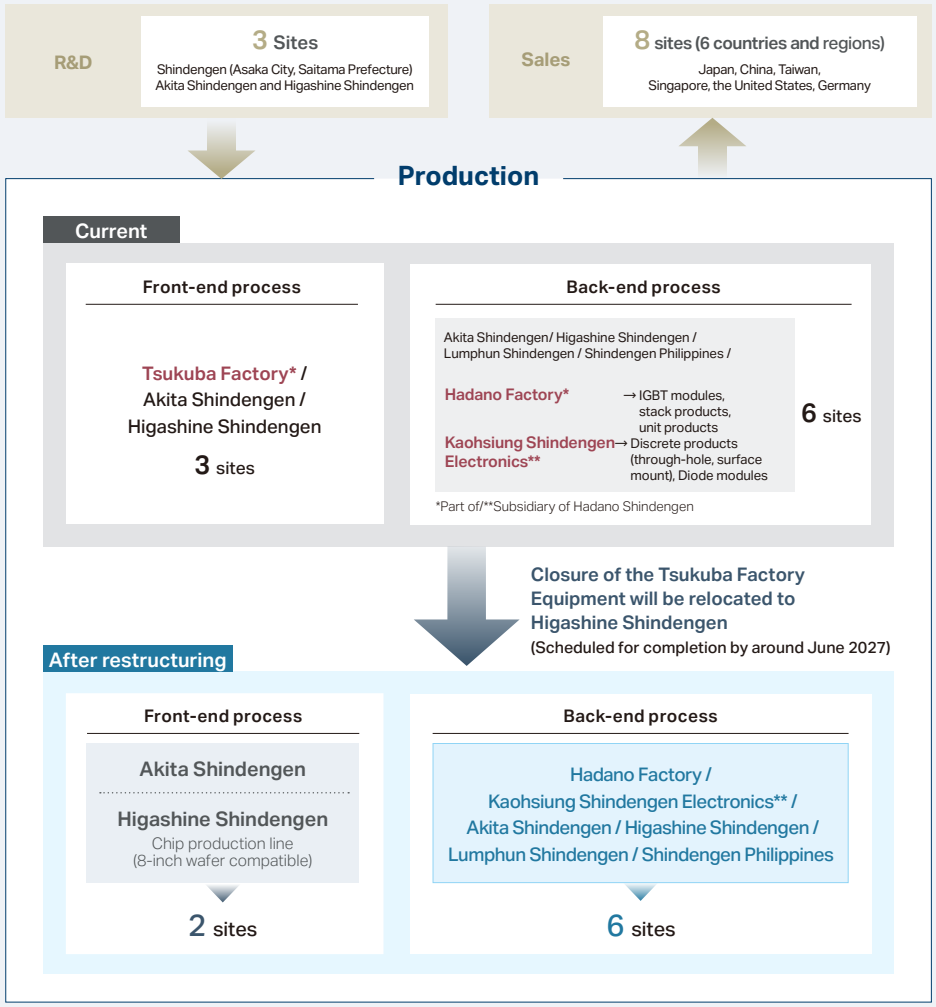
Creating New Synergy

We are advancing the integration of our Power Device Business's chip technology (front-end process) into our operations. Previously, some products from acquired businesses relied on externally sourced chips. Going forward, we plan to utilize our in-house chips for these products. This will enable us to create added value through improvements in product specifications and higher utilization of our manufacturing plants.

Furthermore, by integrating the technologies of both businesses, we will promote new product development and technological advancement. We anticipate that these efforts will contribute significantly to our operating results, starting with the next Medium Term Business Plan (the 18th).

Future Outlook—Optimizing Production Layout

Efforts to optimize the production layout for the entire Power Device Business, including the three newly acquired sites, are currently underway. Specifically, we plan to transfer and consolidate such assets as the 8-inch wafer-compatible chip production equipment currently housed at the Tsukuba Factory, which handles front-end processes, to our other existing factories. The Tsukuba Factory is scheduled to close by June 2027. By optimizing the overall business layout, we aim to achieve further cost reductions and improve the utilization rates of our existing sites.



Message from the Head of Finance



Director and Senior Executive Officer
Osamu Ukegawa

Review of the First Year of the 17th Medium Term Business Plan

Viewing the three-year period covered by the 17th Medium Term Business Plan as a "hop, step, jump" growth process, I believe the first year, FY2025, served as a decent "hop" into a new era. While effects of the structural reforms implemented in the Power Device Business during the previous fiscal year led to some initial targets not being fully met, we were able to lay the groundwork for achieving goals for the final year of the 17th Medium Term Business Plan by implementing additional measures. We expect the operating environment to remain challenging, so FY2026 (the business plan's second year) will serve as a critical juncture that tests the true value of the Company. As we strive to take the next "step" forward, the entire Company will come together and pursue our goals, driven by a strong "determination" to achieve them.

Our Approach to Financial Strategy

Amid a rapidly changing and increasingly complex business environment, it remains essential for the Company to solidify its business foundation through enhanced capital efficiency in order to achieve sustainable growth. As a specific approach, we are more vigorously promoting management practices that integrate the income statement with the balance sheet. While maintaining traditional metrics such as operating income margin and ROE, we will also effectively utilize company-wide ROIC and business-segment-specific ROA metrics. Through a two-pronged approach—expanding operating income (the numerator of these metrics) and improving the efficiency of invested capital and business assets (the denominator)—we will continue the reduction of cross-shareholdings and the disposal of idle assets in order to streamline our balance sheet. Cash generated through these initiatives will be optimally allocated to growth investments, investments in human capital, strengthening our financial foundation, and shareholder returns. Through proactive investment in growth areas and ongoing investment in human capital, we aim to strengthen our competitiveness while also maintaining financial soundness and returning profits to shareholders, thereby driving the growth of our corporate value over the medium to long term.

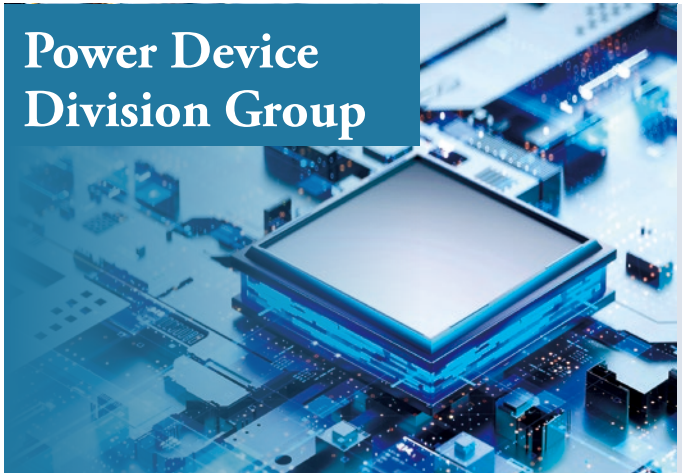
Our Approach to Growth Investments (Capital Expenditures and R&D)

First and foremost, our priority is allocating management resources to the Indian market, which we view as a key target market. To meet the needs of India's expanding motorcycle market, we are proceeding with the construction of a second plant at Shindengen India Pvt. Ltd., our base in that country. At the same time, by investing in equipment to promote automation and labor saving, we will strive to further improve production efficiency and work to strengthen our device business in India. Using the profits generated from these current core businesses as a funding source, we will also actively promote research and development in growth areas that will become future pillars of our business. Specifically, with an eye toward the shift to electric vehicles (EVs), we will accelerate the development of electrification-related products such as power control units (PCUs) and DC/DC converters. Furthermore, we will work swiftly to create synergy with the Power Device Business newly acquired from Kyocera Corporation.

Our Approach to Shareholder Returns

We consider returning profits to shareholders to be one of our most important management issues. While our shareholder return policy is based on stable and consistent dividends, we also flexibly consider other measures, such as the repurchase of treasury stock, depending on circumstances. Furthermore, we consider active dialogue with our stakeholders to be extremely important. In particular, especially in the capital markets, we will proactively engage with investors to earn their trust. Currently, the Company's price-to-book ratio (PBR) continues to be below 1.0x, and breaking out of this situation is a pressing issue. We will strive to improve capital efficiency by further refining our core business's earnings power, while also focusing on strengthening our corporate brand through constructive discussion. 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.

Power Device Division Group



Message from the Head of Division Group

Determined to recover from a period of stagnation, we launched our 17th Medium Term Business Plan guided by the concept that "remaining unchanged is the greatest risk: we must boldly take on new challenges." In FY2025, the plan's first year, we achieved our mandatory target of returning to profitability, thanks to increased revenue and the structural reforms implemented two years ago. In FY2026, the plan's second year, we aim to move toward a growth phase through successful integration of Kyocera Corporation's Power Device Business, which we acquired. We will leverage synergies that capitalize on the strengths and unique characteristics of both companies.



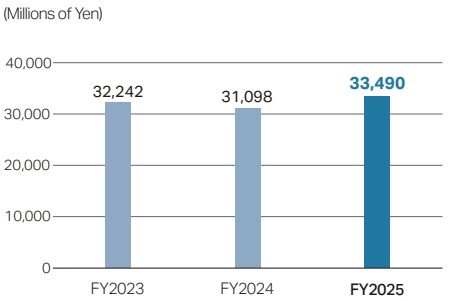
Officer and General Manager of the Power Device Division Group

Yoshiaki Matsumoto

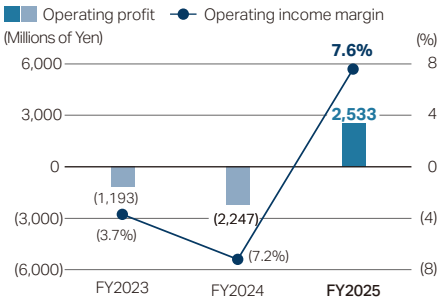
Segment Overview

The growing demand for electricity, stemming from the increasing adoption of electric vehicles in the automobile market and the growing use of robotics in the industrial machinery market, has led us to expand our business by leveraging our strength in power semiconductors that control high voltages and high currents. Our flagship diodes are used in automotive components (such as ECUs), as well as in power supplies for industrial machinery and electric home appliances. Our MOSFETs, acting as switching devices, are used not only in automobile components and electric home appliances but also in ECUs for motorcycles and automobiles within our Power Unit Business. We also supply high-performance products such as power modules for industrial machinery and automobiles, as well as power ICs (integrated circuits) for lighting and automotive applications.

Net sales



Operating profit/Operating income margin



Opportunities and Risks in the Power Device Business

Opportunities

- Medium- to long-term growth in demand for power semiconductors for automotive applications (EVs, HEVs, PHEVs, etc.) and industrial machinery
- Growing data traffic and the need for increased processing capacity, as well as rising demand for power-saving and high-efficiency solutions to meet global CO_2 reduction targets

Risks

- Rising costs of materials, fuel, and electricity due to underlying international conditions
- Disruptions to global supply chains caused by intermittent geopolitical risks, necessitating business continuity planning (BCP) measures

Business Strengths of the Shindengen Group

Strengths 1

We have accumulated expertise in high-voltage, high-current power semiconductor technology, combined with high-quality products and manufacturing techniques backed by a long track record.

Strengths 2

In addition to power device technology, we possess circuit and electrical components. We can deliver products that satisfy customer needs through designs that contribute to high efficiency, low power consumption, and reduced size.

Strengths 3

While leveraging the expertise gained from the Power Device Business to develop power unit and power system products, we also incorporate the needs identified in those areas back into the Power Device Business to generate synergy.

Power Device Division Group

17th Medium Term Business Plan: Business Strategy Progress and Results

Business Strategy		Results and Progress
1. Earnings structure construction	Reduce product costs at the development stage	By adopting low-cost components and reducing semiconductor chip size through low-loss designs, we worked to minimize costs.
	Reduce product costs at the production stage	By expanding global procurement, implementing process automation and streamlining, and promoting productivity improvements through in-process cost reduction initiatives, we worked to minimize costs.
	Reduce product costs through management	We improved management capabilities and reduced product costs by overhauling our production and process management systems.
2. Concentrating resources on growth sectors	Early release of low-loss, high-current, high-voltage products for the mobility, industrial machinery, and consumer markets	We released low-voltage MOSFETs featuring low Ron, low noise, and high-speed switching performance, and expanded our lineup of surge-absorbing diodes.
	Develop unique elemental technologies and utilize them in product development	We advanced the development of ΦBn control technology for Schottky barrier diodes, the establishment of our proprietary new structural process technology, and the development of next-generation diode module products.
	Develop products using next-generation devices	We developed a surface-mount SiC Schottky barrier diode with low VF and a high breakdown voltage (exceeding 1,200 V), and established technology for high-thermal-conductivity packages.
3. Development of target markets	Commercialization of products that contribute to electrification—such as those designed for mobility, featuring low loss, and reduced size	We promoted the development of eco-friendly technology by developing low-loss chips and mounting them in smaller packages than conventional products.

Topics

The Power Device Business Division has strengthened its ability to deliver value to various markets through new product launches and the expansion of its product lineup. The 650 V fast-recovery diode contributes to improved performance in the power supply, lighting, and industrial machinery sectors thanks to its low noise and high efficiency. The Tj=175°C guaranteed Schottky barrier diodes offer improved reliability for high-capacity applications. For automotive applications, we have developed surface-mount diodes rated for over 1,000 V that achieve both higher voltage ratings and smaller sizes. For low-voltage MOSFETs (EETMOS® 6), we have pursued user-friendly design by combining low Ron with high-speed switching and low-noise performance. Furthermore, by expanding our lineup of surge-absorbing diodes in globally standardized packages and offering a wide range of products with various voltage ratings, we are helping customers—particularly those in the automobile market—achieve optimal designs.

R&D

For our diode products, we established our own proprietary wafer process technology featuring a new-structure and began product development with general-purpose diodes. Using this new structural technology, we also initiated development aimed at the early commercialization of high-voltage diodes, for which there is robust demand. Furthermore, we are vigorously pursuing the development of SiC Schottky barrier diodes with a strategy focused on differentiation from competitors.

For MOSFET products, in addition to expanding the voltage rating and package lineup of our sixth-generation series, we have begun process development to design and implement a device structure for our next-generation seventh-generation series that further refines the low noise, low Ron, and high-speed switching characteristics that defined the sixth generation. Going forward, we will continue our efforts toward commercialization. Furthermore, we are expanding the lineup of our first-generation SiC-MOSFETs to meet customer needs.

