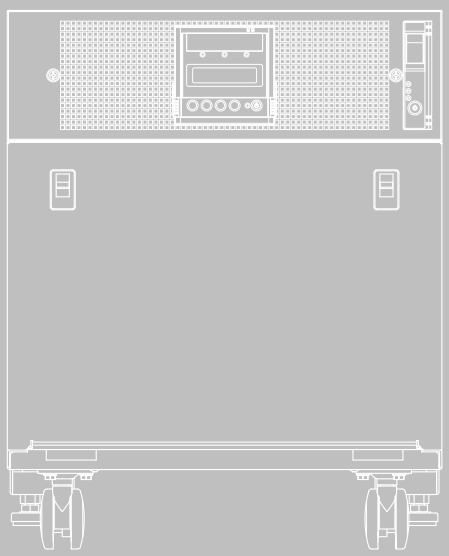
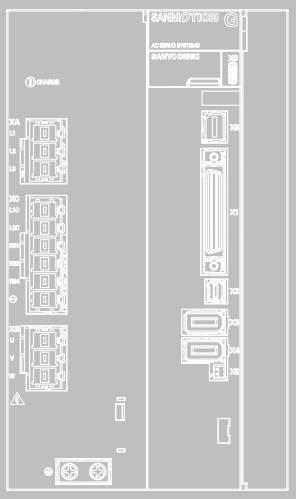
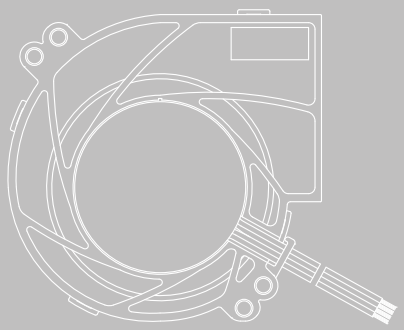
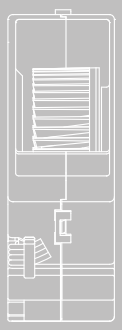
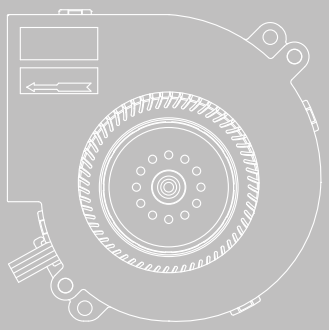
SANYO DENKI

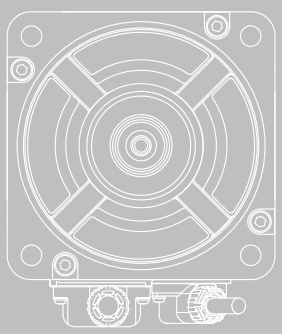


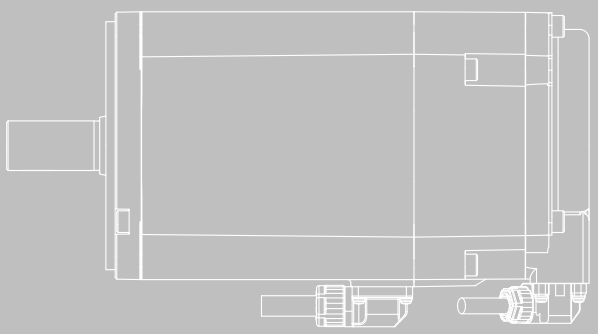


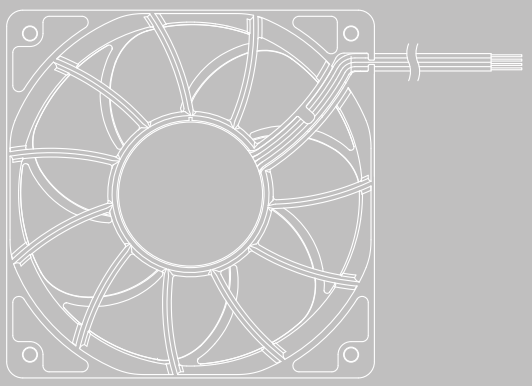












INTEGRATED REPORT

2025

Our Philosophy

Philosophy

We at SANYO DENKI Group Companies aim to help all people achieve happiness, and work with people to make their dreams come true.

To embody our corporate philosophy, we will achieve the following:

For Society and Environment

We will conduct management that contributes to preserving the global environment and enhancing human prosperity through our corporate activities.

For Customers and Users

We will conduct management that realizes the creation of new value for customers and user through our technologies, products, and services.

For Suppliers and Business Partners

We will conduct management aimed at mutual technical development and prosperity through deals of parts and materials, production contracting, and joint development.

For Investors and Financial Institutions

We will conduct management that increases our investment worth and credit through sound and constructive management and the provision of easily understandable information.

For Competitor Companies

We will conduct management that co-creates industrial and technological developments through technical alliances and competition.

For Employees

We will conduct management aimed at employee self-realization through work and corporate activities.

3 Core Technologies and 6 Sectors

SANYO DENKI is committed to developing new technologies and products in six sectors based on three technological concepts.

3 Core Technologies

- Technology for protecting the global environment
- Technology for using new energy sources and saving energy
- Technology for protecting people's health and safety

6 Sectors



Medical

Business sector that manufactures medical and nursing equipment for contributing to human health



Information and Communications

Business sector that manufactures ICT equipment such as computers, communications equipment, and their peripheral devices



Industrial

Business sector that manufactures industrial automation equipment such as machine tools and robots



Environmental Preservation

Business sector that manufactures equipment for promoting the protection of the global environment



Home Automation

Business sector that manufactures equipment for improving lifestyle



Energy Utilization

Business sector that manufactures equipment for electric power generation and conversion, energy saving, and new energy utilization

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Editorial Policy
SANYO DENKI is working towards resolving social issues and helping create a sustainable society through ESG (environmental, social, and governance) activities. The contents of this report are voluntarily disclosed for stakeholders. It has been prepared with reference to the International Integrated Reporting Framework of the IFRS Foundation to provide a deeper understanding of the medium- to long-term value creation pursued by the SANYO DENKI Group.

Period of Reporting
April 1, 2024 to March 31, 2025 (including some information from April 2025 onward)

Scope of Reporting
This report covers all 20 companies of the SANYO DENKI Group.

Cautions regarding Forecasts
Of the current plans and strategies of the SANYO DENKI Group described in this report, those that are not historical facts are future forecasts and involve risks and uncertainties. Accordingly, readers should be aware that actual results may vary significantly from forecasts due to a variety of factors. Note that the factors that affect business results are not limited to these mentioned.

Top Message

Aiming to Help All People Achieve Happiness

Under our corporate philosophy, established in 1996—to "aim to help all people achieve happiness,"—the SANYO DENKI Group has been committed to addressing social issues by leveraging its core technologies. We contribute to society through high-value-added products that serve a wide range of fields, from factory automation to IT infrastructure. Based on our medium-term management plan, we are advancing the introduction of a business company system to expedite decision-making, enhance business autonomy, and accelerate corporate transformation toward a sustainable society. This includes proactively addressing sustainability challenges such as reducing environmental impact and respecting human rights.

Growth Foundation Established Through the Medium-Term Management Plan

Under the 5-year Medium-Term Management Plan launched in April 2021, the Group aims to build a top global brand by creating new initiatives and approaches under the theme "Break the Shell."

At the same time, we have been working to establish a solid foundation for sustainable growth in response to the rapidly changing external environment.

During this period, the business environment has changed significantly, including global supply chain disruptions, geopolitical risks, and the rapid growth of AI and semiconductor sectors.

In response to these changes, The Group has accelerated expansion in key areas by strengthening management, sales, and production systems, while investing in quality improvement.

