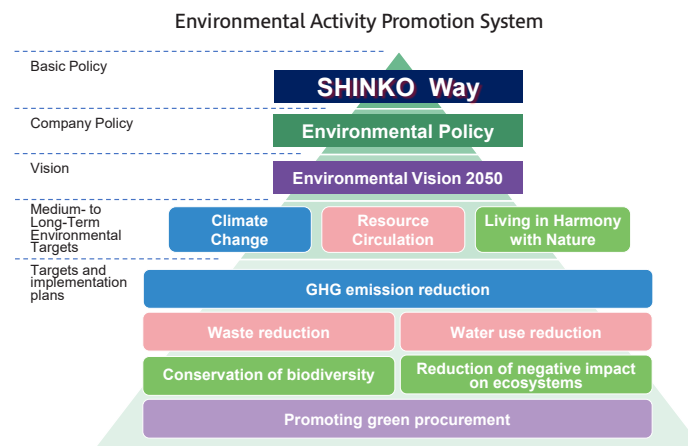


Environmental Management

To promote environmental management, the Shinko Group has established an environmental management system based on the international standard ISO 14001 as a framework for balancing business activities with social needs and environmental issues. Through the PDCA cycle in accordance with our environmental management system, we strive for continuous improvement and betterment of our environmental performance.

Environmental Activity Promotion System

We have made environmental protection a top management priority and are engaged in environmental preservation activities based on a promotion system established in accordance with the Shinko Way, the basic philosophy of the Shinko Group.



We outlined our environmental commitment in the Environmental Policy, and, to fulfill this commitment, we have articulated our approach and goals in our Environmental Vision 2050, and set "Environmental Targets (medium- to long-term environmental targets and Environmental Action Program)" to achieve them.

Environmental Policy

The Shinko Group states, in the Shinko Way, that contributing to society and protecting the environment are one of our Corporate Values.

Based on this Value, we have defined our responsibilities toward the global environment in an Environmental Policy, so that we can contribute to a healthy environment and rich society that will be handed down to future generations.

To fulfill this Environmental Policy, we engage in activities with environmental targets and contribute to the preservation and improvement of the global environment.

Environmental Policy

Through the implementation of the Shinko Way, our fundamental vision is to harmonize our corporate activities with the global environment to maintain and improve the global environment through our product manufacturing.

Guiding Principles

1. Prioritize environmental conservation as a critical management focus and reduce our impact to the environment.
2. Seek to reduce risk to human health and the environment.
3. Make every effort to perform our social responsibility by observing environmental regulations and standards in Japan and abroad.
4. Strive for continuous improvement of our environmental management system in order to enhance environmental performance.
5. Contribute to the creation of an abundant society through countermeasures for climate change, effective utilization of resources and conservation of biodiversity.

We set environmental objectives to achieve this environmental policy, and this policy and the objectives are reviewed at least once a year.

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

Environmental Vision 2050

Environmental Vision 2050 clearly defines our commitment to our Environmental Policy, outlining our approach and the goals we aim to achieve. Considering the activities of the Shinko Group and the Basic Environment Plan (by Japanese Government)¹, it identifies three key areas of focus: "climate change," "resource circulation," and "living in harmony with nature," outlining our "goals" to reduce environmental impact and contribute to a sustainable society as the responsibility of a manufacturing company.

¹ Basic Environmental Plan (by Japanese government): Based on Article 15 of the Basic Act on the Environment, this establishes the outline of long-term comprehensive policies for environmental conservation by the government as a whole. At the time of formulating Environmental Vision 2050 (2022), it was the "Fifth Basic Environment Plan" (2018). Currently, it is the "Sixth Basic Environment Plan" (2024).



Environmental Targets

Medium- to Long-Term Environmental Targets

The Shinko Group in Japan has established medium- to long-term environmental targets (for FY2030 and FY2050), and is working to achieve its "Environmental Policy" and the Shinko Group's goals in the three areas set out in our Environmental Vision 2050.