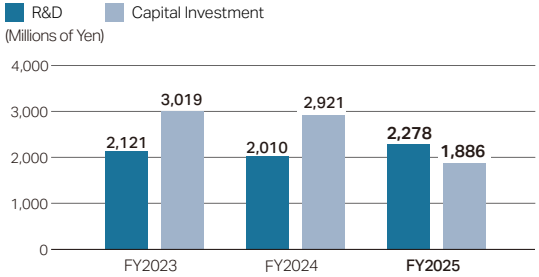
In the power module product line, we developed a 6-in-1 MOSFET module (transfer type) for cell dynamo in gasoline-powered motorcycles, featuring in-house chips and a 4-in-1 MOSFET module for automotive DC/DC converters. These products exemplify the synergy achieved between our business divisions. Furthermore, for our potting-type products, we have developed next-generation diode modules for consumer and industrial applications based on the concept of smaller size and lighter weight, and we are actively pursuing the development of resin-free modules designed to further reduce weight.

In the IC product segment, we have developed multi-chip versions of ideal diodes (ICs) that use MOSFETs and control circuits to simulate diode functionality. We are also advancing product development to support the transition to 48 V batteries in automotive applications. Additionally, we are working on the development of IC products for the Power Unit Business Division (for motorcycle PCUs) and various other custom IC products.

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



Power Unit Division Group



Message from the Head of Division Group

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. In India, our target market, we plan to launch operations at Shindengen India's second factory in 2027. In the ASEAN region, we intend to leverage our existing Power Device manufacturing facility in the Philippines—a market with strong growth potential—to establish a local production and supply system for Power Unit products, thereby propelling the business into a new phase of growth.



Senior Officer and General Manager of the Power Unit Division Group

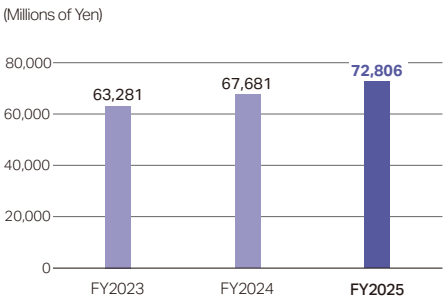
Shoji Chiba

Segment Overview

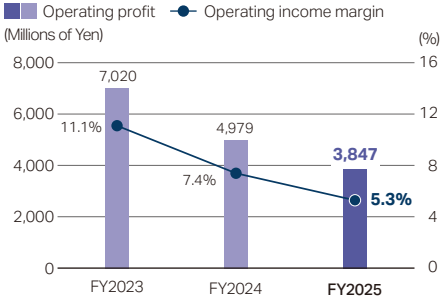
The Power Unit Business has expanded with a focus on products that mainly handle battery charging, voltage control, and engine control for motorcycles, using semiconductors manufactured in-house by the Power Device segment as key parts. We also supply drive motor control units and EV battery chargers to support the electrification of motorcycles.

For automobiles, we supply DC/DC converters that reduce the voltage of high-voltage batteries, such as those found in eco-friendly vehicles like HEVs and PHEVs, to the voltage used in automotive electrical systems, as well as adaptive damper ECUs that control driving stability and ride comfort. In addition, we supply inverters for portable engine-powered generators, AC chargers for EVs and PHEVs, and quick chargers.

Net sales



Operating profit/Operating income margin



Opportunities and Risks in the Power Unit Business

Opportunities

- Sustained growth in demand for motorcycles, particularly in Asia and Latin America
- Increasing demand for electronic control technologies due to stricter environmental and safety regulations
- Expansion of electrification driven by fluctuations in energy prices and progress toward decarbonization

Risks

- Intensifying competition due to the rise of emerging automotive electronics manufacturers
- Increased development workload due to expanded software support
- Procurement instability and rising costs due to geopolitical factors

Business Strengths of the Shindengen Group

Strengths 1

A power electronics company integrating power device, power supply circuit, mounting, and software control technologies

Strengths 2

Adaptability to evolving vehicle systems, market changes, and various regulations, combined with accumulated development expertise

Strengths 3

Track record of establishing optimal production lines and supply chains in markets where demand exists

Power Unit Division Group

17th Medium Term Business Plan: Business Strategy Progress and Results

Business Strategy	Results and Progress
1. Earnings structure construction	We reviewed our product portfolio and reallocated development resources relative to the accelerating pace of electrification. In response to rising material and labor costs, we ensured earnings levels through appropriate price adjustments.
2. Concentrating resources on growth sectors	For motorcycles with internal combustion engines, a market with continued growth potential, we accelerated development of charging systems that enable higher current output while limiting engine control unit and alternator size. This was achieved by reducing weight through mold resin specification changes and incorporating cybersecurity measures. In the electrification sector, in addition to launching PCUs for motorcycles and EV battery chargers, we continue to develop converter module platforms with compact, high-efficiency designs aimed at integration with the X in 1 system, as well as control units for automotive suspension systems.
3. Development of target markets	Focusing on India, a key strategic market for the Company, we have begun construction of Shindengen India's Plant II. This involves the development of an innovative production line designed to maximize production efficiency and leverage the benefits of automation. We are moving forward with this initiative to realize a new approach to manufacturing. Additionally, we are working to create the necessary conditions to establish a local R&D structure.
4. Promotion of sustainability management	We are progressively introducing solar power generation at each production site as well as promoting decarbonization efforts on the manufacturing floor.

Topics

Three-Phase Grid Compatible V2X Charger/ Discharger Utilizing EVs

In pursuit of providing next-generation energy solutions that balance reliability and operational efficiency for applications such as power outage countermeasures in apartment complexes, energy management at business facilities, and disaster preparedness at public facilities, we aim to expand our marketing channels through both our own brand and OEM supply.



R&D

For the motorcycle sector, we are working to improve motor drive control, eliminating the need for external sensors in internal combustion engine products. We are also advancing the development of technology for devices that centrally control a range of accessories. Additionally, for electric vehicle products, we have focused on developing motor control units that incorporate our newly developed MOSFET chips without packaging, as well as chargers compatible with worldwide input voltages.

For the automobile market, we are expanding our lineup of platform power supplies, including the development of high-voltage, high-output power supplies that incorporate platform technology, and developing modular power supplies designed for high power density.

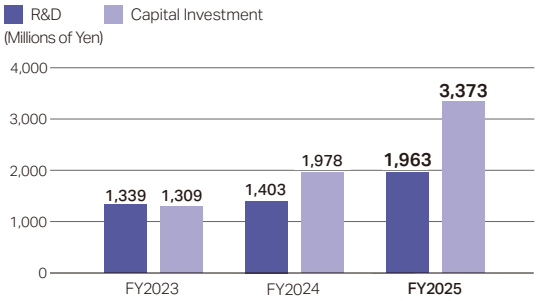
We have implemented cybersecurity measures, which have become increasingly necessary in recent years, for both motorcycles and automobiles.

In the area of common mounting technologies, we are working to establish mounting and inspection technologies for leadless packages aimed at achieving higher density. We are also optimizing printed circuit board substrates and board configurations as well as developing adhesives, thereby promoting activities that lead to faster product development.

Capital Investment

In response to strong local demand for motorcycles, we expanded production capacity at Shindengen India and invested in the introduction of evaluation equipment to improve the local development environment. At our domestic production sites, we continued to introduce automation and labor-saving equipment for manufacturing charging systems. Additionally, we installed solar power generation systems in Thailand, Indonesia, and other locations to improve environmental performance and reduce energy costs.

R&D and Capital Investment



Power Systems & Solutions Division



Message from the Head of Division

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 are also adding a 48 V DC lithium-ion battery system to our product lineup and aim to expand sales to new markets and new customers by combining it with our rectifiers. 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.



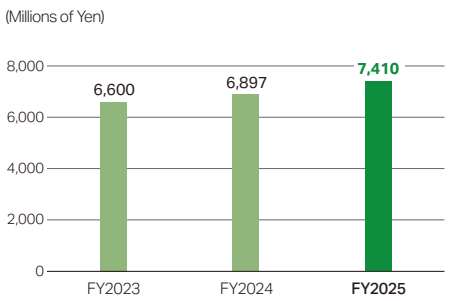
Officer and Division Manager of
the Power Systems & Solutions Division
Yoshiharu Yokoi

Segment Overview

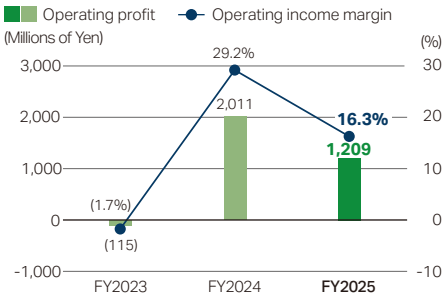
This segment offers power supplies and monitoring equipment focused on efficient energy conversion and use drawing on the Group's extensive expertise in power conversion technology, developed over many decades. To meet society's needs as energy diversifies, we will continue to tirelessly advance technological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

Furthermore, with an eye on new markets, we will continue to develop technologies related to energy supply and demand control by leveraging our existing bidirectional power conversion and grid interconnection technologies.

Net sales



Operating profit / Operating income margin



Opportunities and Risks in the Power Systems & Solutions Business

Opportunities

- Growing demand for high-efficiency products driven by increasing global environmental concerns and soaring electricity rates
- Steady capital investment in telecommunications infrastructure accompanying the widespread adoption of 5G

Risks

- Profit decline due to the rising cost of materials, labor, and transportation, as well as lost opportunities resulting from delays in material delivery
- Addressing end-of-life (EOL) issues for internal components due to lengthening product supply cycles

Business Strengths of the Shindengen Group

Strengths 1

A long track record of high reliability and quality cultivated in the telecommunications infrastructure market

Strengths 2

Flexible solutions that combine lithium-ion batteries with a wide range of power supply products, from small to large capacities

Strengths 3

Product development utilizing grid interconnection technology and isolated bidirectional power conversion technology

Power Systems & Solutions Division

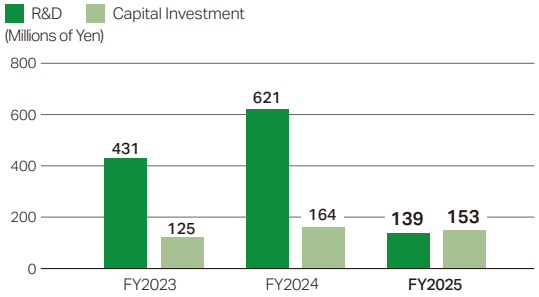
17th Medium Term Business Plan: Business Strategy Progress and Results

Business Strategy	Results and Progress
1.Earnings structure construction	We developed power supplies for information and communications equipment with high power conversion efficiency and expanded our product lineup to help reduce power consumption in data centers, telecommunications buildings, and wireless base stations.
2. Development of target markets	With an eye toward market expansion, we will advance technological development focusing on power supply systems compatible with DC grids while pushing forward with product development initiatives.
3. Concentrating resources on growth sectors	By adding lithium-ion battery systems to our product lineup, we will expand our sales efforts to previously untapped customer markets.

Capital Investment

The Power Systems & Solutions Business Division invested in production capacity expansion at Shindengen Three E to meet growing demand for HVDC rectifiers and 48V rectifiers.

R&D and Capital Investment



R&D

We expanded our product lineup of rectifiers designed for large-scale telecommunications infrastructure, offering more compact models with greater efficiency than previous versions. Our development efforts also included the creation of power supplies for base stations suitable for outdoor use and compatible with three-phase input, the development of lithium-ion battery systems, and the development of medium-capacity rectifiers.

In addition, as part of our technology development initiatives, efforts were made to further improve power supply efficiency. To accelerate development, we will advance initiatives such as exploring automated routing technology for printed circuit board design and evaluating AI-based software coding techniques.

Topics

Launch of Sales for 48 V DC Lithium-Ion Battery Systems for Telecommunications Equipment

In July 2025, we began sales of 48 V DC lithium-ion battery systems for use as backup power sources for telecommunications infrastructure. To provide highly reliable products, we employ lithium iron phosphate batteries, which combine long service life with enhanced safety features.

The recent launch and widespread adoption of video streaming services has led to a significant increase in domestic data traffic, while the rapid advancement of generative AI technology is accelerating the digitization of society as a whole. Furthermore, as the maintenance and management of social infrastructure progresses through the use of IoT and sensor technologies, backup power supplies are becoming increasingly critical to ensure the resilience of communications equipment.

Against this backdrop, installation space for data center equipment is becoming increasingly limited, driving higher demand for space-saving lithium-ion battery systems that can deliver high energy storage capacity within a limited footprint.

By proposing solutions that combine this lithium-ion battery system with our 48 V rectifier units, which have long been well-received in the market, we will continue to expand our product lineup to meet customer needs in the domestic telecommunications market.



Technology and Development Center



Message from the Head of Center

Our technology development, with power semiconductors at the core, is evolving into a source of competitive advantage that enables us to reliably capture market growth driven by trends such as the shift to electric vehicles and the expansion of renewable energy. By leveraging AI and DX to dramatically enhance development efficiency and our ability to create added value, we will pursue the highest possible energy conversion efficiency while maximizing profitability. Building on our core technologies, we will accelerate the development of next-generation power devices and the creation of new applications to achieve sustained, robust business growth and enhance corporate value.



Officer and Division Manager of the Technology & Development Center

Ryu Sudo

Overview of the Technology & Development Center

The Technology & Development Center focuses on advancing the core technologies that underpin each business segment and acquiring elemental technologies that will contribute to new markets and fields.

Business Strengths of the Shindengen Group

Strengths 1 Expansion across the power conversion sector and driving sales growth, leveraging our core strength in semiconductors, by capturing opportunities in the EV and renewable energy markets

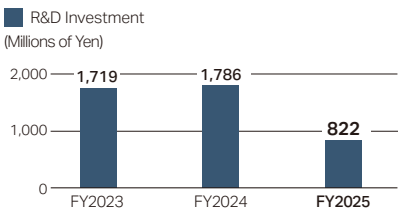
Strengths 2 High reliability established through optimal design capabilities that meet customer quality requirements, contributing to an increased rate of repeat orders and stable earnings

Strengths 3 End-to-end provision of solutions ranging from devices to systems driving high value-added growth, improving profit margins, and establishing a competitive advantage

R&D

R&D expenses were as shown on the right.