Through proactive capital investments—such as the expansion of the stepping motor assembly plant at SANYO DENKI EUROPE S.A. in June 2023 and the establishment of a new factory at SANYO DENKI PHILIPPINES, INC. in January 2024—we have built a system capable of flexibly responding to rapidly increasing demand.

All 504 breakthrough measures outlined in this medium-term management plan are expected to be fully implemented.

As we enter the final year of the plan, we will convert progress made to date into tangible outcomes while formulating a new vision for the next phase of growth.

Business Company System Supporting Sustainable Growth

Under the 9th Medium-Term Management Plan (2021 to 2026), with the theme of "Break the Shell," we have been pursuing new challenges beyond conventional frameworks. Among these initiatives, the business company system introduced in April 2024 marked a major turning point in our management structure.

The former business division-based system was abolished and reorganized into three business companies: San Ace Company, Electronics Company, and Motion Company to strengthen autonomy and ensure clear accountability. This has accelerated profit growth, improved the efficient use of our facilities and capital, and promoted market expansion through the integration of our technologies.

The new structure has also given rise to new businesses, such as production engineering services, while deepening collaboration with the Sales Department to better support our customers' success.

The introduction of the business company system is more than an organizational change—it is a strategic reform designed to enhance corporate value and sustainable growth. Moving forward, each business company will achieve autonomous growth, enhancing the competitiveness of the entire Group.

Initiatives For Sustainability

We strive to realize a better future by contributing to society through our business activities. Our corporate philosophy of "we help all people achieve happiness" aligns with the principles of the SDGs. In 2023, we established the in-house SDGs Promotion Committee to actively promote sustainability-focused business activities.

Our commitment to the SDGs goes beyond fulfilling social responsibility; it is an important strategy that enhances corporate credibility, strengthens competitiveness, and contributes to the sustainable growth of the entire Group.

By disclosing such activities to society, we will be able to gain an understanding of our customers and investors and build stronger relationships with our business partners and local communities.

Development of Eco-Design Products for Achieving Carbon Neutrality

The SANYO DENKI Group is actively promoting renewable energy use and reducing CO_2 emissions. In March 2023, we formulated CO_2 emissions reduction initiatives over the medium and long term for achieving carbon neutrality.

We are also working to reduce environmental impacts through eco-conscious product development. We have certified and offered Eco Products, designed to significantly reduce environmental impact compared to conventional market offerings and our existing products, based on our own eco-design requirements.

Starting in FY 2024, we introduced Eco Products Plus, a new category for products that deliver even greater reductions in environmental impact than Eco Products, aiming for a higher level of sustainability.

Promoting Health and Productivity Management and Diverse Work Styles

Our Group proactively promotes health management based on our belief that encouraging employees to work enthusiastically and to perform to the best of their abilities will result in contributing to medium- to long-term corporate growth. In March 2025, we were certified as a "Health & Productivity Management Outstanding Organization 2025 (White 500)" in the large enterprise category, recognizing us among the top 500 companies for excellence in health and productivity management. We also focus on employee education. In addition to position-based training programs and career design programs tailored to each employee's career stage, we offer self-learning programs to support continuous skill and knowledge development.

We provide a flexible work environment, including a flextime system and support for balancing childcare and eldercare responsibilities.

Building Value Through Diversity and Transparency

In 2025, we further enhanced the diversity of our Board of Directors and strengthened the quality of our corporate governance. At Board meetings, members actively exchange from perspectives on key management issues.

Following discussions with outside directors, we have strengthened the disclosure of our management initiatives that take capital costs and stock prices into consideration, starting in fiscal 2025. We also place great importance on dialogue with investors, based on disclosures that reflect indicators such as ROE and PBR.

Through these corporate and effective initiatives, the SANYO DENKI Group aims to achieve sustainable growth of its corporate value, guided by its corporate philosophy.

Summary

The SANYO DENKI Group is committed to building a sustainable society by tackling increasingly complex social challenges, such as achieving a carbon neutrality, resolving labor shortages arising from an aging and shrinking population, and accelerating digitalization.

These efforts are underpinned by the growth of each employee. Through human resource development and the creation of a supportive work environment, we pursue management in which employee growth serves as the foundation of corporate growth.

Furthermore, we promote practical and effective initiatives across the environmental, social, and governance (ESG) aspects to sustainably enhance corporate value.

Moving forward, we will continue developing world-leading products and services and building a top global brand, aiming to help all people achieve happiness.



Chairman of the Board & CEO

Shigeo Yamamoto

History of SANYO DENKI Group

As We Near the **100th** *Anniversary of Our Foundation,*

*the **SANYO DENKI Group** Continues to Manufacture Products That Are Ahead of the Curve.*

3 product brands

San Ace

1965 Cooling Fan (first in Japan) **San Ace**



1982 DC Fan **DC San Ace**



1991 Long Life Fan



1994 CPU Cooling Fan **SAN ACE MC**



1997 Splash Proof Fan **San Ace W/WS**



2003 Counter Rotating Fan **San Ace**



2004 Oil Poof Fan **San Ace WF**



2010 Splash Proof Centrifugal Fan **San Ace W**



2013 ACDC Fan **San Ace 120AD**



2014 Wide Temperature Range Fan **San Ace T**



2015 Reversible Flow Fan **San Ace 136RF**



2016 Airflow Tester **San Ace Airflow Tester**



2017 G Proof Fan **San Ace 120GP** **San Ace 172GP**



2019 San Ace Controller **San Ace Controller**



2018 ACDC Fan (Centrifugal Fan) (Splash Proof Centrifugal Fan) **San Ace 225AD**



2022 Air purifier **San Ace Clean Air**



SANMOTION

1952 AC Servo Motor DC Servo Motor (first in Japan)



1959 Stepping Motor (first in Japan)



1960 VR Type Stepping Motor



1975 DC Servo Amplifier **SAN Driver**



1976 2-Phase Stepping Driver



1980 DC Servo Motor **Super U**



1986 5-Phase Stepping Driver



1992 2-Phase Stepping Motor **Stepsyn Hseries**



2001 Closed Loop Stepping Motor **SANMOTION Model No.PB**



2003 Stepping Driver **SANMOTION F**



2005 AC Servo Amplifier **SANMOTION R**



2006 AC Servo Motor **SANMOTION R**



2009 5-Phase Stepping Motor with Integrated Driver **SANMOTION F5**



2014 Compact Cylinder Linear Servo Motor **SANMOTION**



2019 DC Servo Motor **SANMOTION K**



2021 Motion Controller S500 series **SANMOTION C**



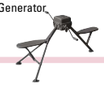
2022 AC Servo System **SANMOTION G**



SANUPS

1927 Radio Power Generator

1951 Hand Generator



1961 FES Type UPS



1963 Static Power Supply Unit



1985 UPS **SANUPS**



1995 Mobile Generator



2002 Parallel Processing UPS **SANUPS E23A**



2004 PV Inverter **SANUPS P73D**



2008 Inverter **SANUPS D11A**

2009 Voltage Dip Compensator **SANUPS C23A**

2017 Power Conditioner for Wind Power and Hydro Power Generation Systems **SANUPS W73A**

2018 Emergency Diesel Generator **SANUPS G53A**

2022 LAN Interface Card

2024 Renewable Energy Inverter **SANUPS W83A**

History of Our Products

Company Milestones

1927

Sanyo Shokai founded by Hideo Yamamoto to import and sell electrical components

1932

A factory for the production of small AC and DC generators and communications equipment power units established in the Nishi-Sugamo (current Higashi-Ikebukuro) area of Tokyo

1936

Reorganized into a joint stock company (Sanyo Shokai Co., Ltd.)

1942

Renamed to SANYO DENKI CO., LTD.