		FY2030 Targets	FY2050 Targets
Climate Change	Net reduction in greenhouse gas emissions	56 %reduction (vs. FY2020)	Net-zero emissions
	Rate of renewable energy use	100 %	100 %
Resource Circulation	Waste Reduction	Reduce the amount equivalent to 50 % of the base year FY2020	Minimization
	Reducing Water Use	Reduce the amount equivalent to 5 % of the base year FY2020	Minimization
Living in Harmony with Nature	Local communities	Work with the local community to contribute to continuing biodiversity conservation activities.	Work with the local community to contribute to continuing biodiversity conservation activities.
	Inhouse green spaces	Robust conservation of the healthy ecosystems in the Kurita Sogo Center.	Robust conservation of the healthy ecosystems in the Kurita Sogo Center and at all plants.
	Employees	Work to improve each employee's awareness of biodiversity.	Work to improve each employee's awareness of biodiversity.





Boundary: Shinko Group in Japan

Environmental Action Program

The Environmental Action Program is a short-term goal to achieve its medium- to long-term environmental targets. It defines specific activities and evaluates their performance and effectiveness annually. The evaluation of the previous period's results informs the formulation of the next Environmental Action Program, enabling continuous improvement.

We are currently implementing the Environmental Action Program (Stage 11) for the three-year period from FY2023 to FY2025.

Furthermore, to execute the Environmental Action Plan, we set "Annual Targets" and conduct activities each fiscal year.

Environmental Action Program (Stage 11)			FY2024 Targets																			
<div>Climate change</div> <div></div>	Reduction of GHG emissions (GHG: greenhouse gas)	Reduce CO ₂ emissions at all business sites in Japan by 28 % or more (compared to FY2020)	Reduce by 22.4 % or more																			
		Increase rate of renewable energy use by 4 % or more every year	Rate of renewable energy use 49.9 % or more																			
<div>Resource circulation</div> <div></div>	Reducing waste	Implement measures to achieve a cumulative reduction of at least 1,375 tons equivalent to 23 % of the FY2020 waste emissions	Reduce by 3.4 % or more (Reduce 203 t or more)				Unit: %															
		Promote measures to reduce amount of plastic materials used and amount of waste plastic	<table><tr><td>(Reference information)</td><td colspan="4">Targets for each fiscal year</td></tr><tr><td>FY</td><td>2023</td><td>2024</td><td>2025</td><td>Total</td></tr><tr><td>Targets</td><td>16.2</td><td>3.4</td><td>3.4</td><td>23</td></tr></table>				(Reference information)	Targets for each fiscal year				FY	2023	2024	2025	Total	Targets	16.2	3.4	3.4	23	
	(Reference information)	Targets for each fiscal year																				
	FY	2023	2024	2025	Total																	
Targets	16.2	3.4	3.4	23																		
Reducing water use	Implement measures to achieve a cumulative reduction of at least 114,810 m ³ equivalent to 3 % of the FY2020 water use	Effective utilization rate of plastic wastes Maintain 99 % or more																				
		Reduce by 1.0 % or more (Reduce 38,270 m ³ or more)				Unit: %																
			<table><tr><td>(Reference information)</td><td colspan="4">Targets for each fiscal year</td></tr><tr><td>FY</td><td>2023</td><td>2024</td><td>2025</td><td>Total</td></tr><tr><td>Targets</td><td>1</td><td>1</td><td>1</td><td>3</td></tr></table>					(Reference information)	Targets for each fiscal year				FY	2023	2024	2025	Total	Targets	1	1	1	3
(Reference information)	Targets for each fiscal year																					
FY	2023	2024	2025	Total																		
Targets	1	1	1	3																		
<div>Living in harmony with nature</div> <div></div>	Conservation of biodiversity	Maintenance of town-owned forest in Iizuna Town, Nagano Prefecture	2 times																			
		Biodiversity conservation at the Kurita Sogo Center	Extermination of invasive alien species Rare species protection Implementation of monitoring surveys																			
		Biodiversity education and awareness	Education 3 times Awareness-raising 2 times																			
	Reduction of negative impact on ecosystems	Promotion of climate change and resource circulation initiatives	Promote initiatives																			
		Proper management of chemical substances	Proper management																			
<div>Supply chain</div> <div></div>	Promoting green procurement	Promotion of initiatives to reduce CO ₂ emissions upstream of the supply chain																				
		Strengthen awareness of water resource conservation upstream of the supply chain	Conduct environmental survey on target suppliers																			

