

Message from the President

We aim to contribute to the creation of a prosperous future society through advanced devices and technologies, and approaches to the solution of various sustainability issues.

Susumu Kurashima

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The environment surrounding us is undergoing major changes. Social and economic digitalization is being driven by the spread of 5G, the rapid expansion of AI use, and the promotion of digital transformation (DX). At the same time, the green transformation (GX) is making progress toward a decarbonized society.

The Shinko Group is contributing to a sustainable society by providing advanced devices and technologies that support the ever-evolving functions of high-performance semiconductors. At the same time, in order to solve diverse social problems that are becoming increasingly global and serious, we address environmental issues such as energy conservation activities and the use of renewable energy in our business, and also deal with social issues such as respect for human rights and diversity, and contributions to local communities. Through all these efforts, our Group aims to contribute to the creation of a prosperous future society.

Toward the Realization of Green Factories

At a time when environmental issues are becoming more serious on a global scale, the manufacturing industry is rapidly expanding its response to GX, which aims to drastically reduce environmental impact by fundamentally rethinking conventional manufacturing practices, such as moving away from massive consumption of fossil fuels and resources and improving production processes that have a significant impact on the environment. In order to further accelerate our efforts to solve environmental problems on which the clock is ticking, we need to transform our corporate activities.

The reduction of environmental impact that is a key responsibility of manufacturing companies has been positioned by the Shinko Group as one of the most important management issues. We aim to contribute to the realization of a sustainable society by harmonizing the global environment with corporate activities. Based on our Group's consistent management stance, and in light of the changing circumstances surrounding the Group, we formulated a new "Environmental Vision 2050" last year to clarify our goals of "climate change," "resource circulation," and "living in harmony with nature." With these goals as our objective, we will further accelerate the entire group activities. In addition, we have

strengthened company-wide activities by significantly advancing our existing medium- to long-term targets for environmental issues and setting new targets.

In particular, in response to climate change, we have established a working group at each plant based on the recognition that it is an urgent environmental issue that must be addressed with the highest priority. Our activities focus on the reduction of greenhouse gas emissions from manufacturing processes and utility facilities and the expansion of the use of renewable energy. With the aim of achieving carbon neutrality as soon as possible, the entire company is now accelerating its efforts.

In light of the medium- to long-term growth in demand for semiconductors, our company is currently constructing a new plant and new buildings to enhance its production system. We aim to make these new facilities as environmentally friendly as possible by, for example, meeting all of our electricity needs with renewable energy. It is our goal to make all plants, including the existing ones, into "green factories" that contribute to solving environmental issues such as climate change by significantly reducing environmental impact.

Creating a Workplace That Respects Diversity

Employees are the greatest asset of the Shinko Group, and we believe that diverse employees who can fully demonstrate their abilities and expertise will bring about changes within the company and become the driving force for sustainable growth as a company. One of the Corporate Values set by our group is to respect the diversity of its employees and support their growth. We are striving to improve the working environment, introduce and operate various systems, educate our employees to improve their understanding of diversity, and to retain diversity within our Group.

In addition, in order to nurture the next generation and support the balance between work and family, we are promoting initiatives to realize diverse and flexible working styles by continuously improving the work environment and expanding various systems. In recognition of these efforts, we were awarded "Platinum Kurumin Plus" certification (childcare support company certification system by Japan's Ministry of Health, Labor and Welfare) in December of last year, becoming the first business in Nagano Prefecture to receive this certification.

Going forward, we will continue to focus on creating a work environment in which everyone, including employees from all backgrounds and those who aim to balance work with childcare and nursing care, can actively demonstrate their abilities and work with pride and satisfaction.

Fostering a Corporate Culture for New Growth

In order for the Shinko Group to achieve sustainable growth in the face of significant changes in the surrounding environment, we believe it will be necessary to create a corporate culture in which all of our Group's employees have a sense of ownership and boldly strive to achieve highly challenging goals by combining their vectors. The basis for this is the Shinko Way, which sets forth our Group's reason for existence, values, and principles of activities. It is essential that we implement the Shinko Way as a common philosophy for our increasingly diverse employees, and that we always act with compliance in mind.

Through these efforts, we aim to achieve sustainable growth and development as a company by building a resilient corporate foundation that can respond flexibly to diverse changes.

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.