1944

Ueda factories (Ueda Kita Works, former Midorigaoka Works) established

1945

Head Office and Tokyo Works relocated to the Sugamo (current North Otsuka) area of Tokyo

1962

Listed on the Second Section of the Tokyo Stock Exchange

1979

Shioda Works established in Ueda, Nagano

1980

Tsuiji Works established in Ueda, Nagano

1984

Aoki Works established in Aoki, Nagano (current Logistics Center)

1988

SANYO DENKI EUROPE S.A. (France) established

1990

Fujiyama Works established in Ueda, Nagano

1995

SANYO DENKI AMERICA, INC. (U.S.A.) established

1997

Technology Center established in Ueda, Nagano

1999

SANYO DENKI Techno Service CO., LTD. established

2000

SANYO DENKI PHILIPPINES, INC. (Philippines) established

2003

SANYO DENKI SHANGHAI CO., LTD. (China) established

2005

SANYO DENKI (H.K.) CO., LIMITED (China) established

SANYO DENKI Techno Service (Shenzhen) CO., LTD. (China) established

SANYO DENKI SINGAPORE PTE. LTD. (Singapore) established (Current SANYO DENKI CO., LTD. Singapore Branch)

2005

SANYO DENKI GERMANY GmbH (Germany) established

SANYO DENKI KOREA CO., LTD. (Korea) established

SANYO DENKI TAIWAN CO., LTD. (Taiwan) established

2008

SANYO DENKI (Shenzhen) CO., LTD. (China) established

2009

Kangawa Works established in Ueda, Nagano

SANYO KOGYO CO., LTD. became a wholly owned subsidiary

2011

SANYO DENKI (Zhongshan) CO., LTD. (China) established

SANYO DENKI (THAILAND) CO., LTD. (Thailand) established

2013

Listed on the First Section of the Tokyo Stock Exchange

Head Office relocated to its current location

2014

SANYO DENKI ENGINEERING (Shanghai) CO., LTD. (China) established

2015

SANYO DENKI INDIA PRIVATE LIMITED (India) established

2019

Technology Center established at SANYO DENKI PHILIPPINES, INC.

SANYO DENKI (Tianjin) CO., LTD. (China) established

2021

SANYO DENKI IT Solution CO., LTD. established

2024

Launched business company system

SANYO DENKI (Chengdu) CO., LTD. (China) established

Market Trends

1950's

Post-war reconstruction
Increased demand for stable power supply

1970's

Expanded mass production of home appliances

1990's

Spread of data communication services and expansion of personal computer market

2000's

The Internet has become a major communication tool

2010's

Expansion of renewable energy use

2020's

Growing interest in carbon neutrality

Advancing generative AI

Value Creation Process at SANYO DENKI Group

SANYO DENKI Group aims to realize a society where "we help all people achieve happiness, and work with people to make their dreams come true," as stated in our corporate philosophy.
The Group will create new value by sincerely facing social issues and developing products and providing services that have never been seen before.

Social Issues

Social agenda

- Food shortages
- Increased amount of data
- Emergency management BCP
- Shrinking labor force
- Global warming

Our agenda (Materiality)

- Addressing social issues through business activities
- Sustainable manufacturing
- Creating fulfilling workplaces and developing human resources

Realization of Corporate Philosophy

We at SANYO DENKI Group Companies aim to help all people achieve happiness, and work with people to make their dreams come true.

Input

Manufactured capital

Capital expenditures ¥ **2.3** billion

Intellectual capital

R&D investment ¥ **3.4** billion

Financial capital

Equity attributable to owners of the parent ¥**113.3** billion*

Natural capital

Electricity consumption **43.06** GWh

Human capital

Group employees **3,646** ppl

Social & relationship capital

Material procurement source **558** suppliers

* As of March 31, 2025.

Management strategy and business activities

9th Medium-Term Management Plan

The 9th Medium-Term Management Plan, covering the period from April 2021 to March 2026, is based on the theme of "Break the Shell." Under this theme, we are focusing on expanding our markets and enhancing our product development capabilities, with the aim of building a top global brand.

The source of SANYO DENKI's strength

Management policy × Product development capabilities × Diverse human resources

Offer added value

- Offer industry-leading performance, quality, and reliability
- Propose solutions and customization tailored to customer needs

High value-added products leveraging our strengths

San Ace



Contribute to improving the performance and reliability of our customers' equipment with products with industry-leading performance, quality, and reliability.

SANUPS



Provide stable, high-quality power to equipment both during normal times and emergency power outages

SANMOTION



Contribute to improving the productivity of customers' equipment with high-precision, high-speed positioning control and fine customization.

Output

Medical

We contribute to the health and welfare of society through highly reliable equipment that supports people's health in the medical and nursing care fields.

Information and communications

We contribute to building a sustainable digital society through products that ensure the stable operation of equipment essential to the information and communications industry.

Industrial

We contribute to the advancement of manufacturing and industry through products that enhance the performance of industrial equipment, including machine tools and robots.

Environmental preservation

We contribute to a sustainable society through products that improve equipment efficiency and promote the protection of the global environment.

Home automation

We contribute to a comfortable and prosperous living environment through products that enhance the quality of home-related equipment.

Energy utilization

We contribute to building a sustainable energy society through products that enhance power generation and conversion efficiency, and support energy conservation and the use of renewable energy sources.

Outcome

- Increase in productivity
- Improved living environment
- Health and safety
- Environmentally friendly

Foundation of sustainable growth of enterprises

Corporate governance/Risk management/Compliance

SANYO DENKI in Society

-Vision for the future-

The Group will create new value by sincerely facing social issues
to develop products andprovide services that have never been seen before.

Approach to social agenda

- Food shortages
- Shrinking labor force
- Increased amount of data
- Global warming
- Emergency management BCP

Production site

Collaborative robot

Collaborative robots, which help address labor shortages and improve productivity, use motors and amplifiers.



Machine tools

Motors and amplifiers are installed in machine tools used in manufacturing sites, helping to reduce engineers' workload.



Aerospace

Our In-Vacuum Motors and Endurance Fans are suitable for use in demanding applications and harsh environments.



Renewable energy

Our Renewable Energy Inverter can be used to convert electricity generated from any type of renewable energy.

Solar **Wind** **Biomass** **Hydro**



Monitoring cameras

Our products are used in cameras that monitor roads, rivers, ports, and water and sewage systems, supporting the maintenance of critical social infrastructure.



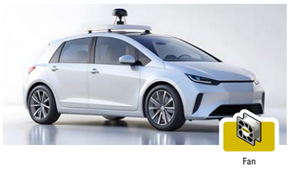
Data center

As generative AI advances, GPU servers—essential for this technology—consume increasing amounts of power and generate more heat. Our Low Power Consumption Fan, offering high static pressure and airflow, help manage these demands.



Self-driving vehicles

Our fans are used to cool the control units of these self-driving vehicles.



Semiconductor manufacturing

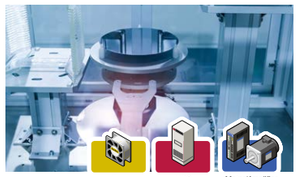
Semiconductor manufacturing equipment

In semiconductor manufacturing, where precise movement is essential, motors, amplifiers, and controllers play a key role.



Wafer conveyor

Our products contribute to efficient production through their use in automated transport systems essential to semiconductor manufacturing.



Agriculture, fisheries

Plant factory

Fans are used to create the airflow essential for plant growth.



Harvesting robots

Fans and motors power vegetable harvesting robots, while motors are also used in paddy-field weeding machines.



Land-based aquaculture

UPS systems provide backup power for land-based aquaculture facilities that require advanced water quality management.