Boundary: Shinko Group in Japan

Results

Climate Change [P30](#)

Resource Circulation [Waste Reduction P38](#)
[Reducing Water Use P42](#)

Living in Harmony with Nature [Conservation of Biodiversity P45](#)
[Reduction of Negative Impact on Ecosystems P49](#)

Environmental Management Promotion System

We have established an environmental management promotion system based on our environmental management system.

To promote environmental management, we have established an Environmental Committee chaired by the Representative Director of Board, President. As the highest deliberative body for environmental measures, the Committee reviews medium- and long-term issues, formulates policies, and proposes, deliberates, and decides upon matters related to environmental management, including measures to address business risks and opportunities related to climate change, resource circulation, and living in harmony with nature.

Additionally, we have established an Environmental Measures Execution Committee as a subcommittee organization under the Environmental Committee to execute and deliberate on activities aiming at achieving environmental goals.

While strengthening governance through the establishment of this promotion system, we are promoting the maintenance and improvement of our environmental management system.



Identifying Environmental Challenges

Global Environmental Challenges

With serious deterioration of the natural environment, halting biodiversity loss and reversing this trend toward recovery is an urgent global issue. In recent years, the importance of initiatives aimed at achieving Nature positive² has grown significantly. Global efforts to respond to various social issues are accelerating toward Nature positive, including addressing climate change, transitioning to a circular economy³, countermeasures for marine plastic pollution, and ensuring sustainable water resource use. In Japan, such efforts have also begun, starting with the Declaration of Carbon Neutrality by 2050 in 2020 to address climate change, followed by the "National Biodiversity Strategy 2023-2030" and the "Transition Strategies toward Nature Positive Economy" aimed at achieving nature positivity, as well as the Fundamental Plan for Establishing a Sound Material-Cycle Society to advance the shift toward a circular economy.

² Nature positive: The nature positive initiative seeks to arrest the loss of biodiversity and put the environment on a recovery path. Natural restoration.

³ Circular economy: A circular economic system that is designed on the premise that recycling and reuse will occur starting at the stage where goods and services are produced. It maximizes the value of resources and products and minimizes resource consumption and waste generation by reducing the input and consumption of new resources as much as possible. Intended to replace the conventional economic system based on the premise of "mass production, mass consumption, and mass disposal."

Identifying Our Environmental Challenges

Global environmental challenges are critical issues for our company as well, affecting our very survival. Therefore, Shinko Group in Japan identify annually the effects that our business activities have on the environment, clarify the challenges and requests from stakeholder related to the environment, risks and opportunities, then determine the environmental issues to be addressed during the year, taking into consideration their importance and urgency. We reflect these environmental challenges in the activities of our environmental management system, and are deploying our initiatives to resolve them.

Environmental Education and Awareness

We conduct environmental education for all employees in Japan at least once a year to ensure that each employee always acts in an environmentally conscious manner, both in conducting corporate activities and in living as a member of society.

We develop human resources capable of contributing to improved environmental performance. This involves education to understand the environmental impact of their work and foster awareness of environmental contributions, based on our environmental activity framework including the Environmental Policy, Environmental Vision 2050, and Environmental Targets. We also provide more specific training on environmental laws and regulations, as well as knowledge necessary for reducing environmental impact.