R&D Investment



Results and Progress of the 17th Medium Term Business Plan

Business Strategy	Results
As part of our medium-term business strategy, we have established the following basic policies: "technology development that contributes to Companywide sales growth and improved profitability," "effective utilization of external resources," and "cross-functional value creation." With a focus on core technology development, we will accelerate the development of next-generation devices and the creation of new applications.	In FY2025, within the power device technology field, we developed next-generation power semiconductor devices and packaging technologies, driving performance improvements and expanding our technological capabilities. Additionally, in the power supply and robotics technology fields, we focused on advancing elemental technologies that differentiate existing products and enhance their value, as well as on developing core technologies to support expansion into new markets.

Next-Generation Device Technology

While advancing the development of higher-performance and more feature-rich SiC-MOSFETs, we have also intensified device structure and process development to establish technologies for GaN and Ga_2O_3 devices.

Power Conversion Technology

We promoted the development of circuit technologies, magnetic component technologies, and assembly technologies that achieve high efficiency, compact size, and low cost in module power supplies for high-capacity DC/DC converters used in automotive applications.

Robotics Technology

We developed and exhibited a robot at the Japan Mobility Show 2025 that integrates technologies in sensing, recognition and perception, control, and mechanisms and mechatronics. By addressing the challenges identified during the development and validation processes, we are moving toward the commercialization of this technology in practical applications.

Next-Generation Device Packaging Technology

To develop bonding technologies for next-generation device chips and substrates, we advanced the selection and evaluation of sintering materials that combine high thermal conductivity with high reliability, while also advancing the sophistication of encapsulation technologies using high-heat-resistant resins. In the power module field, we achieved the reduced size and inductance suitable for next-generation devices, and successfully established low-inductance structural technologies.

Contactless Power Transfer Technology

Utilizing the magnetic resonance method we established for EVs, we developed, demonstrated, and exhibited a low-capacity power supply system for robots at the Japan Mobility Show 2025. We are currently working to expand this technology into commercial products. Additionally, we are conducting technical evaluations of the electric field resonance method (from the perspectives of robustness, noise immunity, weight and cost reduction) as we accelerate our efforts toward practical application.

Pursuit of Open Innovation

In developing next-generation devices and robotics technologies, we are pushing forward with R&D through joint research, commissioned research, technical consulting, and the use of external facilities in collaboration with research institutions, universities, and partner companies. Furthermore, by actively utilizing external fabs for device prototyping, we are enhancing our technical capabilities and shortening development cycles.

Accelerating Development Through the Use of AI and DX Technologies

We developed a search system for EMI data and countermeasures to streamline design and development operations and shorten development cycles. In addition to making continuous improvements through system operation, we will work to enhance the search and recommendation functions by leveraging our existing technology, know-how, and expertise as we promote the integration of these capabilities into technical reviews.

Monozukuri Center



Message from the Head of Center

The Monozukuri (manufacturing excellence) Center integrates manufacturing across all three of the Company's business segments (Power Unit, Power Device, and Power Systems & Solutions) and drives their evolution with a focus on overall optimization. Through collaboration that transcends the traditional divisional structure, we will work as one company to swiftly realize Shindengen's distinctive approach to manufacturing excellence.



Officer and Head of the Monozukuri Center

Hirofumi Matsuo

Overview of the Monozukuri Center

The Monozukuri Center consists of three distinct departments: Quality, Purchasing Management, and Machine Engineering. We pursue competitive manufacturing capabilities by advancing production technology and the relentless pursuit of high quality, which form two key pillars. By promoting DX and the visualization of manufacturing, facilities, and procurement, we rigorously eliminate waste and optimize processes. This enables us to provide products that meet our customers' expectations. Alongside this, we actively foster the next generation of talent capable of driving improvement autonomously, thereby ensuring sustainable growth through Companywide cooperation and teamwork.

Business Strengths of the Shindengen Group

Strengths 1 — Integrated management capabilities that drive cross-functional optimization across manufacturing, facilities, and procurement through Companywide collaboration

Strengths 2 — The ability to drive continuous improvement and efficiency based on DX and data visualization

Strengths 3 — On-site responsiveness ensures high quality by thoroughly eliminating complaints and addressing issues at the source

17th Medium Term Business Plan: Business Strategy Progress and Results

Progress	Results
• Guided by a basic policy of "realizing manufacturing excellence through Companywide cooperation and teamwork," we conduct our activities based on the three pillars of materials procurement, quality, and production technology • Exploring ways to enhance transparency to optimize purchasing prices • Improving product quality through a return to basics • Designing streamlined production lines that incorporate DX	After identifying procurement challenges across our three segments, we established a path forward through systemization. In terms of quality management, by revisiting fundamental practices we achieved improvements in both quality and productivity. From a production technology perspective, we are implementing DX at our second plant in India, designing production processes, and executing them according to plan.

Engineering Improvement Support

Individual plants throughout the Group manufacture distinct products and operate under their own unique rules. The Monozukuri Center facilitates the sharing of best practices and challenges across these plants, promoting the Groupwide rollout of initiatives aimed at improving process optimization and equipment maintenance, as well as preventing the recurrence of quality complaints.

Streamlining Production Through the Use of Robots

By introducing robots to automate repetitive and physically demanding tasks, we are achieving both reduced workforce requirements and consistent quality, while also driving productivity improvements and building a sustainable production system.

Enhancing Cost Competitiveness and Reforming the Procurement Infrastructure

We are enhancing our cost competitiveness through the diversification and globalization of procurement and the optimization of logistics and supply chains, while also promoting optimal procurement through the visualization of material information and data utilization.

Rollout of Equipment DX

By integrating our equipment with information systems, we provide real-time visualization and analysis of operational status. This enables us to quickly identify and address the causes of downtime, thereby maximizing equipment uptime and improving production efficiency, while also strengthening the DX infrastructure in our manufacturing operations.

Advances in Visual Inspection Technology

We are establishing a high-precision, high-speed inspection system by expanding the use of AI-powered visual inspections. This helps minimize variability arising from manual inspection, enables early detection of defects, and improves quality, while also improving inspection efficiency.

Quality Management and Improvement

We manage and monitor quality Groupwide while promoting continuous quality improvement through training and support, such as small-group improvement activities.

Message from the Head of Sustainability Promotion



Officer, Division Manager of
the President's Office and Department Manager of
the 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 of "Maximizing energy conversion efficiency for the benefit of humanity and society." We are committed to developing and providing eco-friendly products.

In our 17th Medium Term Business Plan, 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 monitoring and disclosing 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 recycling-based 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 our stakeholders.

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

Sustainability

Our Approach to Sustainability and Initiatives

For the Shindengen Group, sustainability means 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 growing "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/

Sustainability Governance and Risk Management

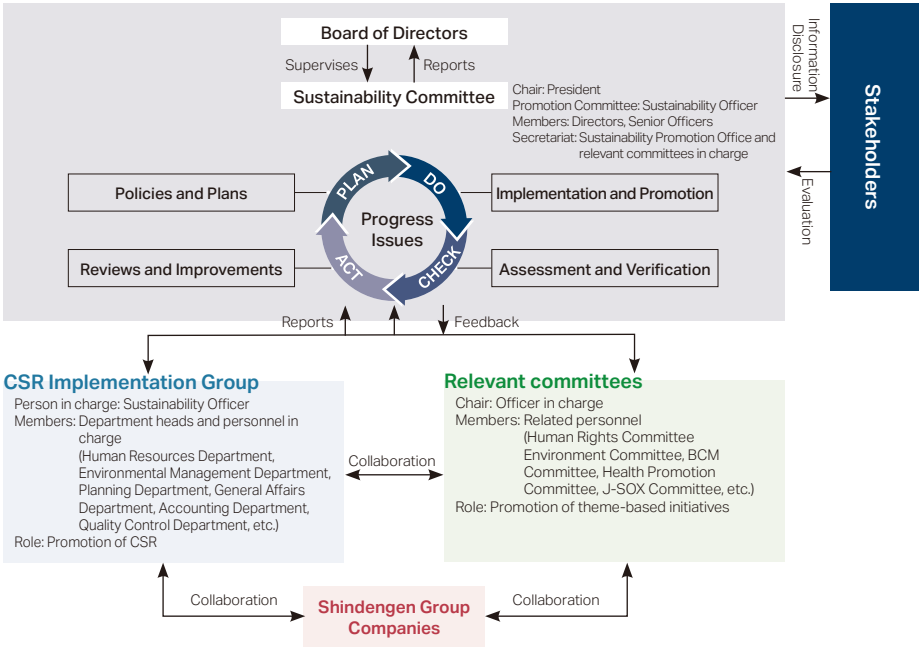
Under our Medium Term Business Plan, we will create sustainable corporate value by implementing the four ESG Material Issues listed on the right.

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 achieve the KPIs for these ESG Material Issues and resolve non-financial issues, 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 Basic Sustainability 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 strengthens its ESG management and SDG initiatives by regularly monitoring KPI achievement and the progress of sustainability-related measures. For quantitative targets (KPIs) related to materiality, please refer to the following.

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.



The Shindengen Group's Basic Sustainability Policy

The Shindengen Group will actively promote ESG (Environmental, 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

Step 1 Sustainability Identifying, organizing, and selecting ESG Material Issues
We identified ESG issues and classified them from the perspective of sustainability.

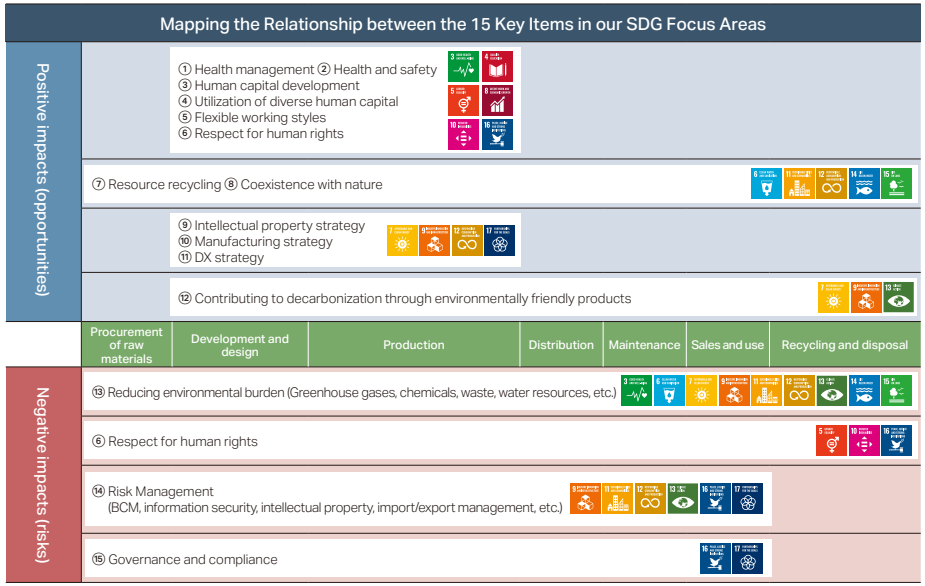
Step 2 Organizing focus areas of importance to our stakeholders and the Group
We determined focus areas of importance to our stakeholders and the Group, as well as priority items in the value chain.

Step 3 Selecting key items and evaluating their impact on the value chain
We mapped our value chain by categorizing key issues and their relationship to the SDGs.

Step 4 Identifying ESG Material Issues
Based on the value chain map from Step 3, we identified four ESG Material Issues through dialogue with external experts.

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 will also strive to reduce the negative impact of our business activities on the environment and society.



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	—	—	—	7, 9, 13
Harmonizing business activities with the environment	Reduction of greenhouse gas emissions from business activities (Base year: 2021)	Scope 1 and 2 emissions reduction rate (Consolidated)	32.0%	35.0%	37.0%	42.0%	73.0%	Net zero	7, 9, 13
		Scope 3 emissions reduction rate (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%	11, 12
	Water conservation (Base year: 2021)	Water reduction rate (Domestic)	—			10%	—	—	6, 14, 15
Creating diverse and fulfilling workplaces (Well-being)	Ensuring safety and health	Number of serious occupational accidents* (Domestic)	0	0	0	0	0	0	3, 6, 8
	Promoting health management	Periodic health checkup participation rate (Domestic)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	3, 8
	Leveraging our diverse human resources	Percentage of female employees in their 20s (Non-consolidated)	23.0%	24.0%	25.0%	—	—	—	5, 8, 10
		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 per person (Non-consolidated)	40.0	41.0	42.0	45.0	—	—	4, 8
	Promotion of flexible working styles	Shindengen Engagement Index (Non-consolidated)	64.0	65.0	66.0	69.0	—	—	5, 8, 10
	Respect for human rights	Participation rate in human rights training (Non-consolidated)	100.0%	100.0%	100.0%	100.0%	—	—	5, 8, 10, 16

* Serious occupational accident: A workplace accident in which three or more employees are killed, injured, or become ill as a result of work-related activities, including cases that do not result in lost workdays.
* Please refer to the following link for the results for FY2025.

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

DX Strategy

We have formulated a DX vision and are driving our operations forward to achieve our Long-Term Vision 2030. By proactively 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 rapidly 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 create new value.

Outline of DX Promotion Initiatives

■ Supply Chain Management (SCM)

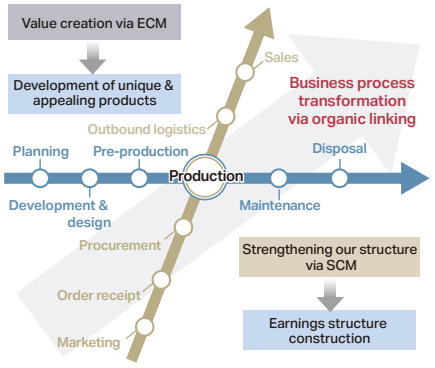
Promoting DX in the supply chain is a key initiative that contributes to both improving the Group's overall profitability and fulfilling its social responsibilities. By visualizing the entire supply chain and sharing information in real time, we aim to realize efficient production and waste-free procurement, thereby enhancing our earnings capability.