At a Glance

FY 2024 Results

(Year-on-year difference from FY 2023 in black)

Financial data

Operating Revenues
¥ 97.8 billion
- ¥ 15.1 billion

Operating Profit
¥ 7.9 billion
- ¥ 3.9 billion

Net profit before income taxes
¥ 8.0 billion
- ¥ 5.3 billion

Net profit attributable to owners of the parent
¥ 5.6 billion
- ¥ 4.8 billion

Orders received
¥ 89.3 billion
+ ¥ 14.0 billion

Order backlog
¥ 35.8 billion
- ¥ 8.5 billion

Non-financial data

Women hold 50% or more of the management positions
8 companies
± 0 companies

Technical bases (production, development, support)
22 bases
± 0 bases

Number of group companies
20 companies
± 0 companies

GHG emissions in Scope 1 and Scope 2
9,723 t-CO_2
-3,698 t-CO_2

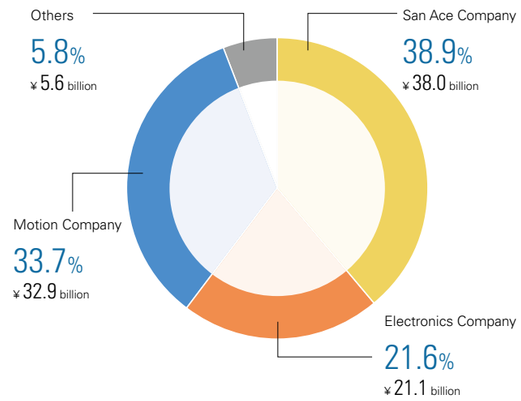
Number of Eco Products certified
385 models
+15 models

Number of medium-term management plan initiatives
504 initiatives
(As of March 31, 2025)

Breakdown by business company

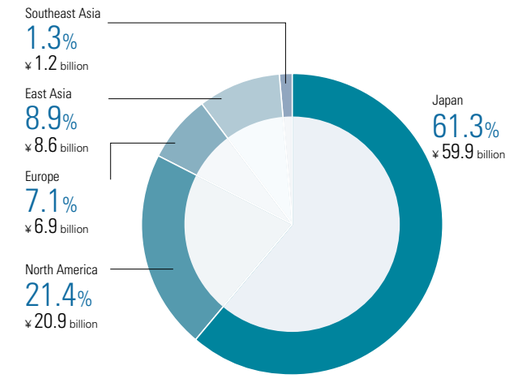
San Ace Company	¥ 38.0 billion
Electronics Company	¥ 21.1 billion
Motion Company	¥ 32.9 billion
Others	¥ 5.6 billion

FY 2024 Consolidated Operating Revenues Composition



Breakdown by geographic segment

Japan	¥ 59.9 billion
North America	¥ 20.9 billion
Europe	¥ 6.9 billion
East Asia	¥ 8.6 billion
Southeast Asia	¥ 1.2 billion



FY 2024 Operating results by segment

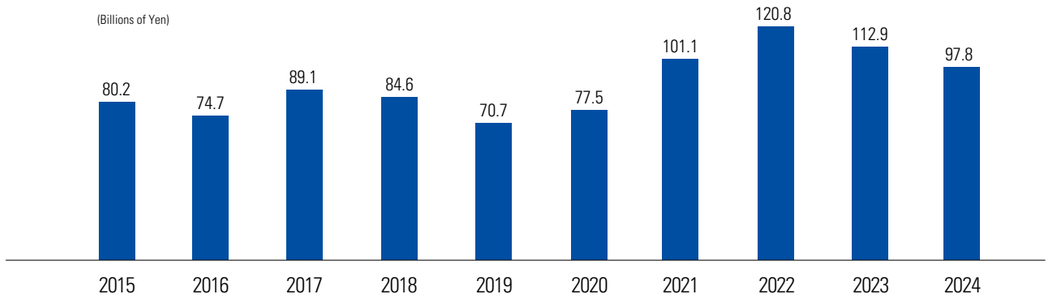
(Billions of Yen)

Segment	Operating Revenues	Orders received	Order backlog
San Ace Company	38.0	32.2	12.5
Electronics Company	21.1	19.6	9.9
Motion Company	32.9	31.8	11.6
Others	5.6	5.6	1.6
Total	**97.8**	**89.3**	**35.8**

Financial Highlights

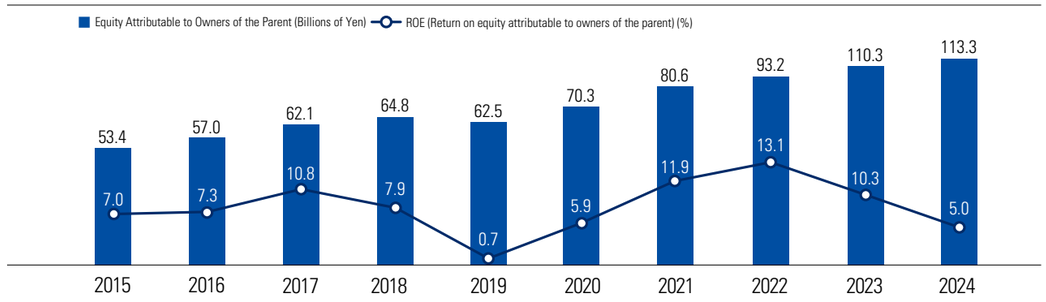
Operating Revenues

¥97.8 billion



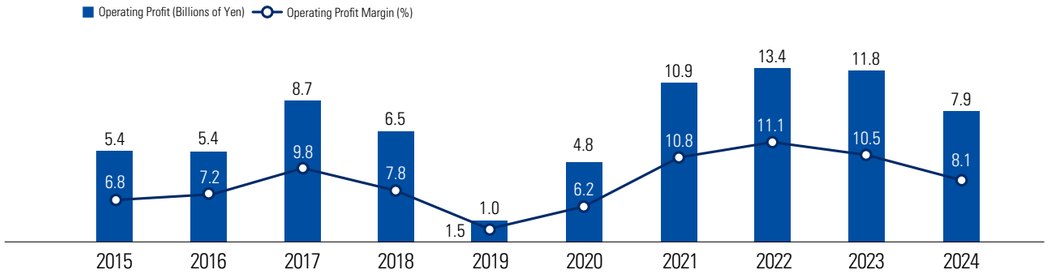
Equity Attributable to Owners of the Parent / ROE

¥113.3 billion / 5.0%



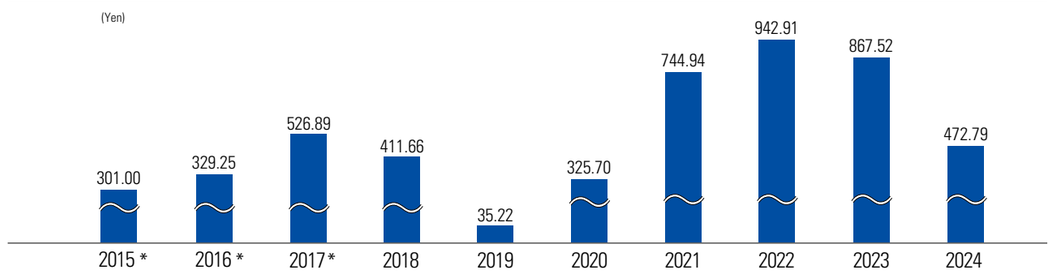
Operating Profit / Operating Profit Margin