In FY2024, we incorporated the perspective of biodiversity—a crucial element for future environmental activities—into our training materials to educate employees.

We disseminate information on a variety of topics throughout the company on a monthly basis, including familiar seasonal themes and environmental issues surrounding our company. In June, Environment Month provides an opportunity to think about a sustainable global environment. We conduct activities such as beautifying the area around our plants and holding environmental quizzes to contribute to the community and raise environmental awareness.

Environmental Education Achievements in FY2024 [Shinko Group in Japan]

Training	Participants
General Environmental Education	5,471
Education for Environmental Operations Personnel	3,953
Rank-specific Training	171

Environmental Management System Audit

Every year we conduct our internal environmental audit for Shinko Group in Japan to check ISO 14001 conformance, the effectiveness of our environmental management system, and legal compliance.

When nonconformity items are revealed by audits, we analyze the causes from multiple perspectives and promptly make improvements. In addition, the results of audits, including conforming items, were shared in the entire company in an effort to continuously improve the management system.

In FY2024, we conducted audits focusing on compliance with laws and regulations and the thorough implementation of related internal rules as priority check items.

We have taken corrective action on all audit findings.

Status of ISO 14001 Certifications

Percentage of ISO 14001 Certification for Shinko Group

	FY2020	FY2021	FY2022	FY2023	FY2024
In Japan	100% (2)	100% (2)	100% (2)	100% (2)	100% (2)
Overseas production sites	100% (3)	100% (3)	100% (2)	100% (2)	100% (2)

Japan: Acquired integrated certification as Fujitsu Group

Overseas production sites: Individual companies obtained certification

List of Business Sites with ISO 14001 Certification

■ In Japan

SHINKO ELECTRIC INDUSTRIES CO., LTD.

Registration office	SHINKO ELECTRIC INDUSTRIES CO., LTD. Head Office (Kohoku Plant), Wakaho Plant, Chikuma Plant, Takaoka Plant, Arai Plant, Kyogase Plant, SHINKO R&D Center Domestic Subsidiary SHINKO TECHNOSERVE CO., LTD.
Certification body	Japan Audit and Certification Organization for Environment and Quality (JACO)
Registration number	EC98J2005-D601
Date of registration	September 12, 1995

■ Overseas

SHINKO ELECTRONICS (MALAYSIA) SDN. BHD.

Certification body	Bureau Veritas Certification Holding SAS – UK Branch
Registration number	MY010519
Date of registration	October 18, 2000

KOREA SHINKO MICROELECTRONICS CO., LTD.

Certification body	Korean Foundation for Quality
Registration number	EAC-0642801
Date of registration	July 3, 2003

The Shinko Group will continue to pursue environmental certification to enhance environmental performance and drive continuous improvement through ISO 14001 certification, thereby contributing to the preservation and enhancement of the global environment through environmentally conscious manufacturing.

Response to Environmental Laws and Regulations

We strive to comply with national environmental laws and regulations as well as prefectural and city regulations, pollution prevention agreements, industry guidelines, and environmental requests from customers.

In FY2024, there was four cases of failing to observe obligation to comply with laws and regulations, and two complaints. All of them were appropriately responded to and corrected.

There were no litigation issues, fines, or penalties resulting from violations of environment-related laws and regulations, and there were no accidents with serious environmental impact.

Number of Environmental Laws and Regulations Violations or Complaints (Unit: cases)

Item		FY2022	FY2023	FY2024
Environmental laws and regulations violations	Water quality	0	0	0
	Atmosphere	0	0	0
	Noise	0	1	0
	Odors	0	0	0
	Waste	0	0	0
	Other (authorizations, notifications, etc.)	2	0	4
Complaints		4	0	2

Boundary: Shinko Group in Japan

Similarly, there were no litigation issues, fines, penalties, or serious accidents at overseas production sites.