■ 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 automatically be 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) Anti-Counterfeiting Measures
(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 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 development 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.
Co-creation: Collaborative 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 "contributing to a decarbonized 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 "contributing to a decarbonized society," "a recycling-oriented society," and "a society in harmony with nature."

Contributing to a decarbonized 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 a decarbonized 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*1 and Scope 2*2) and CO_2 emissions resulting from the supply chain (Scope 3*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.

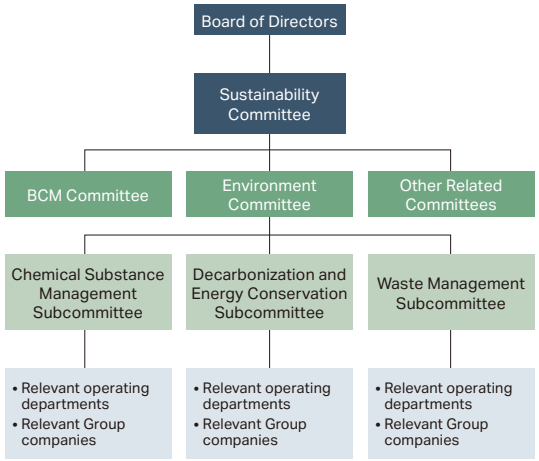
*1 Scope 1: Direct greenhouse gas emissions resulting from our business (fuel combustion, industrial processes)
*2 Scope 2: Indirect emissions resulting from electricity, heat, and steam supplied by other companies
*3 Scope 3: Indirect emissions other than those stipulated in Scope 1 and Scope 2 (emissions 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/

Environmental Management System

In an effort to meet the goals laid out in the Shindengen Group's Environmental Vision 2050, our FY2030 environmental targets, and our Environmental Policy, we established the Decarbonization and Energy Conservation Subcommittee in April 2022. This Group-wide entity was formed through a reorganization of the Energy Conservation Subcommittee, which had previously been under the umbrella of the Environment Committee. The Decarbonization and Energy Conservation Subcommittee comprises environment-related divisions, operating divisions, and Group companies. With the addition of Shindengen Electric Manufacturing Co., Ltd.'s Corporate Planning Department and Sustainability Promotion Department to the secretariat, the subcommittee benefits from a cross-functional structure that spans the entire organization, from management to the frontlines.



Shindengen Group Environmental Policy

Our unchanging management philosophy is "Together with society, our customers, and our employees," and our mission statement is "Maximizing energy conversion efficiency for the benefit of humanity and society."

In addition, our promise to "Listen closely, look ahead, and create a future of value" is a firm commitment shared by the entire Shindengen Group. Our Environmental Vision 2050 states, "Believing that only by passing on a beautiful Earth to the next generation can we realize a future of value, we pursue sustainability to help realize decarbonization, a circular economy, and a society in harmony with nature."

Shindengen Group employees are committed to the pursuit of developing sustainable electronics across all stages of production from development and design to manufacturing. Products include semiconductors, power supply units, electrical components, and solenoids.

1. We are committed to complying with applicable requirements, including laws, regulations, and contracts.
2. We assess environmental impacts, risks, and opportunities associated with our business activities and Shindengen products. We maintain and continually improve our environmental management system.
3. We will continually improve our environmental management systems to enhance environmental performance directly linked to management.

Environmental policies are applied to ISO 14001 certified companies in the Shindengen Group (Japan). Other domestic and overseas companies engage in environmental activities in accordance with the environmental policies of the Group.

Shindengen Electric Manufacturing Co., Ltd.
Revised in April 2026

Our Business Activities and Initiatives to Reduce Environmental Impact

The Shindengen Group is committed to reducing the environmental impact of its business activities and mitigating environmental risks in areas that include global warming countermeasures, chemical substance reduction, waste reduction, and the conservation of water resources and biodiversity.

The following are examples of key activities among the initiatives we undertook in FY2025.

Contributing to a Decarbonized Society

The Shindengen Group is implementing various initiatives to achieve its Environmental Vision 2050 and its FY2030 environmental targets.

Initiatives to Reduce Energy Consumption

The Shindengen Group is implementing energy-saving initiatives, such as streamlining production processes and replacing equipment.

Shindengen Group's Main Energy Conservation Initiatives (FY2025)

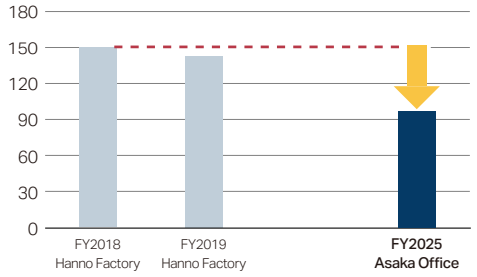
LED light installation	Shindengen Three E, Shindengen Thailand, Shindengen Vietnam
Conversion of equipment to inverters, etc.	Shindengen Philippines, Shindengen Vietnam
Upgrading air conditioning equipment	Okabe Shindengen, Shindengen Thailand

Energy Savings through the Adoption of ZEB Ready Buildings

Since opening in 2021, the Asaka Office has significantly reduced Shindengen's energy consumption. It consolidates the functions of business divisions and departments, which were previously spread across the Otemachi Head Office and multiple buildings at the Hanno Factory, into a single building. Moreover, the Asaka Office has successfully attained ZEB Ready* building certification.

* 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).

FY2025 Reduced Energy Consumption Achieved by the Asaka Office Energy Reduction

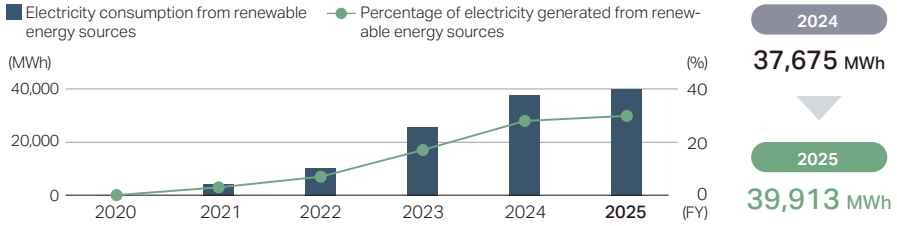


Contributing to a Decarbonized Society

Adopting Electricity Derived from Renewable Energy Sources

The Group utilized 39,913 MWh of electricity derived from renewable energy sources in FY2025. This represents 29.9% of total electricity consumption.

Amount and percentage of electricity generated from renewable energy sources



Shindengen Domestic Group Renewable Energy Power Contract Status (As of FY2025)

FY2022 onward	FY2023 onward	FY2024 onward
Asaka Office, Okabe Shindengen 100%	Shindengen Three E 24%	Akita Shindengen 30% Higashine Shindengen 40%

Solar Power Generation Equipment Installation

By 2025, the Shindengen Group had installed solar power generation facilities at five of its main business sites.

Status of Solar Power Generation Equipment Installation

FY2024 onward	FY2025 onward	FY2026 onward
Okabe Shindengen 449 MWh Shindengen India 360 MWh Lumphun Shindengen 760 MWh	Shindengen Thailand 806 MWh Shindengen Indonesia 157 MWh	Guangzhou Shindengen (Scheduled for Full Operation)

* Please refer to the following website for information on our efforts to reduce CO_2 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

The Shindengen Group, recognizing the importance of biodiversity, actively promotes educational and awareness-raising activities, as well as initiatives for local environmental conservation.

When an injured barn owl strayed into the factory, Shindengen Thailand rescued it, then arranged for treatment at a specialized veterinary before handing it over to the Department of National Park, Wildlife and Plant Conservation. Barn owls are currently a protected species in Thailand and also included as a species on the International Union for Conservation of Nature (IUCN) Red List under the classification of "Least-Concern."

Additionally, in October 2025, Shindengen Philippines participated in an activity hosted by Laguna Province centered on tree planting and dispersing "bokashi balls" to revitalize the Cauang-Cauang River. These ball-shaped environmental materials are made by mixing soil, effective microorganisms and similar beneficial bacteria, rice bran, molasses, and other ingredients. Then, the bokashi balls are placed in rivers, ponds, and other bodies of water. The resulting decomposition of organic matter by microorganisms helps to improve water quality, reduce odors by breaking down sludge and sediment, and enhance the aquatic environment.

Waste Recycling Initiatives

The Shindengen Group is committed to effectively utilizing resources and recycling waste throughout the entire process, from sourcing to shipping.

In recent years, the entire Group has renewed its efforts and commitment to waste recycling, with each Group company reviewing its sorting and disposal practices. As a result, numerous instances have emerged where materials, previously treated as waste, have instead been recycled into valuable resources, contributing to resource circulation.

Water Conservation Initiatives

The Shindengen Group is committed to promoting water conservation. At Shindengen India, rainwater collected from the roofs of factory buildings is filtered, purified, and repurposed for all kinds of uses, such as cleaning and washing. Water usage is monitored using flow meters installed on the pipes, and annual consumption stands at 185 kL.

*** Please refer to the following website for information on our environmental data.**
https://www.shindengen.com/csr/environment/data/energy/
https://www.shindengen.com/csr/environment/data/ea/

Message from the Head of Human Resources



Director and Executive Officer
Masahiro Sasaki

Approach to Human Capital Management

The strength of the Shindengen Group's human resources lies in fulfilling our promise to "Listen closely, look ahead and create a future of value." Specifically, this encompasses three core qualities: "our ability to listen" and accurately recognize underlying needs in society and among our customers; "our foresight," enabling us to stay one step ahead of rapidly changing market conditions; and "our creativity," which drives innovation and leads society forward.

Founded in 1949, Shindengen has consistently sought to enhance energy efficiency as a power electronics company by accurately assessing the needs of society and the evolution of technology, even amid a constantly changing operating environment. This philosophy has always been at the core of our Company and has been passed down from generation to generation to each and every employee. To further foster this spirit and channel it into enhancing corporate value, our current human capital management strategy emphasizes both individual growth and organizational invigoration. Alongside nurturing the capabilities and careers of each employee, we are strengthening cross-functional collaboration throughout the organization. By combining expertise and ideas to generate synergy, we are creating an environment that fosters the creation of new value.

Approach to Human Capital Investment

As a company, we recognize that investing in our human resources is essential to achieving sustainable growth and are working to create an environment that supports the self-directed learning and growth of each and every employee.

We provide employees with opportunities to acquire new skills through various career development training sessions, educational programs, and reskilling initiatives. At the same time, by introducing self-reporting and internal recruitment systems, as well as an in-house side job system, we are expanding the opportunities for them to demonstrate their capabilities and promoting autonomous career development.

We are also rolling out digital transformation (DX) on a Companywide basis, driving operational efficiency, and shifting the resources freed up by these efforts toward areas that directly enhance our business competitiveness—such as strengthening product development and accelerating time-to-market—as well as toward more sophisticated decision-making.

We have also established a proprietary engagement index to measure the overall health of the Company that serves as a foundation for these efforts. To us, engagement is not merely about workplace comfort; rather, it is a state in which employees experience personal growth through their work and feel that the value they create contributes to society. By regularly monitoring this index, we are fostering a corporate culture where every employee can continue to perform at their best while maintaining a high level of motivation.

Human Resource Development for Long-Term Vision 2030

Under our Long-Term Vision 2030, we aim to become "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."

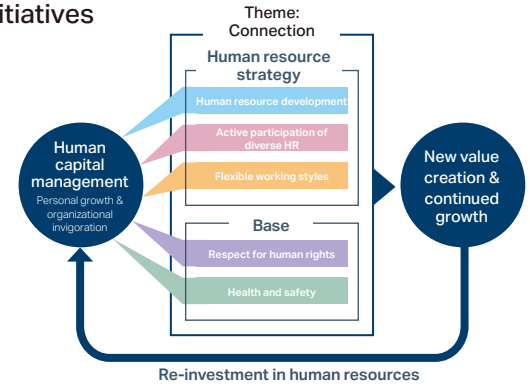
To achieve this, we are cultivating a well-balanced mix of "specialized human resources" (with advanced expertise in creating innovative technological value) and "strategic human resources" (responsible for formulating and executing business strategies).

We seek to further refine our three core technologies: semiconductor device technology, circuit design technology, and electrical components, which serve as the Company's strengths. As such, we are pursuing specialized human resources who possess multifaceted technical capabilities, including software expertise. In recent years, the accelerating electrification and sophistication of vehicles, particularly in the automotive market, have been making software technology critically important. For this reason, we are stepping up investment in our Power Unit Business to recruit and develop human resources who possess expertise and skills in software, in addition to our traditional strength in hardware technology. Meanwhile, for strategic human resources, we seek the ability to ascertain optimal solutions in the face of changing circumstances. The environment surrounding the Company is evolving rapidly day by day. Therefore, we are developing human resources capable of independently devising and executing solutions and strategies, and leading the entire Company toward the achievement of its goals, even amid a turbulent environment.

Through the synergy generated by collaboration between these specialized and strategic human resources, we will create new value and work toward the realization of our ongoing 17th Medium Term Business Plan and Long-Term Vision 2030.

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. Moreover, we are implementing our human resource strategy under the theme of "connection" with the aim of realizing "personal growth and organizational invigoration."

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 Strategy Linked to Corporate Strategy

The goal of our human resource strategy is 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 feels rewarded through their work and able to freely exercise their capabilities. We seek an environment that will create new value through the fusion of autonomous knowledge from individuals. To realize our Medium Term Business Plan, "moving into a growth stage by establishing a solid business foundation and improving capital efficiency," we are implementing human resource initiatives designed to foster talent—from recruitment and development to the full realization of employee potential.

We are diversifying our talent recruitment methods to attract "specialized human resources" who drive advancements and the creation of innovative technologies. We are enhancing their compensation through our professional track system as well as expanding the ranks of such professionals. We also support the career development of "strategic human resources," who are responsible for planning and executing solutions and strategies, by offering early promotions for high-performing employees, an internal recruitment system, an in-house side job system, and various training initiatives. For management-level employees, we aim to boost motivation through performance evaluations using a role-based grading system and compensation packages aligned with their performance.