¥7.9 billion / 8.1%



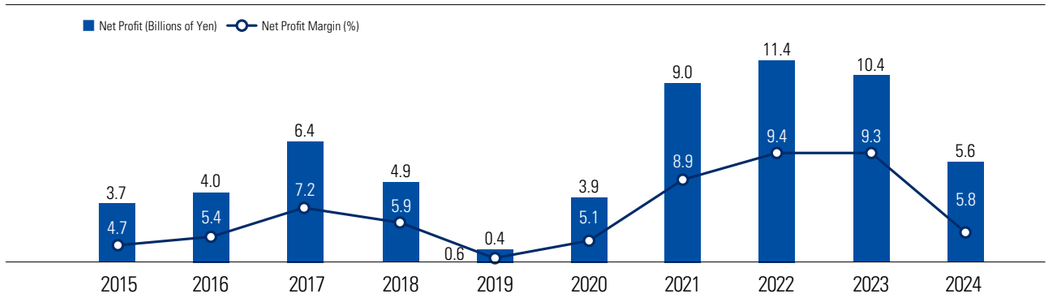
Basic Earnings per Share

¥472.79



Net Profit* / Net Profit Margin

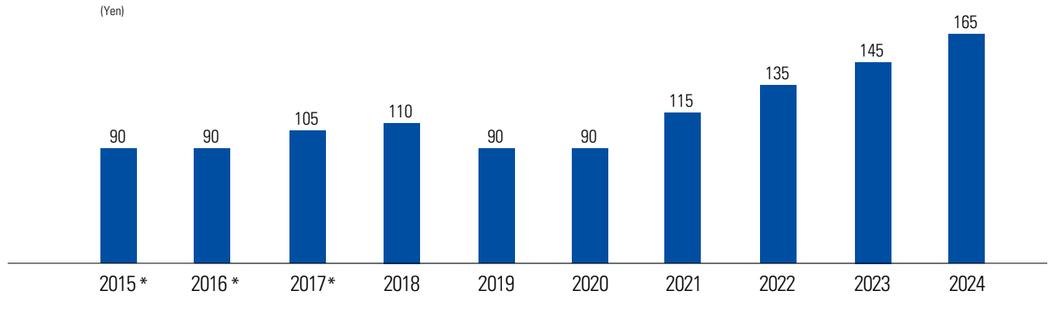
¥5.6 billion / 5.8%



* Net profit attributable to owners of the parent

Cash Dividends per Share

¥165



* Our company implemented a share consolidation in which five shares were consolidated into one share on October 1, 2017. These values are calculated based on the assumption that the consolidation was implemented at the beginning of FY 2015.

Segment

San Ace Company

San Ace Company develops, manufactures, and sells San Ace products, including cooling fans and fan units.
Devices using electronic components do not operate properly without heat control solutions. Our San Ace products ensure stable operation of devices by efficiently cooling them. Our product lineup offers a wide range of products featuring industry-leading performance and quality with excellent environmental durability. We also provide customization best tailored to customers' needs.

Product Lineup

San Ace



DC Fan



Endurance Fan



AC Fan

Electronics Company

Electronics Company develops, manufactures, and sells SANUPS products, including uninterruptible power supplies (UPSs), inverters, engine generators, and renewable energy inverters, as well as SANMOTION products such as servo amplifiers, stepping drivers and controllers.
The SANUPS products deliver reliable, high-quality power supply to customers' equipment, supporting public infrastructure including telecom, transportation, and production.
Being ideal for precise motion in production equipment, our SANMOTION products offer servo amplifiers, stepping drivers, and controllers.

Product Lineup

SANUPS



UPS (Uninterruptible Power Supply)



Renewable Energy Inverter



Inverter

SANMOTION



Servo Amplifiers



Stepping Drivers



Motion Controllers

Motion Company

Motion Company develops, manufactures, and sells SANMOTION products, including servo motors and stepping motors.
Being ideal for precise motion in production equipment, our SANMOTION products contribute to high-speed production of increasingly smaller and sophisticated parts through precise motion control. Our strength lies in our rich experience in customization.

Product Lineup

SANMOTION



AC Servo Motors



DC Servo Motors



Linear Servo Motors



Stepping Motors

Others

SANYO KOGYO CO., LTD.

We engage in the sales of electrical equipment, including industrial electrical equipment, control equipment, and electrical materials, as well as in the electrical contracting business, which designs, develops, installs, and maintains industrial control systems.





Business Sectors

Office
- Sales of UPSs, electronic components, lighting, etc.

Medical
- Sales of motors and cooling equipment
- Sales of UPSs

Telecom
- Sales of cooling equipment

Railways
- Sales of cooling equipment
- Vehicle wiring outfitting work

Roads and Rivers
- Sales of cooling equipment
- Sales of UPSs
- Sales of surveillance cameras

Building/Warehouse
- Electrical contracting
- Design and installation of control panels
- Sales and installation of lighting equipment

Factory/Plant
- Design and installation of production system control equipment
- Design and installation of inspection systems
- Design and installation of control panels

PV System
- Design and installation of PV systems
- Material procurement
- Application to government agencies

Wind Power Generation System
- Design and installation of wind power generation systems
- Design and installation of wind turbine blade pitch control systems

9th Medium-Term Management Plan (April 2021 – March 2026)

The 9th Medium-term Management Plan, which started in April 2021, has finally reached its fifth and final year. Under the theme "Break the Shell," the entire Group is undertaking 504 initiatives to evolve our future-oriented corporate structure, free from the constraints of existing frameworks and customs. Many of these initiatives have been completed, and preparations have begun for the 10th Medium-Term Management Plan. We emphasize co-creation and the cultivation of trusting relationships with all stakeholders, aiming for sustainable growth and the creation of corporate value.

9th Medium-Term Management Plan -Break the Shell-

Sustainable Growth + Corporate Value Creation

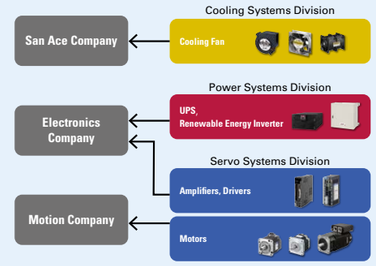
Results by FY2024

Manufactured capital	106 initiatives
Intellectual capital	8 initiatives
Financial capital	5 initiatives
Natural capital	4 initiatives
Human capital	19 initiatives
Social & relationship capital	362 initiatives

504 initiatives are underway throughout Group

Introduction of Business Company System

Implemented a business company system to strengthen management capabilities, establishing three independent companies to enhance autonomy, profitability, and drive entry into new markets.



Expansion of Production Capacity

■ U.S. and France

Expanded local production to strengthen customized manufacturing.

■ Philippines Factory Building 4

Completed, increasing production capacity by about 20% and establishing a global supply network.







Expansion into New Business

■ Launch of Production Technology Engineering Services

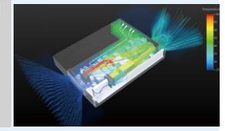
Launched to support automation and efficiency improvements on customer production lines, enhancing equipment productivity.

■ Collaborative Business Expansion

Sales growth through solutions combining our products with customer products.

▼Design and Manufacturing of Production Guidance Systems





▲Fluid Simulation Services

Initiatives Supporting Carbon Neutrality

ECO PRODUCTS PLUS

■ Medium/Long-term CO_2 Emissions Reduction Targets

Reduce emissions by 46% from FY2017 levels by FY2030 and achieve net-zero by FY2050 across all Group companies.

■ Expansion of Eco Products Lineup

From FY2024, we introduced Eco Products Plus, a new category with further reduced environmental impact beyond standard Eco Products.

Efforts to expand and sell Eco Products contribute to lowering environmental impact across the entire supply chain.

Promotion of Health and Productivity Management

■ Recognized as a 2025 Certified Health & Productivity Management Organization (Large Enterprise, White 500)

Supports employee vitality and maximizes corporate value through health-focused initiatives.

2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500

Manufactured capital

Our Group is focused on product development with the ultimate goal of making our customers' equipment, which incorporates our technology, the most competitive in their industry.

To that end, we ensure our products lead in the industry in performance, quality, and reliability. In addition, we aim to provide customized solutions tailored to the individual needs of our customers worldwide.

Achieving this goal requires the pursuit of in-house technological innovation, advanced automation, and a global production system.

The Group fully leverages its manufacturing capital to achieve these goals.

(FY 2024 results)

Capital expenditures

¥2.3 billion

Technical bases (production, development, support)

22 bases

Pursuit of In-House Production Technology

The Group continuously develops industry-leading products in performance, quality, and reliability across all our products, supported by top-tier production technology.

