

Message from the President



Technological innovation driven by semiconductor advances is expected to bring big changes to our lives and society, including through markets related to IoT and AI, which are anticipated to become more widely used in the future, and the auto market, in which technology development is accelerating, including self-driving and EV (electric vehicles), supported by the practical implementation of the next-generation mobile communications standard (5G). In such a time of major economic and social change, the Shinko Group aims to enrich the lives of people by providing customers all over the world with diverse products built upon the elemental technologies it has cultivated since its founding and, moreover, to fulfill its social responsibility as a corporate citizen by actively addressing increasingly complex social challenges.

With stakeholders placing more diverse expectations onto companies in recent years, we have entered an era in which firms face greater evaluation and selection in terms of attitudes toward and action on ESG (environmental, social, and governance) factors such as initiatives against climate change and social issues as well as corporate governance in addition to financial factors. Also, things

such as the Sustainable Development Goals (SDGs) adopted at a UN summit and the Paris Agreement have further increased the roles and responsibilities that companies must assume to create a world of sustainable growth. The Shinko Group has operated its business with the intention of pursuing harmony between corporate activities and ESG objectives such as the reduction of environmental impacts. We see the attitude and activities of the Shinko Group as dovetailing with initiatives aimed at realizing the world imagined by the SDGs and the Paris Agreement, and we are determined to keep enhancing and deepening our activities in that regard.

In particular, the Shinko Group has made environmental protection a top management priority as a corporate social responsibility and has sought to contribute to the protection and improvement of the global environment through manufacturing. Further, in our Environmental Action Program (Stage 9) launched in 2019, we incorporated the perspective of the SDGs when establishing medium- to long-term environmental goals and recommitted the Group to the reinforcement of these activities.

Going forward, the entire Group will continue making efforts to reduce environmental impacts, thereby contributing to the global environment.

It is in the Shinko Group's DNA handed down from the time of its founding to contribute to local communities and the international community through its business activities. The "Shinko Way" sets out such a corporate philosophy, policies, and values to uphold. Through practice of the Shinko Way, we are dedicated to various ESG activities to ensure we remain a company that is trusted by society, while continually boosting our corporate value and contributing to the sound development of society.

I hope that this report helps you to understand the Shinko Group's initiatives introduced herein, and we look forward to your further support and encouragement.

M. Fujita

Masami Fujita
President and Representative Director
SHINKO ELECTRIC INDUSTRIES CO., LTD.