The Relationship Between Corporate Strategy and Human Resource Strategy

Corporate Strategy	People We Need	Human Resource Strategy		Initiatives (selected examples)
Medium Term Business Plan "Moving into a growth stage by establishing a solid business foundation and improving capital efficiency"	Specialized Human Resources To facilitate the development of innovative technologies, etc.	Hiring	Hiring specialized human resources	Hiring recent graduates with work experience Recruiting software professionals
		Human resource development Professional development	Evaluation/compensation	Accelerated promotions/ Stricter performance evaluations
			Career development	Internal recruitment system/ In-house side job system
			Training	Level-based training/ Personal development training
	Strategic Human Resources To plan and execute solutions and strategies	Skill demonstration	Expanding the pool of specialized human resources (compensation)	Establishing specialized roles Expanding specialized roles Expanding highly specialized roles
			Performance evaluation/ compensation	Role-based grading system
			Leveraging older employees	Extending the retirement age

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 giving 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. We provide training to new employees; second- and third-year employees; and select employees based on qualifications, job type, and position. We also support the career development of each individual through such initiatives as a self-reporting system, an internal recruitment system, and an in-house side job system. Moreover, we are fostering human resources to lead our increasingly globalized business through such initiatives as overseas training for young employees. We have also established a reward system for inventions, ideas, and official qualifications, and we encourage each of our employees to pursue R&D improvements and actively participate in diverse workplaces and work tasks.

Educational Training System (In Japanese) https://www.shindengen.co.jp/recruit/environment/#env2

Human Capital Management

Empowerment of a Diverse Range of Human Resources

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

Promoting Child-Rearing Support and the Creation of a Working Environment Conducive to Work-Life Balance (Obtained "Kurumin" Certification)

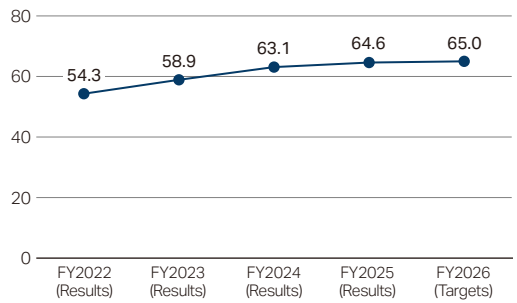
Shindengen was recognized as a "Kurumin-certified" company by the Minister of Health, Labor, and Welfare for its proactive efforts in supporting child-rearing. We provide various leave programs, as well as designated time for childcare and health management, to support childbirth and pre- and postnatal health care. We have also enhanced our parental and family care leave programs while actively encouraging our male employees to utilize parental leave.

Expanding Flexible Working Styles

a. Improving engagement

We have established a proprietary engagement index based on a self-reporting system operated through our talent management system, and we are striving to improve this index by implementing age- and workplace-responsive measures. The Shindengen Engagement Index (SEI), which has been in place since FY2022, has been improving year by year.

Shindengen Engagement Index (Non-consolidated)



b. Improving psychological safety in the workplace

Through opportunities such as training sessions, committee meetings, project kickoff meetings, appreciation parties, and welcome and farewell parties, we place great importance on creating spaces for free and natural communication that are free of formality. By hosting events in the Atrium, serving alcoholic beverages at CANTEEN (employee cafeteria), and encouraging employees to address colleagues casually, we promote interaction in a relaxed atmosphere that transcends departmental and hierarchical boundaries.



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, extra paid time off to recharge based on years of service, mandatory use 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, recognizing the importance of promoting health and safety, strives to 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 as one of the Outstanding Organizations of KENKO Investment for Health.

Targets and Results for Key Performance Indicators (KPI)

KPI	FY2025 Targets	FY2025 Results	FY2026 Targets
Career training hours (Annually per person)	40.0hours	27.6hours	41.0hours
Percentage of female employees in their 20s	23.0%	21.6%	24.0%
Percentage of male employees utilizing childcare leave	100.0%	65.2%	100.0%
Employment rate of persons with disabilities	2.50%	2.54%	2.50%
Shindengen Engagement Index (Non-consolidated)	64.0	64.6	65.0
Participation rate in human rights training	100%	100%	100%
Certification as an Outstanding Organizations of KENKO Investment for Health	Certification Acquisition	Certification Acquisition	Certification Renewal

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, and adopting the Shindengen Group Materials Procurement Policy.

* 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 now extend beyond conflict-affected areas, 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 conflict-affected 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 collective agreements 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.

Establishment of Employee Consultation Desk and Grievance Mechanism

We have established a dedicated consultation desk to ensure that employees and their families can receive appropriate advice from professional counselors regarding everyday concerns, worries, or troubles. In addition, we continuously conduct educational and awareness activities on mental health to support employee well-being.

Furthermore, through our internal reporting system and multiple external contact points, we have built a framework to receive and appropriately address human rights-related concerns and grievances from stakeholders. These channels strictly protect the privacy of whistleblowers and ensure that no disadvantage arises from reporting, thereby creating an environment where individuals can use them with confidence.

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 convey this prohibition to all employees.

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 be a victim (or perpetrator) of harassment, impart broader understanding of harassment, and develop necessary communication skills to prevent harassment.

Occupational Health and Safety

Promotion System

The Shindengen Group regards the safety and health of each and every employee as a key management priority and is committed to creating a workplace that allows employees to work with peace of mind.

The Central Health and Safety Committee, chaired by the safety promotion officer, was established to promote occupational safety and health. Under the leadership of this committee and in accordance with the Shindengen Group Occupational Health and Safety Policy, we strive to ensure the safety of all employees and to maintain and promote their physical and mental health, while continuously advancing initiatives to maintain and improve the 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 sets guidelines for the construction and operation of systems that provide safe and healthy workplaces and prevent work-related injuries and diseases. Since publication, it has become a globally recognized 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

Lumphun Shindengen (Thailand) was recognized for its outstanding efforts in occupational safety and health, receiving the National Excellent Award for Safety, Occupational Health, and Environment Management System for the 23rd consecutive year. Enterprises that inspire others through their outstanding occupational accident prevention and continuous improvement of workplace environments are given this award. Lumphun Shindengen has long upheld its educational activities aimed at raising employee safety awareness and community-based activities related to traffic safety and health management, garnering high praise.

The Shindengen Group is leveraging these practical examples from its domestic and overseas locations to continuously enhance and strengthen its occupational safety and health initiatives on a global scale.

Traffic Safety Activities

The Shindengen Group regularly conducts traffic safety training programs to ensure the safety of its employees and is actively engaged in traffic safety initiatives in collaboration with the local community.

During Traffic Safety Week, Higashine Shindengen conducts traffic safety awareness activities at intersections near its facilities to promote traffic safety in the local community. Lumphun Shindengen has been hailed as an organization that excels in addressing traffic safety problems, receiving the Prime Minister Road Safety Award from Thailand's Prime Minister in December 2021. Since then, the Company has continued to offer free vehicle inspections and safe-driving training for its employees.

Through these initiatives, the Shindengen Group is working to raise awareness of traffic safety and reduce accidents both in Japan and abroad.



Distribution of leaflets on traffic safety and bicycle etiquette (Shindengen Electric Manufacturing, Asaka Office)



Traffic safety seminars and free motorcycle inspections (Lumphun Shindengen, Thailand)

Risk Assessment Training

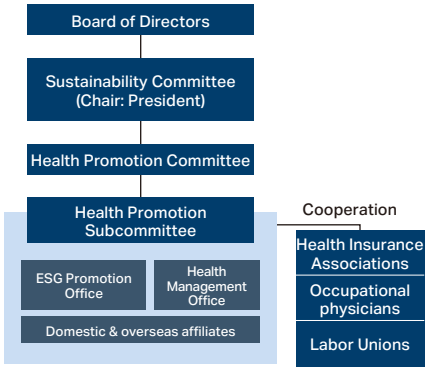
Shindengen has established workplace health and safety committees at each of its worksites and provides risk assessment training to members of their committees. We strive to prevent workplace accidents and disasters by identifying potential risks and hazards and by implementing controls to prevent, eliminate,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

As a result of these efforts, there were no fatal accidents or serious occupational accidents resulting in permanent disability in FY2025.

Health Management

Promotion System

The Shindengen Group regards the physical and mental health of its employees as an important management issue. In March 2024, the Group adopted a "Health Declaration" and, since then, we have been advancing health and productivity management under the Health Promotion Committee, chaired by the officer in charge of safety promotion.



Shindengen's Asaka Office conducted "Yoga Classes for Desk Workers" as well as various health screenings. Group companies are also introducing health-promotion initiatives tailored to their specific circumstances, such as health seminars. The Shindengen Manufacturing Health Insurance Association also conducts events that utilize walking apps to help employees establish daily exercise habits.

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 its officers, employees, and their families who form the cornerstone of our growth. By promoting the 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 was included in the large enterprise category of the 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" 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)



Health Seminar
(Shindengen Three E)


Yoga for Desk Workers
(Shindengen Asaka Office)


Club Activities: Badminton Club
(Lumphun Shindengen, Thailand)

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 Companywide Quality Policy (FY2025–FY2027)

Back to basics

"We respond to our customers' trust with refinement on 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 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. By sharing improvement examples through these presentations, we strive to enhance quality by drawing on 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


Donation of Rabies Medication (Shindengen India)




Support for Flood-Affected Areas (Shindengen Vietnam)

As a global corporation, the Shindengen Group aims to establish a strong presence in each region and actively promotes employee-led community contribution activities. For example, Shindengen India donated rabies medication to government health agencies to support people experiencing poverty. In India, rabies is a serious, life-threatening social issue. The poor and children bear the brunt of its impact. Against this backdrop, donations of rabies treatments to government agencies are widely recognized as an extremely meaningful, life-saving contribution to society.

Additionally, Shindengen Vietnam joined relief efforts to assist residents affected by the floods in Thai Nguyen Province in northern Vietnam. The company also collected donations from employees, which were used to support the affected areas.

The Shindengen Group will continue its efforts to grow alongside local communities and contribute to the realization of a sustainable society.

Contributions to Education



Donation of Solar Power Generation Equipment (Lumphun Shindengen)

In order to support the children who will shape the future, the Shindengen Group provides various forms of assistance to educational institutions.

Lumphun Shindengen, based in northern Thailand, installed a solar-powered lighting system at the Mae Fah Luang Hill Tribe Community Learning Center and donated supplies. Many areas in Thailand's mountainous regions still lack a stable power supply, placing children from mountain tribes at a disadvantage in terms of their educational environment. Solar-powered lighting is an effective means of creating an environment where children can study safely at night. Providing electricity to learning centers goes beyond mere infrastructure development; it helps expand future opportunities for the children by offering an environment where they can study... even at night.

Going forward, the Shindengen Group will continue its efforts to improve learning environments in cooperation with local communities.

Corporate Governance

Corporate Governance [Our Basic Stance]

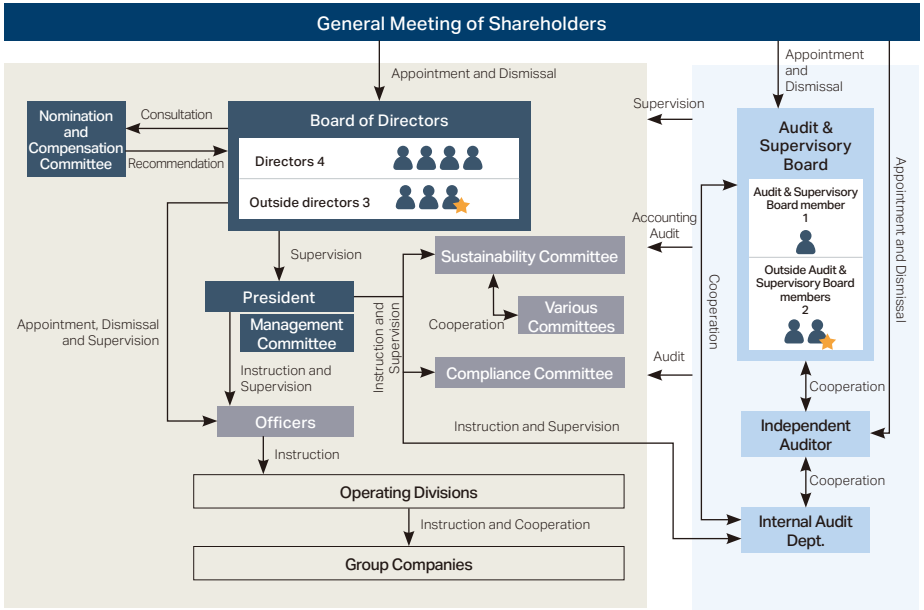
Corporations are required to engage in effective governance that embraces transparency and compliance. Shindengen's basic policy is to maintain and continually improve its management system to enable prompt and precise responses to the rapidly changing operating environment.

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.

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

Corporate Governance System (as of June 2026)



Overview of Current Corporate Governance System

Strengthening Oversight Functions and Ensuring Transparency

Shindengen has set the term of office for directors as one year to strengthen the Board of Directors' oversight functions and clarify management responsibility. Additionally, the Audit & Supervisory Board conducts independent audits through which we strive to enhance the effectiveness of the internal control system. In addition to appointing outside directors and outside Audit & Supervisory Board members, we have established a Nomination and Compensation Committee to ensure objectivity and transparency in processes related to the nomination and compensation of directors.

Moreover, we continually strive to strengthen IR activities to enhance the fairness and transparency of management.

Expanding Executive Authority and Enhancing Competitiveness

We have adopted an executive officer system that separates management decision-making from business execution, with the aim of speeding up business execution and pursuing effective management.

In addition, we ensure the effective operation of various governing bodies, such as the Board of Directors and the Management Committee, and through speedy decision-making and efficient business activities, we are strengthening our corporate competitiveness.

Promoting Sustainable Management

To realize a sustainable society and enhance corporate value, we have established a Sustainability Committee chaired by the President and CEO. We have organized related subcommittees under this committee to promote ESG management and ensure the integrated management of issues pertaining to sustainability. Under this framework, we are implementing various initiatives in accordance with Companywide policies based on a medium- to long-term perspective.