Like product development technology, production technology is also evolving at an astonishing speed.

To maintain our industry-leading position in production technology, we must ensure that all production activities are completed within our Group.

The production technology completed within the Group accumulates all data related to production, which not only contributes to quality control but also informs future production technologies.

Offering this expertise to our customers strengthens their production capabilities and enhances their competitiveness.

In-house design and management

- Metal processing
- Parts production
- Production equipment development
- Assembly and inspection

Accumulation of know-how

Building of a highly accurate production system

- Advancing design capabilities
- Flexible product customization
- Reduced production costs and product defect rates
- Stable supply system resilient to changes in demand

Advanced Automation

Another factor that supports performance, quality, and reliability is automated production.

This system maintains high product quality, shortens production lead time, and effectively reduces costs. We have built this system using technologies developed entirely in-house, allowing us to continuously refine and improve it.



Enhancing Customer Competitiveness

In this way, our Group's ultimate goal is to ensure that our customers' equipment, which incorporates our products, is positioned as the most competitive in their respective industries. In addition to superior performance, quality, and reliability in the market, we customize our products to meet the individual needs of each customer and supply them worldwide.

Even with extensive customization, we ensure timely delivery.

In addition to our core factories in Ueda City (Nagano Prefecture) and Subic (Philippines), we have established factories capable of customization in Shenzhen (China), California (USA), and Goussainville (France), allowing us to quickly respond to the specific needs of local customers.

In these production activities, we are promoting environmentaly friendly manufacturing. We utilize hydroelectric power, energy-efficient equipment, and promote recycling initiatives.

Quality Improvement Initiatives

The Group's quality standard pursues "zero defects delivered to customers." We see this as achievable and are diligently working to achieve it.

Eliminating in-process defects

To eliminate in-process defects, we automate manufacturing and inspection processes. In addition, in manual processes, we have introduced our own production and inspection guidance systems leveraging IoT technology to prevent defects.

We collect all defect data and identify causes to make improvements. By sharing causes and challenges across departments, we accumulate expertise and improve product quality.

Product pre-release review

We hold Product Release Assessment Meetings to determine whether newly developed or redesigned products are ready for mass production following product evaluation and quality assurance testing.

With top management and the managers of relevant business companies attending, we conduct a thorough examination to ensure that review requirements such as the validity of product design, production equipment, process control, and standard compliance have been cleared. Only products that meet these strict requirements are released as new products.

Development of quality control managers

The Group manufactures a wide variety of products, offering a diverse lineup and customized solutions for various uses. To maintain the quality of all these products at a high standard, it is essential to have well-trained quality control managers with product knowledge and technical expertise.

To develop highly specialized quality control managers, we provide quality control training as a part of our annual training program. This quality control training is offered to all grade levels and covers topics such as an understanding of legal and official standards, quality assurance, root cause investigation methods, and quality control methods. Furthermore, we also offer programs for supplier quality audit and training, covering all the skills required of a quality control manager.

Quality Management

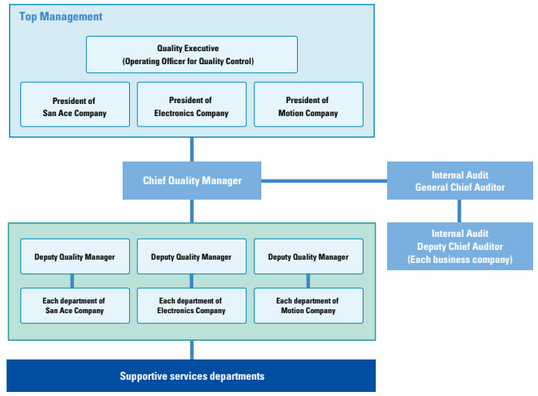
The Group's quality management system is based on ISO 9001 international standard, enhanced with the Group's own requirements.

Quality policy

- Provide high-quality products and services that satisfy customers' expectations.
- Continually improve the effectiveness of the quality management system.

Organizational structure

- The Quality Executive (Operating Officer for Quality Control) and business company presidents manage the quality management system.
- Based on our quality policy and ISO 9001 quality policy, each business company president instructs the Chief Quality Manager to formulate specific semi-annual policies every six months and relevant departments to implement them.
- The results of the activities are reviewed for effectiveness at monthly and semi-annual quality meetings and corrective actions are taken as necessary.
- The Chief Quality Manager, appointed by the Quality Officer, establishes and implements the processes necessary for the quality management system and promotes quality assurance activities.



Intellectual capital

The Group's 9th Medium-Term Management Plan features a theme of "developing products that make new dreams come true." The "products that make new dreams come true" refers to products that had previously been considered to be outside the scope of SANYO DENKI's production, and products that combine new technology and are more attractive and useful than before. Our scope of business is expanding beyond the traditional fields such as factory automation and communications into various cutting-edge fields such as automation, IoT, medical use, and renewable energy. Our group will leverage our advanced technical expertise, intellectual property, and R&D know-how we have accumulated over the years to continue to create industry-leading, world-class products, thereby ensuring sustainable growth and expansion of the group.

(FY 2024 results)

R&D investment

¥3.4 billion

(3.5% of sales revenue)

Released new products

7 products

Promotion of Inventive and Creative Activities

The Group's policy is to "continuously develop the world's best products," and our business strategy places importance on research and development activities. In research and development activities, it is essential to have sufficient patented technology and creative ideas for inventions. To strengthen this foundation, we launched the Sangen (Three Actuals) Intellectual Property Meeting in 2024, an evolution of the previous intellectual property meeting where the legal and product development departments exchange ideas and shared their expertise.

At this meeting, the legal department and multiple product development departments come together to explore the background and development processes of new product designs in depth, identifying potential inventions that engineers themselves may not have recognized.

We have also established Technology Center at SANYO DENKI Taiwan CO., LTD. and SANYO DENKI PHILIPPINES, INC., promoting invention and innovation activities on a global scale.

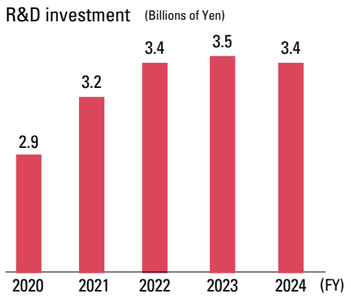
For example, at SANYO DENKI PHILIPPINES, INC., we offer e-learning and follow-up training on invention procedures and have enhanced the environment for using patent development tools.

As a result of these efforts, the number of patent applications has increased remarkably, nearly doubling over the past five years.

By combining high-quality inventions, creative activities with abundant patented technologies, we will realize the development of high-quality, high-performance, highly competitive products.

R&D Investment

The R&D investment of our Group was ¥3.4 billion in FY 2024. The amount of R&D investment is based on the number of new products developed. In FY 2024, we announced a total of 7 new products: 5 Cooling Systems products, one Power Systems products, and one Servo Systems products. In addition to these standard products, our group designs and develops many customized products in response to customers' requests, and we continue to accumulate technical know-how in proportion to the number of customizations carried out.



Initiatives to Motivate Inventors

To foster creativity and innovation, we have introduced a bonus payment system for inventors and an internal awards program for technology developers. In particular, the annual "Invention Grand Prize" has become a well-established platform for recognizing outstanding technologies and ideas, serving as an important initiative to boost employee creativity and the pursuit of new challenges. Through these programs, we aim to strengthen employees' motivation for inventive activities.

Financial capital

The Group's basic capital policy is to build a highly sound financial base for supporting the sustainable growth of the Group, improve capital efficiency by improving earnings, and provide stable returns to shareholders. In particular, we place importance on ROE as a key performance indicator, with a target of 10% or more.

