

Message from the President



Toward a new stage of growth

Following a tender offer and a series of subsequent procedures, Shinko has delisted its shares and embarked on a new growth stage, with a consortium led by JIC Capital, Ltd. (hereinafter “JICC Consortium”) as its new partner, to further enhance corporate value and achieve sustainable growth.

The environment surrounding us continues to present severe challenges with an increasingly uncertain outlook. This includes heightened geopolitical risks, changes in trade policies across nations, and intensifying natural disasters and ongoing sea level rise due to climate change. On the other hand, as diverse technologies, which are expected to bring significant changes to people's lives and businesses worldwide, while also contributing to solving social issues, evolve and become more widespread, the semiconductors underpinning these technologies are forecasted to continue expanding their market and broadening their applications. In this environment, we will advance our business going forward under the JICC Consortium, which enables us to pursue initiatives enhancing our corporate value from a medium- to long-term perspective, thereby striving to maximize the connection between market growth and the growth of our Group.

The Shinko Group will continue to aim for remaining a trusted and indispensable company to society. Toward that end, we will help enrich people's lives by providing advanced products and technologies that support the functionality of high-performance semiconductors, while fulfilling our corporate social responsibility by addressing diverse sustainability challenges, thereby contributing to the realization of a sustainable society.



Environmental conservation initiatives inherited from our founding spirit

Shinko began its business by refurbishing household light bulbs during the early postwar period when materials were scarce. In essence, the recycling business of limited resources was the starting point for the Group. Subsequently, leveraging the technology cultivated through our light bulb recycling business as a foundation, we applied and advanced our accumulated expertise to enter the semiconductor industry. Since then, we have expanded our global operations, focusing primarily on the development and manufacturing of products that support semiconductor functionality. We have inherited the founding spirit that started with resource recycling. In the Shinko Way, which consolidates our corporate philosophy, guidelines, and values, we position environmental conservation as one of our top management priorities and have consistently worked to reduce our environmental impact. Also, as part of our responsibility as a manufacturing company, we are strengthening our activities to address environmental challenges and undertaking various initiatives

across three key areas—climate change, resource circulation, and living in harmony with nature—to achieve our desired future state, aligned with our "Environmental Vision 2050," which clarifies our Group's future direction. In addition to reducing environmental impact in our business activities, we are also strengthening our efforts to ensure a thriving natural environment is passed on to future generations, including working closely with local governments on forest maintenance activities.

We will continue to pursue environmentally conscious manufacturing at our domestic and overseas production sites, guided by our fundamental vision of harmonizing our corporate activities with the global environment. We will also advance initiatives that contribute to the conservation of local environment.

Management respecting people-friendly approach

Shinko traces its roots to a wartime factory evacuated from the Tokyo metropolitan area. When the war ended, the factory was destined for closure. However, our founders established a joint-stock company to protect the workers' jobs and livelihoods. Later, this joint-stock company was reorganized and renamed to become Shinko. Our Group has kept the founders' vision alive to this day, conducting our business operations with "people-friendly approach" at the forefront. The Shinko Way also positions employees as our Group's most valuable asset, with Corporate Values of respecting diversity and supporting individual growth. Under the new capital and management structure, our Group will expand its business activities, while pursuing sustainable growth as a company through responding to further advancement of semiconductor functionality and to demands from markets and customers. Human resources form the foundation of that growth. To overcome increasingly challenging tasks and meet market and customer expectations, we believe the driving force lies in harnessing the capabilities of employees with diverse personalities, perspectives, and backgrounds to spark new innovation within the Company. We will continue promoting a corporate culture where every employee can work with pride and motivation, respecting the people-friendly approach, starting with creating workplace environments where diverse talents can fully utilize their abilities, establishing supportive systems, and enhancing our training programs.

Striving for limitless progress

Amid rapid changes in the business environment surrounding our Group, including structural shifts in the semiconductor market, we are also working to enhance corporate value under a new capital and management structure, focusing on strengthening governance and management oversight. Seizing market shifts and changes in capital structure as opportunities for our Group to achieve further growth, we are strengthening our corporate foundation by boldly challenging transformation across the entire company and accomplishing our goals.

Through these efforts, we will build a resilient corporate structure, aiming for sustainable growth and enhanced corporate value as we pursue "limitless progress."

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

Susumu Kurashima

Representative Director of Board, President
SHINKO ELECTRIC INDUSTRIES CO., LTD.