Evolution of the Corporate Governance Framework

	2005	2010	2015	2020	2025
Board of Directors and Audit & Supervisory Board (Effectiveness and Transparency)		2006 Streamlined the number of directors	2014 Appointed first outside director	2019 Introduced a restricted stock compensation system for directors 2021 Appointed first woman to the Audit & Supervisory Board 2022 Appointed first woman as outside director 2023 Introduced a performance-based compensation system for directors	
Internal Controls and Risk Management Framework			2017 Established the Compliance Committee	2021 Established the Nomination and Compensation Committee	
Business Execution Framework		2006 Introduced an executive officer system			2026 Introduced a restricted stock compensation plan for executive officers 2023 Introduced a performance-based compensation system for executive officers
Sustainability etc.		2013 Established the CSR Committee		2022 Moved to the Prime Market	2023 Reorganized the CSR Committee as the Sustainability Committee

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 value so that it can serve effectively 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), which 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 as well as 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, which then deliberates on them. The specific details are subsequently delegated to the President and CEO based on the resolution of the Board of Directors.

Assessment of the Effectiveness of the Board of Directors: FY2025

To improve the functions of the Board of Directors, Shindengen evaluates the Board's effectiveness once a year. A summary of the results for FY2025 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 Audit & Supervisory Board members (two of whom were outside members).

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, management evaluation, and dialogue with stakeholders. 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 the exchange of opinions, and ensure the Board operates effectively.
- Among the strengths of the Board of Directors are the effectiveness of its whistleblowing system, reporting and appropriate handling of significant risks, reporting on deliberations from the Nomination and Compensation Committee, and reporting on deliberations by the committee responsible for the effective oversight of nominations and compensation.
- Improvements were seen in areas such as the comprehensive and multifaceted examination of key issues identified during the previous assessment, as well as the Board of Directors' implementation of the PDCA cycle based on those issues.

However, we also confirmed issues that need further improvement, such as securing sufficient time for deliberations, deepening discussions on capital costs and business/product portfolios, enhancing information provision, and strengthening and overseeing internal control and risk management systems.

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.

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 compliance, 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 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 Act on the Protection of Personal Information. 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 Act on the Protection of Personal Information 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/

Whistleblowing System and Corporate Ethics Hotline

The Shindengen Group has established and operates an internal reporting system to detect early signs of risk and respond promptly and appropriately. The internal reporting channel (Corporate Ethics Hotline) offers two reporting options: the Legal and Compliance Department at Shindengen (internal channel) and an outside attorney (external channel). This system is accessible not only to Shindengen employees but also to Group companies, both in Japan and overseas. We strive to protect whistleblowers by ensuring their anonymity and the confidentiality of their reports, and by ensuring they do not face any adverse treatment as a result of filing a report. Through this framework, we aim to maintain our credibility as a company and prevent any damage to our corporate value.

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.

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 FY2025, 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 Policy—Statement of Principles
https://www.shindengen.com/csr/sustainability/shindengen_policy/

Information Security

The Shindengen Group has established the Information Security Committee under the umbrella of the Sustainability Committee, which is chaired by the President and CEO, to build a Groupwide framework for preventing cyberattacks and data breaches. In addition, the Group has formed a specialized organization called the Computer Security Incident Response Team (CSIRT) to swiftly coordinate efforts ranging from threat detection during normal operations to initial response and recovery in the event of an incident. To strengthen the Group's overall risk management framework, we have established the Shindengen Group Information Security Policy. We have also enacted various internal regulations to secure our information assets and are working to ensure that all employees fully comply with them. Furthermore, we continue to conduct regular security training for all employees and practical email drills designed to counter increasingly sophisticated targeted attacks, striving to improve security literacy throughout the organization.

On the systems side, we are shifting from the traditional perimeter defense model to security measures based on "zero-trust architecture," which assumes that no access is trustworthy. Based on a multi-layered defense approach, we have deployed endpoint detection and response (EDR) tools on such endpoints as PCs and servers and established a 24/7 monitoring and analysis system operated by a Security Operations Center (SOC) in collaboration with external specialized organizations. Through these efforts, we are establishing an environment that can detect and isolate early signs of advanced cyberattacks, such as ransomware, while also moving forward with the development of an IT Business Continuity Plan (BCP) designed for contingencies.

We have also implemented countermeasures against internal data leaks, such as monitoring access to external websites and using integrated security monitoring tools to monitor computers.

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

Export Control (Security Export 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's 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 we have 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 product manufactured by Shindengen threatens 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.

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.



Dialogue with Independent Outside Officers

Yoshihiro Nishiyama

×

Yaeko Kitadai

×

Hideto Osada

How would you evaluate the progress made in the first year of the 17th Medium Term Business Plan?

Nishiyama As we reflect on the first year of the 17th Medium Term Business Plan, what stands out to me is that it was a year marked by one significant development after another.

First, the structural reforms undertaken in the Power Device Business have begun to yield results. Having restored profitability to a business that had been operating at a loss for two years, these reforms have, in our view, provided a solid foundation for achieving the goals of the current Medium Term Business Plan.

We also made additional investments as part of our growth strategy for the future, including the construction of Shindengen India's second plant to serve the Indian motorcycle market—one of our key target markets—as well as the acquisition of Kyocera Corporation's Power Device Business through M&A. These were significant investments for the Company, sparking vigorous and substantive discussions at Board of Directors meetings. I believe the executive team has sincerely taken my critical feedback to heart and responded appropriately. As the Company's short-term goal during the current Medium Term Business Plan period is to complete these two projects, I sincerely hope they will be able to achieve this.

Kitadai The current Medium Term Business Plan sets forth the overarching policy of "moving into a growth stage by establishing a solid business foundation and improving capital efficiency." In line with this, we have pursued M&A in the Power Device Business and commenced construction of Shindengen India's second plant, thereby taking a major step toward realizing the plan's goals.

Recently, an informational session on the project in India was held, providing us with a deeper understanding of the initiative, including how the Company entered the Indian market ahead of many of its competitors in 2001 and has continued to build on that experience ever since. I look forward to seeing even greater opportunities emerge in the future.

Osada Although I only began serving as an outside director in June 2026, I commend the Company and its efforts to return to profitability and achieve the goals of the current Medium Term Business Plan during its first year. I hold high hopes for the significant changes the Company is poised to undergo.

I, too, intend to gain a deep understanding of the Company's strengths and weaknesses, get up to speed as quickly as possible, and leverage my diverse business experience (including overseas sales, business investments, acquisitions, and partnerships) to enhance the Company's corporate value.

In particular, I am committed to actively supporting global growth strategies and providing advice aimed at fostering long-term growth. I especially hope to contribute to the development of systems and mechanisms that enable the early detection of issues (particularly regarding

Dialogue with Independent Outside Officers

acquisitions and investments, where deviations from plans are common) and facilitate swifter countermeasures. I will also carefully monitor the effectiveness of global governance across our numerous overseas subsidiaries to support the sustained enhancement of corporate value.

How do you intend to monitor the progress of the remainder of the Medium Term Business Plan period?

Nishiyama Ultimately, I believe it comes down to carefully monitoring whether each of the two projects is progressing on track relative to planned targets. If any unforeseen events arise in the second or third year, it is our responsibility to discuss them as a team and work together to resolve them.

Kitadai Developing the Indian market is one of the key themes of the current Medium Term Business Plan, and we will closely monitor the progress and results. For example, following the start of operations at the second plant in India, we will request concrete details, such as whether production capacity is expanding and new business opportunities are being developed in tandem with that expansion. Our monitoring will go beyond simply tracking the plan; we will assess whether the business is expanding and developing as planned.

Osada My approach to monitoring will follow my personal management philosophy: "Trust, but Verify," where I place faith in others while continually assessing whether that trust is warranted. For example, the governance of overseas subsidiaries involves verifying whether operations are proceeding in accordance with the standards set in the governance rules that are tailored to each subsidiary's strengths and challenges, whether they are responding appropriately to the pace of plan execution, and whether these matters are being properly reported. There needs to be a healthy tension between the executive side and the monitoring side.

What are your views on the challenges the Company faces in achieving sustainable growth?

Nishiyama The current Medium Term Business Plan specifies aiming for a PBR of 1x or higher by the end of FY2027, so improving the PBR must come first. Ultimately, I believe achieving this comes down to enhancing profitability, which requires determining how to expand existing businesses and, if any business fails to meet our standards, making tough decisions—such as withdrawing from or scaling back those operations.

The Power Unit Business has a clear growth trajectory, exemplified by the establishment of Shindengen India's second plant and efforts to develop relationships with local manufacturers in the motorcycle market. Meanwhile, the Power Device Business is facing tectonic shifts in the semiconductor industry, placing it at a crossroads: should it prioritize quality over quantity through differentiated and niche products, or should it capture market share through M&A and partnerships? Looking ahead, a key focus for the next Medium Term Business Plan will be to further solidify the



Yoshihiro Nishiyama

Company's business growth narrative and communicate it clearly to the outside world. Personally, I have high hopes for the Company's future growth potential.

Kitadai The rapid shifts in the Company's operating environment are truly striking.

Given the uncertainty ahead, as Director Nishiyama noted, the key challenge going forward is determining what position the Company will take in the power semiconductor market. I believe the question is whether it can establish a unique position by leveraging the product portfolio acquired through M&A in the Power Device Business, and what new opportunities it can create by capitalizing on these synergies.

Osada While benefiting from strong global trends such as the shift to electric vehicles, decarbonization, and the advancement of AI, we must take a serious look at our PBR being below 1x and work to dispel investors' uncertainty about the future.

Dialogue with Independent Outside Officers

Shindengen is a truly unique entity with advanced technical capabilities, handling the design and manufacturing of everything from semiconductors to finished products. I see tremendous potential here. We must clearly communicate to our stakeholders, including investors, through IR and other channels how we plan to leverage this asset going forward and the growth path we aim to achieve.

Nishiyama With regard to the 6% ROE target set forth in the current Medium Term Business Plan, further discussion is needed on how to improve profitability across business segments. I feel that clarifying the cash allocation policy—the balance between growth investments and shareholder returns—will ultimately lead to an improvement in the PBR. Furthermore, as Director Osada mentioned, clearly defining these major corporate policies and consistently communicating them through IR is essential. While policy decisions are expected to be challenging, this is a responsibility entrusted to leadership, and we hope they will rise to the occasion. We, too, intend to support them and cast our votes in their favor.



Yaeko Kitadai

Kitadai Additionally, enhancing the ability to effectively communicate and convey the Company's commitment to seeing things through to the market is also necessary.

Osada We are undertaking reforms to break out of the sub-1x PBR range, and these reforms should become the very process through which the Company sustainably meets market expectations and achieves growth. I believe that this will be the very path that leads us to becoming a world-class company.

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

Nishiyama Shindengen can be described as a company that offers products of great social significance in terms of efficient electricity use, technologies with increasingly promising futures, and a strong market presence. Personally, I intend to speak up proactively to ensure that its Power Device Business, in particular, continues to move in a positive direction.

We ask our stakeholders to remain mindful of this point, and we, the Board of Directors, are committed to moving forward with initiatives to further develop the Company and enhance its corporate value.

Kitadai Three years have passed since I assumed this role, and in that time, I have come to realize that Shindengen is a company with a very open and transparent culture. Last fiscal year, when I identified "establishing a system for swift decision-making and execution" as a challenge for the Company, the management team took the issue seriously and promptly implemented corrective measures. This responsiveness, in my view, demonstrates Shindengen's commitment to embracing change in response to external feedback. I intend to closely monitor and support this commitment to transformation.



Hideto Osada

Osada Shindengen has consistently developed cutting-edge technologies to meet the demands of the times and has remained committed to manufacturing with integrity. The Company has earned the appreciation of its customers and Shindengen's integrity continues to inspire trust. Building on this tradition, I am determined to support even greater sustainable growth and contribute to the enhancement of corporate value to meet the expectations of all its stakeholders.

Board of Directors



Board of Directors (As of the end of June 2026)

Nobuyoshi Tanaka
President

1985 Joined Shindengen
1992 Department Manager, Sales Department, Shindengen Singapore Pte Ltd.
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; Division Director, Electronic Device Division Group; Division Director, Sales Division Group
2017 Senior Officer; Division Director, Sales Div. Group; In Charge of Electric Vehicle Project
2017 Director and Senior Officer; Division Director, Sales Div. Group; In Charge of Electric Vehicle Project
2018 Director and Executive Officer; Division Director, Sales Div. Group; In Charge of Electric Vehicle Project
2020 Director and Executive Officer In Charge of Sales Departments, CSR Promotion Office
2022 Director and Executive Officer In Charge of Sales, Energy Systems & Solutions Division
2023 President, In Charge of Sales
2025 President (current position)

Osamu Ukegawa
Director and Senior Executive Officer

1984 Joined The Dai-ichi Kangyo Bank, Limited
2001 Deputy Branch Manager, Singapore Branch, The Dai-ichi Kangyo Bank, Limited
2002 Assistant Director, International Business Management Division, Mizuho Corporate Bank, Ltd.
2005 Deputy Branch Manager, Taipei 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 Senior Officer; 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, In Charge of Finance & Risk Management, Accounting, and Internal Audits
2026 Director and Senior Executive Officer (current position), In Charge of Finance & Risk Management and Accounting (current position)

Masahiro Sasaki
Director and Executive Officer

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 Officer; Division Director, New Energy Division, Power Systems Division Group
2015 Officer; 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; In Charge of Technology & Monozukuri, Personnel and Administration
2026 Director and Executive Officer (current position); In Charge of Technology & Monozukuri, DX, Information Systems, Personnel and Administration (current position)

Satoshi Hatori
Director and Senior Officer

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; In Charge of Sales & Information, Environment; and General Manager, Corporate Planning Group
2026 Director and Senior Officer (current position); In Charge of Sales; General Manager, Corporate Planning Group; and In Charge of Environmental Management (current position)

Yoshihiro Nishiyama
Independent Outside Director

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)

Yaeko Kitadai
Independent Outside Director

2000 Registered as an attorney
2007 Judicial Commissioner, Tokyo Summary Court
2016 Conciliation Committee Member, Tachikawa Branch, Tokyo Family Court
2019 Outside Audit & Supervisory Board Member, Citizen Watch Co., Ltd.
2021 Outside Director, Inageya Co., Ltd. (current position)
2022 Vice-president, Dai-Ichi Tokyo Bar Association
2023 Outside Director of the Company (current position)
2025 Independent Outside Director (Audit & Supervisory Committee) of Citizen Watch Co., Ltd. (current position)