To achieve sustainable growth, our group aims to actively make R&D investments and capital expenditures, invest in human resources, and provide appropriate returns from the growth to shareholders.

Funds for working capital and capital expenditures necessary for running business are basically funded from the cash flow generated from the profits secured through sales activities. We also borrow from financial institutions as necessary to procure long-term funds for business expansion.

(FY 2024 results)

ROE

5.0%

Earnings attributable to owners of the parent

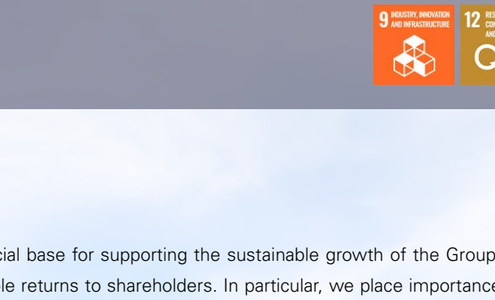
¥113.3 billion

Initiatives for Enhancing Corporate Value

Our management target is an ROE of 10% or higher. Based on the CAPM model, the cost of equity is estimated 7 to 9%, and the average ROE over the past five years has been 9.3%, consistently above the cost of equity.

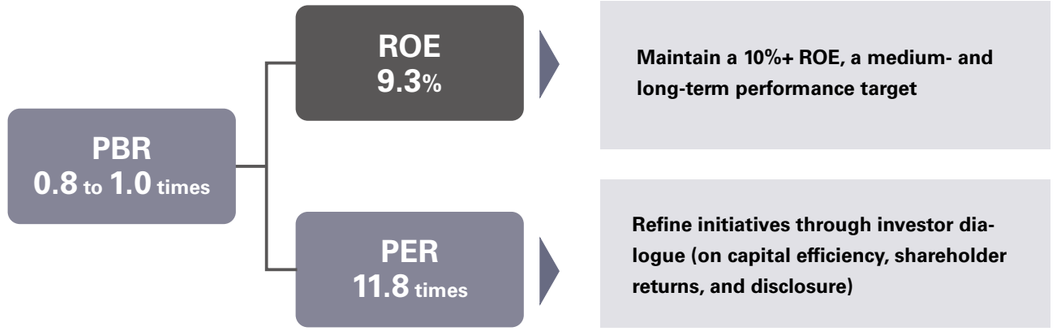
To sustain a PBR of 1.0 or higher—a key indicator of corporate value—over the long term, management focuses on both ROE and PER, viewing them as indicators of the company' s earning power and investor expectations, respectively. From a medium- to long-term perspective, improving PER depends on raising investor expectations while continuing to operate high-value-added businesses that sustain an ROE of 10% or higher.

ROE and Cost of Equity



* Based on data announced on April 25, 2025.

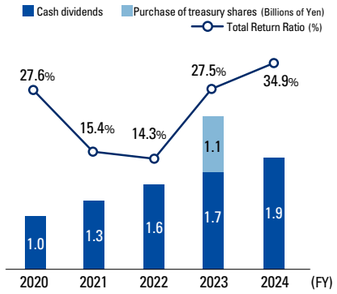
PBR Assessment



Note: PBR, ROE, and PER are averaged over five years

Shareholder Return

In an increasingly competitive industry, we are reinforcing our corporate structure and preparing for future growth by enhancing internal reserves. At the same time, we aim for a total return ratio of 35% through flexible capital policies, including performance-linked dividends and share buybacks. To continue to provide stable dividends to our shareholders, we will return the results of our growth while comprehensively considering factors such as consolidated performance, financial conditions, capital expenditures, and R&D investment.



Creating Cash Flow

We prioritize cash flow as the foundation for creating corporate value through necessary working capital and making capital investments for our business activities. Our aim is to extend the use of cash flow across management levels, enhancing capital efficiency throughout the entire Group.

1. Improve profitability

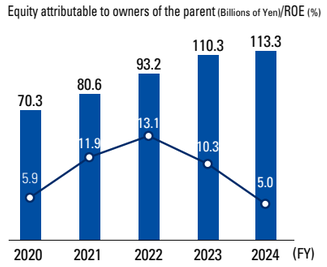
We will diversify our revenue streams by developing products that meet the diverse needs of our customers, solving social issues, entering new business areas, and expanding sales channels with innovative products and services. We also optimize business processes and automate production to reduce costs and boost productivity, minimizing expenses while enhancing profitability.

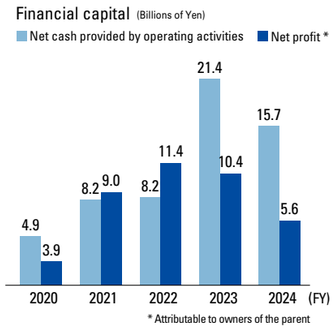
2. Reduce working capital

To optimize inventory levels, we will clarify the responsibilities of each company and effectively manage assets. By improving inventory turnover while preparing for unforeseen circumstances, we will implement inventory management that includes accurate demand forecasting, improving cash flow and reducing opportunity losses. Furthermore, through efficient inventory management, we will strengthen our financial position by enhancing cash flow and making more effective use of capital.

3. Increase asset efficiency

Regarding idle assets and equipment, we will promote effective utilization through integration and rationalization, minimizing surplus equipment, and optimizing resource allocation. This will increase asset utilization and efficiency. By optimizing equipment use, we will reduce financing costs and improve competitiveness by ensuring more efficient utilization.





Investment for Future Growth

In order to achieve sustainable growth, our Group has adopted a policy of actively and strategically promoting capital investments, research and development, and human capital development.

1. Capital expenditures

Our Group is actively making capital investments that contribute to sustainable growth. Specifically, we will invest in manufacturing of new products, productivity improvement, automation technology, and energy-saving production equipment. In FY2024, production facilities were expanded at domestic factories and SANYO DENKI PHILIPPINES, INC. to increase production capacity and establish a stable supply system.

2. R&D investment

Our group aims to be the world's top brand and believes that it is our company's mission to deliver high-performance and high-value-added products to customers around the world. By delivering products that exceed customer expectations worldwide, we will contribute to customer value creation, achieve corporate growth, contribute to society, and aim to foster industry development. To achieve this, active investment in R&D is essential.

3. Investment in human resources

We are continuously creating new value by leveraging our Group's technological strengths to address various global social issues. To continue these activities, we are working to create a safe, motivating, and growth-oriented work environment for our employees. To support these initiatives, we offer self-learning programs.

Natural capital

Our group's business activities are closely related to natural capital, such as using water and mineral resources as raw materials, and benefiting from the soil at our activity bases. Therefore, the deterioration of natural capital and the issue of climate change are positioned as our key management issues, as they have a significant impact on our business continuity.

Our environmental initiatives consist of two major activities: (1) reducing environmental impact and power consumption through the development of eco-friendly products, and (2) promoting both energy conservation and waste reduction efforts in our business activities.

The Group fully leverages the technology cultivated to date and carries out corporate activities aimed at achieving both business growth and conserving the environment in order to realize a sustainable and recycling-based society.

(FY 2024 results)

Cumulative total number of certified Eco Products

385 models

Eco Products sales ratio

67%

Environmental Policy

Basic Philosophy

Aligned with our corporate philosophy of "helping all people achieve happiness and working with people to make their dreams come true," the SANYO DENKI Group aims to help conserve the global environment and contribute to the prosperity of mankind through our corporate activities for society and the environment.

Basic Policy

SANYO DENKI CO., LTD. develops, designs, manufactures, and sells a wide range of products, including cooling fans, UPSs, renewable energy inverters, engine generators, servo systems, stepping systems, controllers, encoders, driving devices, and production systems. Guided by the following principles, every member of SANYO DENKI is committed to promoting environmentally conscious practices that help preserve our abundant global environment.