Hideto Osada
Independent Outside Director

1980 Joined All Nippon Airways Trading Co., Ltd.
2008 Officer, Planning Dept., All Nippon Airways Trading Co., Ltd.
2009 Officer, General Manager of Store Operations and Head of Liquor Business Office, All Nippon Airways Trading Co., Ltd.
2011 Director, In Charge of Machinery, Aircraft, Head of Liquor Business Office and Paris Branch, All Nippon Airways Trading Co., Ltd. and President, Musashi No Mori Country Club Co., Ltd
2012 Director, In Charge of Machinery, Aircraft, Paris Branch, All Nippon Airways Trading Co., Ltd.
2013 Director, Head of the Aerospace & Electronics Company, All Nippon Airways Trading Co., Ltd.
2014 Senior Executive Director, Head of the Aerospace & Electronics Company, All Nippon Airways Trading Co., Ltd.
2015 Senior Executive Director, Head of the Aerospace & Electronics Company, All Nippon Airways Trading Co., Ltd.; President, ANA Trading Corp., U.S.A.
2016 Senior Executive Director, Head of the Aerospace & Electronics Company, In Charge of Overseas Business, Paris Branch, Singapore Branch, All Nippon Airways Trading Co., Ltd.; President, ANA Trading Corp., U.S.A.
2017 Representative Director, Vice President, In Charge of Overseas Business, Paris Branch, Singapore Branch, Aerospace & Electronics Company, Food Company, and Lifestyle Industry Company, All Nippon Airways Trading Co., Ltd.; President, ANA Trading Corp., U.S.A.
2018 Representative Director, Vice President, In Charge of Sales, CSR, Paris Branch, Singapore Branch, All Nippon Airways Trading Co., Ltd.; President, ANA Trading Corp., U.S.A.
2019 President, ANA Trading Corp., U.S.A.
2022 Corporate Advisor, All Nippon Airways Trading Co., Ltd.
2026 Director of the Company (current position)

Management's Discussion and Analysis

Five-Year Summary (Consolidated)

(Millions of yen)

	2021	2022	2023	2024	**2025**
Net sales	92,168	101,007	102,261	105,830	**113,836**
Operating profit (loss)	5,562	3,621	1,278	128	**3,848**
Profit (loss) before income taxes	6,821	4,073	1,506	(1,754)	**6,727**
Profit (loss) attributable to owners of parent	5,902	1,644	(712)	(2,436)	**5,655**
Basic earnings per share	572.70	159.56	(69.08)	(236.15)	**549.00**
Annual dividend per share	100.00	130.00	130.00	65.00	**100.00**
Total assets	135,041	138,092	144,669	136,496	**144,652**
Current assets	81,958	85,440	89,095	84,189	**93,480**
Non-current assets	55,083	52,652	55,573	52,307	**51,171**
Shareholders' equity	55,388	56,010	53,970	50,205	**54,664**
Cash flows from operating activities	8,290	2,736	2,206	(2,179)	**6,318**
Cash flows from investing activities	(7,907)	(4,088)	(1,776)	(4,528)	**(2,117)**
Cash flows from financing activities	1,273	(3,549)	(252)	(186)	**1,900**
Cash and cash equivalents at end of period	29,161	25,147	26,340	20,397	**26,922**

Scope of Consolidation

At the conclusion of the fiscal year ended March 31, 2026 (FY2025), the Shindengen Group included the Company, 20 consolidated subsidiaries, one non-consolidated subsidiary and one affiliated company accounted for under the equity method.

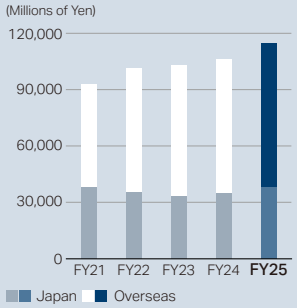
Operating Results

Performance Overview

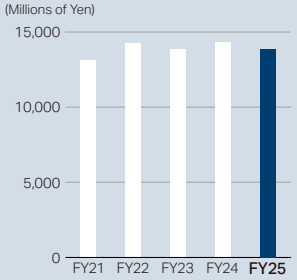
During FY2025, conditions surrounding the Group remained uncertain. While the domestic employment and income environment continued to improve, the global economy faced a complex interplay of factors, including U.S. tariff policies and instability in the Middle East.

"Moving into a growth stage by establishing a solid business foundation and improving capital efficiency" is the guiding principle of the Group's 17th Medium Term Business Plan. We have identified the effective utilization of external resources, such as M&A, as one of the strategies to achieve this goal. As part of this effort, we have acquired all shares of the newly established company that took over Kyocera Corporation's Power Device Business. We plan to rapidly expand the Power Device Business's product lineup through the newly acquired assets to improve profitability, while also strengthening our competitive position in the market by advancing new product development, along with R&D, through the integration of technologies.

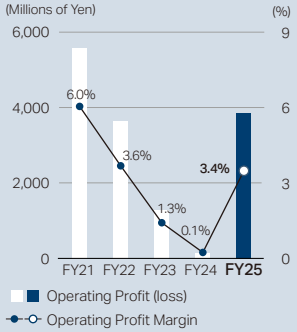
Net Sales



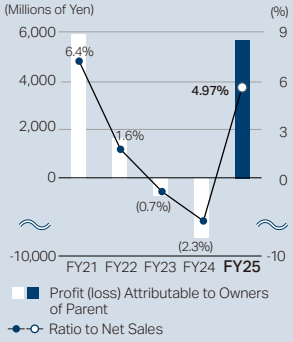
Selling, General and Administrative Expenses



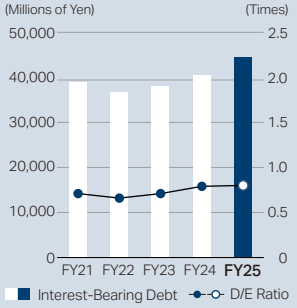
Operating Profit (loss) Operating Profit Margin



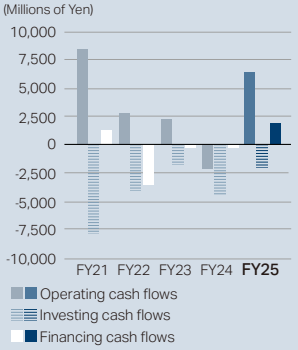
Profit (loss) Attributable to Owners of Parent, Ratio to Net Sales



Interest-Bearing Debt D/E Ratio



Cash Flows



Management's Discussion and Analysis

In the prevailing business environment, net sales for the consolidated fiscal year totaled ¥113,836 million (up 7.6% year on year). This result was driven by steady performance in the Power Device and Power Unit businesses, particularly in the automobile market, as well as increased sales in the Power Systems & Solutions Business targeting the telecommunications infrastructure market, leading to solid performance across all segments. In terms of profit and loss, operating profit reached ¥3,848 million (compared to earnings of ¥128 million in FY2024), driven by increased revenue and the effects of structural reforms implemented in the Power Device Business during the previous fiscal year. Ordinary profit was ¥4,577 million (compared to a loss of ¥523 million in FY2024), primarily due to the recognition of foreign exchange gains as non-operating income. Profit attributable to owners of parent was ¥5,655 million (compared to a loss of ¥2,436 million in FY2024). Extraordinary gains from the sale of investment securities more than offset an extraordinary loss in connection with the implementation of the Career Design Support program.

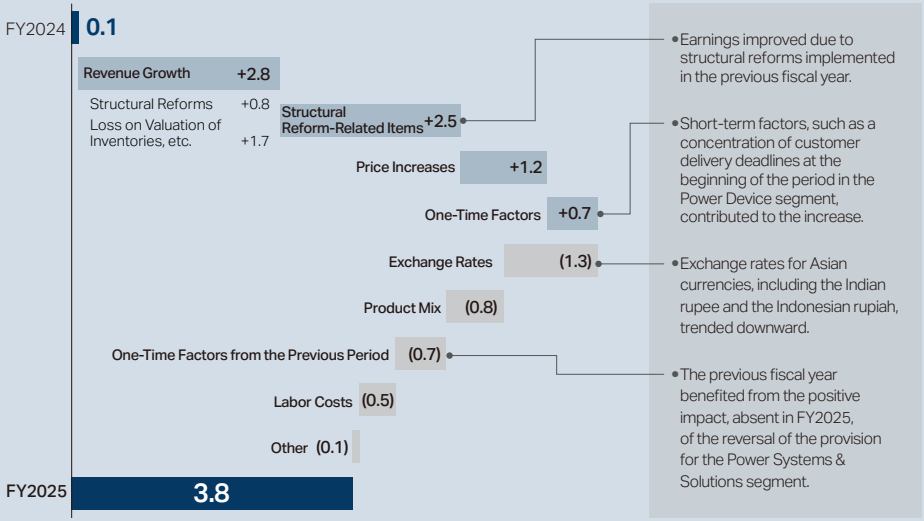
Operating Results

(Millions of Yen)

	FY2024	FY2025	Change	Change (%)
Net sales	105,830	113,836	8,006	7.6
Operating profit	128	3,848	3,720	—
Profit (loss) attributable to owners of parent	(2,436)	5,655	8,091	—

Analysis of Change in Operating Profit

(Billions of Yen)



Operating Conditions by Business Segment

Power Device

Revenue for the Power Device segment totaled ¥33,490 million (up 7.7% year on year) and operating profit was ¥2,533 million (compared to a loss of ¥2,247 million in FY2024).

In terms of net sales, our flagship automotive products continued to perform well. Additionally, sales of industrial machinery products increased, driven primarily by the contribution of Kyocera Corporation's Power Device products—acquired through M&A—as well as rising demand, starting in the fourth quarter, for power system products, semiconductor manufacturing equipment, and machine tools amidst expanding AI-related investment. Sales of home electronics appliances remained steady, resulting in an overall increase in revenue. In terms of profitability, the Company emerged from the losses recorded in FY2024 and returned to profitability, driven by increased revenue, the resulting gains from higher capacity utilization, and the effects of structural reforms.

Power Unit

Revenue for the Power Unit segment totaled ¥72,806 million (up 7.6% year on year) and operating income totaled ¥3,847 million (down 22.7% year on year).

In terms of net sales, growth was driven by continued strong performance of our core motorcycle products in India and the ASEAN region, as well as increased sales of four-wheel vehicle and general-purpose products. On the earnings front, while higher sales had a positive impact, profits declined compared to the previous fiscal year due to the impact of weaker Asian currencies and increased expenses associated with allocating resources to electrification-related products, which we view as a growth area.

Power Systems & Solutions

Revenue for the Power Systems & Solutions segment totaled ¥7,410 million (up 7.4% year on year), while operating profit was ¥1,209 million (down 39.9% year on year).

In terms of net sales, growth was driven by increased demand for products for telecommunications infrastructure, particularly rectifiers. On the earnings front, while the increase in sales had a positive impact, earnings declined compared to the previous fiscal year, when a one-time gain was recorded due to a reversal of the provision for product warranties.

Other

Other revenue totaled ¥129 million (down 15.8% year on year), and an operating loss of ¥14 million was recorded (compared to an operating profit of ¥42 million in FY2024).

Management's Discussion and Analysis

Segment Net Sales

(Millions of Yen)

	FY2024	FY2025	Change	Change (%)
Power Device	31,098	**33,490**	2,392	7.7
Power Unit	67,681	**72,806**	5,125	7.6
Power Systems & Solutions	6,897	**7,410**	513	7.4
Other	153	**129**	(24)	(15.8)
Total	105,830	**113,836**	8,006	7.6

Segment Operating Profit

(Millions of Yen)

	FY2024	FY2025	Change	Change (%)
Power Device	(2,247)	**2,533**	4,780	—
Power Unit	4,979	**3,847**	(1,132)	(22.7)
Power Systems & Solutions	2,011	**1,209**	(802)	(39.9)
Other	42	**(14)**	(56)	—
Adjustments and eliminations*	(4,656)	**(3,727)**	929	(20.0)
Total	128	**3,848**	3,719	—

* Adjustments to segment profit or loss of ¥3,727 million include corporate expenses not allocated to the reportable segments. Corporate expenses comprise mainly general and administration expenses not attributable to the reportable segments.

Inter-segment transactions have been eliminated in the financial statements.

Earnings and Expenses

FY2025 operating profit was ¥3,848 million (approximately 29.0 times that of the previous fiscal year). As a result, the operating income margin increased from 0.1% in FY2024 to 3.4%. This increase in operating profit was primarily driven by steady performance in automotive products and the effects of structural reforms implemented in the Power Device Business during the previous fiscal year.

Net other income and expense included ¥652 million in dividend income, ¥292 million in interest income, ¥105 million in equity in earnings of affiliates, and ¥487 million in foreign exchange gains, offset by expenses such as interest expenses of ¥548 million. Additionally, the Company recorded a gain on sale of investment securities of ¥2,461 million as extraordinary income while extraordinary losses included extra retirement payments of ¥689 million.

As a result, other income and expenses included non-operating income such as ¥652 million in dividend income and ¥487 million in foreign exchange gains, as well as a gain of ¥2,461 million on the sale of investment securities, which was recorded as extraordinary income. On the other hand, expenses included ¥548 million in interest expenses and ¥689 million in extra retirement payments related to business restructuring. As a result, net income before profit taxes and other adjustments amounted to ¥6,727 million.

After subtracting income taxes, profit attributable to owners of parent was ¥5,655 million, and earnings per share increased from -¥236.15 in FY2024 to ¥549.00 in FY2025. As a result, the net profit margin improved from -2.3% in FY2024 to approximately 5.0% in FY2025, and ROE also improved from -3.6% in FY2024 to 8.2%.

Comprehensive income came to ¥7,613 million in FY2025, compared to a loss of ¥3,444 million in FY2024.

Financial Position

Assets, Liabilities and Net Assets

Total assets as of March 31, 2026, stood at ¥144,652 million, up ¥8,156 million year on year. This was mainly due to an increase in cash and deposits.

Total liabilities at the end of the fiscal year were up ¥1,738 million year on year to ¥72,090 million. This was mainly attributable to an increase in borrowings.

Total net assets at the end of the fiscal year stood at ¥72,561 million, up ¥6,417 million year on year. This was mainly because of an increase in retained earnings.

As a result, net assets per share were ¥7,127.17.

Cash Flows

Cash and cash equivalents (net cash) at the end of the fiscal year under review stood at ¥26,922 million, an increase of ¥6,524 million from the end of FY2024. This was the result of ¥6,318 million in net cash provided by operating activities, ¥2,117 million in net cash used in investing activities, and ¥1,900 million in net cash provided by financing activities.

Net cash provided by operating activities was ¥6,318 million, compared with net cash used in operating activities of ¥2,179 million in the previous fiscal year. This was mainly due to profit before income taxes and other adjustments of ¥6,727 million.

Net cash used in investing activities was ¥2,117 million, compared with ¥4,528 million in the previous fiscal year. Despite proceeds of ¥5,440 million from the sale of investment securities, this mainly resulted from expenditures of ¥5,360 million for the purchase of property, plant and equipment, as well as expenditures of ¥2,271 million for the purchase of shares in a subsidiary resulting in a change in the scope of consolidation following Kyocera Corporation's spin-off and transfer of the Power Device Business.

Net cash provided by financing activities was ¥1,900 million, compared with ¥186 million used in financing activities in the previous fiscal year. This was mainly due to loan repayments and new borrowings during the fiscal year.

Financial Statements

Consolidated Balance Sheets

Millions of yen

	FY2024 (As of March 31,2025)	**FY2025 (As of March 31,2026)**
ASSETS		
Current assets:		
Cash and deposits	20,397	**26,922**
Notes and accounts receivable—trade	18,949	**20,203**
Merchandise and finished goods	12,039	**11,933**
Work in process	6,306	**6,120**
Raw materials and supplies	19,636	**21,193**
Other	6,885	**7,152**
Allowance for doubtful accounts	(25)	**(45)**
Total current assets	84,189	**93,480**
Non-current assets		
Property, plant and equipment:		
Buildings and structures, net	16,175	**16,515**
Machinery, equipment and vehicles, net	9,028	**9,409**
Land	4,373	**4,579**
Lease assets, net	514	**465**
Construction in progress	2,724	**2,827**
Other, net	2,334	**2,608**
Total property, plant and equipment	35,150	**36,406**
Intangible assets:		
Software	506	**538**
Other	41	**84**
Total intangible assets	548	**623**
Investments and other assets:		
Investment securities	14,913	**11,454**
Deferred tax assets	268	**482**
Retirement benefit assets	500	**1,096**
Other	969	**1,153**
Allowance for doubtful accounts	(45)	**(44)**
Total investments and other assets	16,607	**14,141**
Total non-current assets	52,307	**51,171**
Total assets	136,496	**144,652**

Millions of yen

	FY2024 (As of March 31,2025)	**FY2025 (As of March 31,2026)**
LIABILITIES		
Current liabilities:		
Notes and accounts payable—trade	13,844	**14,005**
Short-term borrowings	9,260	**11,896**
Current portion of bonds payable	525	**400**
Lease liabilities	295	**244**
Income taxes payable	215	**435**
Provision for bonuses	803	**1,183**
Other	5,977	**4,707**
Total current liabilities	30,920	**32,873**
Non-current liabilities:		
Bonds payable	800	**400**
Long-term borrowing	28,825	**30,874**
Lease liabilities	576	**541**
Deferred tax liabilities	2,785	**2,727**
Retirement benefit liability	5,176	**2,685**
Provision for product warranties	329	**348**
Asset retirement obligations	892	**1,593**
Other	46	**46**
Total non-current liabilities	39,431	**39,217**
Total liabilities	70,352	**72,090**
Net assets:		
Shareholders' equity:		
Share capital	17,823	**17,823**
Capital surplus	7,729	**7,722**
Retained earnings	24,733	**29,718**
Treasury stock	(80)	**(599)**
Total shareholders' equity	50,205	**54,664**
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	4,098	**3,662**
Foreign currency translation adjustment	5,072	**5,033**
Remeasurements of defined benefit plans	6,767	**9,200**
Total accumulated other comprehensive income	15,938	**17,896**
Total net assets	66,144	**72,561**
Total liabilities and net assets	136,496	**144,652**

Financial Statements

Consolidated Statements of Income

Millions of yen

	FY2024 (As of March 31,2025)	**FY2025 (As of March 31,2026)**
Net sales	105,830	**113,836**
Cost of sales	91,478	**96,168**
Gross profit	14,352	**17,668**
Selling, general and administrative expenses	14,223	**13,820**
Operating profit	128	**3,848**
Non-operating income:		
Interest income	380	**292**
Dividend income	639	**652**
Share of profit of entities accounted for using equity method	99	**105**
Royalty income	1	**1**
Foreign exchange gains	—	**487**
Other	162	**246**
Total non-operating income	1,282	**1,786**
Non-operating expenses:		
Interest expenses	369	**548**
Foreign exchange losses	1,177	**—**
Other	387	**508**
Total non-operating expenses	1,935	**1,057**
Ordinary profit (loss)	(523)	**4,577**
Extraordinary income		
Gain on sale of investment securities	182	**2,461**
Gain on sale of non-current assets	—	**399**
Gain on bargain purchase	—	**123**
Gain on liquidation of subsidiaries and associates	—	**121**
Total extraordinary income	182	**3,106**
Extraordinary loss:		
Extra retirement payments	—	**689**
Loss on sale of non-current assets	—	**266**
Business restructuring expenses	1,412	**—**
Total extraordinary loss	1,412	**955**
Profit (loss) before income taxes	(1,754)	**6,727**
Corporate, inhabitant, and enterprise income taxes	1,216	**1,197**
Adjustments to corporate income tax, etc.	(535)	**(124)**
Total corporate income tax, etc.	681	**1,072**
Profit (loss)	(2,436)	**5,655**

Millions of yen

	FY2024 (As of March 31,2025)	**FY2025 (As of March 31,2026)**
(Breakdown)		
Profit (loss) attributable to owners of parent	(2,436)	**5,655**
Other comprehensive income:		
Valuation difference on available-for-sale securities	(2,529)	**(436)**
Foreign currency translation adjustment	1,724	**(38)**
Remeasurements of defined benefit plans	(204)	**2,432**
Share of other comprehensive income of entities accounted for using equity method	0	**1**
Total other comprehensive income	(1,008)	**1,958**
Comprehensive income	(3,444)	**7,613**
(Breakdown)		
Comprehensive income attributable to owners of parent	(3,444)	**7,613**
Comprehensive income attributable to non-controlling interests	—	**—**

Financial Statements

Consolidated Statements of Changes in Net Assets

FY2024 (As of March 31, 2025)

Millions of yen

	Shareholders' equity					Accumulated other comprehensive income (loss)				Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)	
Balance at April 1, 2024	17,823	7,732	28,510	(95)	53,970	6,627	3,347	6,971	16,946	**70,917**
Changes during period										
Cash dividends paid			(1,340)		(1,340)					**(1,340)**
Profit attributable to owners of parent			(2,436)		(2,436)					**(2,436)**
Purchase of treasury stock				(0)	(0)					**(0)**
Disposal of treasury stock		(3)		16	12					**12**
Net changes in items other than those in shareholders' equity						(2,528)	1,724	(204)	(1,008)	**(1,008)**
Total changes during period	—	(3)	(3,776)	15	(3,764)	(2,528)	1,724	(204)	(1,008)	**(4,773)**
Balance at March 31, 2025	17,823	7,729	24,733	(80)	50,205	4,098	5,072	6,767	15,938	**66,144**

FY2025 (As of March 31, 2026)

Millions of yen

	Shareholders' equity					Accumulated other comprehensive income (loss)				Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)	
Balance at April 1, 2025	17,823	7,729	24,733	(80)	50,205	4,098	5,072	6,767	15,938	**66,144**
Changes during period										
Cash dividends paid			(670)		(670)					**(670)**
Profit attributable to owners of parent			5,655		5,655					**5,655**
Purchase of treasury stock				(535)	(535)					**(535)**
Disposal of treasury stock		(6)		16	9					**9**
Net changes in items other than those in shareholders' equity						(435)	(38)	2,432	1,958	**1,958**
Total changes during period	—	(6)	4,984	(518)	4,459	(435)	(38)	2,432	1,958	**6,417**
Balance at March 31, 2026	17,823	7,722	29,718	(599)	54,664	3,662	5,033	9,200	17,896	**72,561**

Financial Statements

Consolidated Statements of Cash Flows

Millions of yen

	FY2024 (As of March 31,2025)	**FY2025 (As of March 31,2026)**
Operating activities:		
Profit (loss) before income taxes and other adjustments	(1,754)	**6,727**
Depreciation and amortization	5,379	**5,584**
Loss (gain) on sale of investment securities	(182)	**(2,461)**
Loss (gain) on sale of property, plant and equipment	—	**(133)**
Gain on bargain purchase	—	**(123)**
Gain on liquidation of an affiliate	—	**(121)**
Business restructuring expenses	1,412	**—**
Increase (decrease) in provision for bonuses	(36)	**320**
Increase (decrease) in provision for product warranties	(877)	**18**
Increase (decrease) in retirement benefit liability	(407)	**(884)**
Interest and dividend income	(1,019)	**(944)**
Interest expenses	369	**548**
Decrease (increase) in trade receivables	(284)	**(924)**
Decrease (increase) in inventories	1,227	**1,097**
Increase (decrease) in trade payables	(3,543)	**(486)**
Decrease (increase) in consumption taxes refund receivable	(611)	**173**
Increase (decrease) in accrued consumption taxes	13	**—**
Decrease (increase) in accounts receivable—other	109	**26**
Other, net	(758)	**(1,213)**
Subtotal	(963)	**7,203**
Interest and dividend income	1,026	**952**
Interest expenses	(370)	**(556)**
Income taxes paid	(1,528)	**(1,280)**
Payments of business restructuring expenses	(343)	**—**
Net cash provided by (used in) operating activities	(2,179)	**6,318**

Millions of yen

	FY2024 (As of March 31,2025)	**FY2025 (As of March 31,2026)**
Investing activities:		
Purchase of property, plant and equipment	(4,624)	**(5,360)**
Proceeds from sales of property, plant and equipment	37	**536**
Purchase of intangible assets	(136)	**(259)**
Proceeds from sales of investment securities	184	**5,440**
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	**(2,271)**
Other	10	**(203)**
Net cash provided by (used in) investing activities	(4,528)	**(2,117)**
Financing activities:		
Proceeds from long-term borrowings	10,000	**16,000**
Repayments of long-term borrowings	(7,495)	**(12,026)**
Redemption of bonds	(1,027)	**(526)**
Purchase of treasury stock	(0)	**(535)**
Repayment of lease liabilities	(322)	**(341)**
Dividends paid	(1,340)	**(670)**
Net cash provided by (used in) financing activities	(186)	**1,900**
Effect of exchange rate change on cash and cash equivalents	951	**423**
Net (decrease) increase in cash and cash equivalents)	(5,942)	**6,524**
Cash and cash equivalents at beginning of period	26,340	**20,397**
Cash and cash equivalents at end of the year	20,397	**26,922**

Corporate Information

Corporate Data (as of March 31, 2026)

Company Name	Shindengen Electric Manufacturing Co., Ltd.
Established	August 16, 1949
Capital	¥17,823,148,008
Number of Employees	5,091 (Consolidated basis)　1,043 (Non-consolidated 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 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 Lumphun 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	Opened the 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
2026	Acquired the company that succeeded Kyocera Corporation's Power Device Business (now Hadano Shindengen Co., Ltd.) and also made its subsidiary in Taiwan (Kaohsiung Shindengen Electronics Co., Ltd.) an affiliate.

Stock Information

Stock Exchange Listing
Tokyo Stock Exchange, Prime Market

Security Code
6844

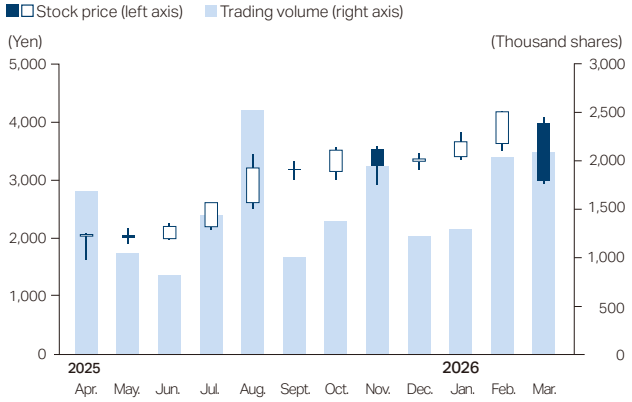
Total Number of Issued Shares
10,338,884

Ordinary General Meeting of Shareholders
June

Independent Auditor
Ernst & Young ShinNihon LLC

Number of Shareholders
9,266

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 Senba Heart Bldg., 2-3-2 Minami-Senba, Chuo-ku, Osaka City, Osaka 542-0081, Japan
Phone: +81-6-6264-7770
FAX: 06-6260-1222

4 Nagoya Branch Office
Nagoya Daiichi Bldg.,1-19-24 Nishiki, Naka-ku, Nagoya City, Aichi 460-0003, Japan
Phone: +81-52-221-1361
FAX: 052-201-4780

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
FAX: 053-450-3801

6 Utsunomiya Sales Office
Flora Bldg.,1-9-15 Higashi Shukugo Utsunomiya City, Tochigi 321-0953, Japan
Phone: +81-28-637-3615
FAX: 028-637-3115

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 FY2022, the Shindengen Group has maintained its participation in the CDP Climate Change Survey, disclosing its climate change initiatives and strategies.

3. EcoVadis

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 FY2030, confirming these targets align with the levels required by the Paris Agreement.

6. Recognized as an 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 receive social recognition. The program raises the profile of the recognized companies among employees, job seekers, related companies, financial institutions, and others.

Shindengen has been accredited as an 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 program (administered by the Japan Sports Agency) certifies companies that support and promote their employees' sports activities. Companies recognized with this certification can expect to enhance their social standing as an organization that proactively promotes employee health.

Shindengen has been engaged in promoting sports activities to improve employee health, earning certification as a Sports Yell Company 2026 from the Japan Sports Agency.

8. Kurumin Certification

The Kurumin Certification program (administered by the Minister of Health, Labor, and Welfare) recognizes companies that actively support the work-life balance of employees raising children and meet certain criteria as family-friendly workplaces. Shindengen has earned this certification, demonstrating its commitment to supporting employees raising children.

ShinDengen

New power. Your power.

Shindengen Electric Manufacturing Co., Ltd.

https://www.shindengen.com/