1. To enhance our environmental performance, we will continuously improve the environmental management system and work hard to prevent pollution and reduce the environmental impact of our activities.
2. To lessen the environmental impact of our business activities, we will set clear targets around the following priority areas and actively work to achieve them.
(1) Cut greenhouse gas emissions to help curb climate change
(2) Develop, design, manufacture, and sell environment-friendly products
(3) Reduce or eliminate the use of hazardous chemical substances
(4) Reduce the environmental impact (energy consumption, amount of paper copies, waste, etc.) of business activities
(5) Contribute to the local community
(6) Protect biodiversity and ecosystem
3. We build a framework to identify and assess environmental risks, including those in our supply chain, and develop action plans to prevent and mitigate those risks.
4. If it becomes clear that our business activities are found to have caused or contributed to environmental risks, we engage with the relevant business partners to take corrective and remedial action and to prevent recurrence.
5. We observe environmental laws, restrictions, and other rules relevant to our company and work hard to preserve the environment.
6. We document, carry out, and maintain our environmental principles, share them to all our employees, and raise awareness through environmental education.
7. We will review this policy and our environmental management system on a regular basis.
8. We regularly disclose initiatives under this policy through our website.

Eco-design Products

Regarding product design, we are carrying out product development with the aim of incorporating the latest energy-saving technologies into our new products. The environmental impact of a product is assessed in each of the following stages: parts/materials procurement, manufacturing, distribution, use, recycling, and disposal.

Newly developed products are compared with commercially available and existing products and are certified as Eco Products (eco-design products) if they satisfy the specified evaluation standards.

In addition, starting from FY 2024, we have established a new standard Eco Products Plus for those products with even lower environmental impact than Eco Products. In FY 2024, three products were newly certified as Eco Products Plus and 12 as Eco Products, bringing the cumulative total to 385 models.

Those certified products are marked with their respective symbols in our catalogs.

Size/Weight reduction and extended service life

High efficiency

Reducing CO_2 emissions in manufacturing, distribution, and disposal

Energy saving

Resource saving and recycling

Preventing global warming

ECO PRODUCTS PLUS

ECO PRODUCTS PLUS

Eco Products Lineup

SANMOTION

CO_2 emissions

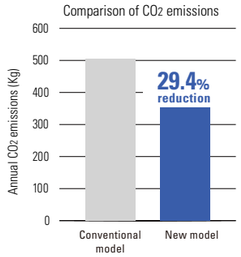
29.4% ↘

130 mm sq.
SANMOTION G
AC Servo Motor

Models used for LCA comparison
New model：GAM2AB180D0XRK0
Conventional model：R2AA13180DXR00M

By newly designing the core shape, adopting low-loss materials, and improving the winding method, the model has achieved a more compact, lightweight, and energy-efficient design.





San Ace

CO_2 emissions

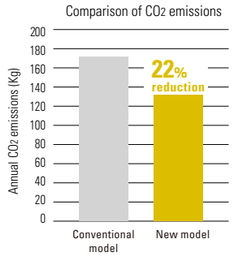
22% ↘

60 × 60 × 56 mm
Counter Rotating Fan
San Ace 60 9CRH type

Models used for LCA comparison
New model：9CRH0612P6G001
Conventional model：9CRA0612P6K001
(at equivalent cooling performance)

High efficiency has been achieved through optimized impeller and frame design, as well as the latest motor and drive circuit technologies.





SANUPS

CO_2 emissions

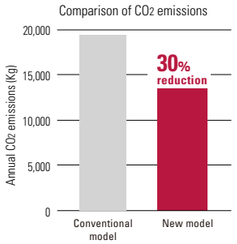
30% ↘

SANUPS W83A
Renewable Energy Inverter

Models used for LCA comparison
New model：W83A503
Conventional model：W73A× 5 units

An advanced power conversion design and 2-phase PWM modulation contributed to high efficiency.





Initiatives to reduce environmental impact on our business activities

CO_2 equivalent emissions

As climate change becomes more serious, we consider energy saving activities and introduction of renewable energy to be two pillars, as well as promoting the reduction of CO2 emissions not only at domestic plants but also at affiliated companies including those overseas.

Our supply chain emissions (Scope1, 2, 3)

Emissions from our plants, etc.

Scope 1

Fuel combustion
3,357 t-CO_2

Scope 2

Use of electricity
6,366 t-CO_2

Emissions from the supply chain

Scope 3

Raw materials
227 kt-CO_2

Others
6 kt-CO_2

Transportation/ delivery
10 kt-CO_2

Use of products
3,434 kt-CO_2

Scope1: Direct greenhouse gas emissions by businesses (fuel combustion, industrial processes)
Scope2: Indirect emissions due to the use of electricity, heat, and steam supplied by other companies
Scope3: Indirect emissions other than Scope1 and Scope2 (emissions from other companies related to business activities) Calculated for nine categories (1,2,3,4,5,6,7,9,11) out of 15 categories
Target bases: Scope1, 2: Scope1, 2: all domestic Group companies, SANYO DENKI PHILIPPINES, INC. SANYO DENKI AMERICA, INC. Scope3: All domestic bases

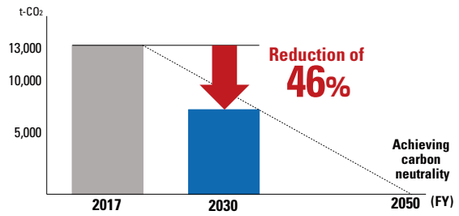
Expanded the scope of medium- to long-term CO_2 reduction targets toward carbon neutrality

As part of our initiatives to address climate change, we have extended our medium- to long-term targets for CO_2 reduction targets—46% reduction from FY 2017 levels by FY 2030 and net zero by FY 2050—to cover all Group companies.

CO_2 reduction goals* (using FY2017 as a baseline)

Goals for FY2030	46% Reduction
Goals for FY2050	Achieving carbon neutrality

*Targets were set for the entire SANYO DENKI Group. Targeted for Scope 1 related to CO_2 emissions (direct emissions of CO_2 from the company's activities) and Scope 2 (indirect emissions from the use of electricity, heat, and steam supplied by other companies)



Major initiatives

To further accelerate our drive toward carbon neutrality, in April 2023 we switched the electricity used at our Technology Center in Ueda, Nagano, to Shinshu Green Electricity, a hydroelectric power source.

In April 2024, we extended this initiative to our Tsuiji Works and Logistics Center, and we plan to phase it in to other domestic facilities.

By combining this transition to hydroelectric power with ongoing initiatives, the Group aims to achieve its medium- to long-term CO_2 reduction targets: a 46% reduction by FY 2030 and net-zero emissions by FY2050.



Setting CO_2 reduction targets during product use

As part of efforts to achieve carbon neutrality across the entire supply chain, a medium-term target has been established for Scope 3 Category 11 (use of sold products), aiming to reduce CO_2 emissions per ¥1 million of sales by 10% by FY2030 compared with FY2021 levels.

Human capital

The SANYO DENKI Group aims to manage the company so that each employee can achieve self-realization through work and corporate activities. We believe that having a work environment where employees work lively and enthusiastically and perform to the best of their abilities will result in contributing to the medium- and long-term growth of The Group and society. To achieve this goal, we are working to create an environment that supports a variety of work styles.

(FY 2024 results)

Group employees

3,646

Parental leave usage rate

Male	Female
46%	100%

Promote Health and Productivity Management

The Group formulated the "SANYO DENKI Group Health Management Declaration" in August 2021 based on the idea that the promotion of health and productivity management will lead to medium- to long-term growth of the Group and society.

In FY 2025, for the fourth consecutive year, SANYO DENKI CO., LTD. and SANYO DENKI Techno Service CO LTD. were recognized as a "Health & Productivity Management Outstanding Organization (in the large enterprise category)". Also, this marks our second time since 2023 that we have been honored to be recognized as a member of the "White 500," the top 500 companies with the highest ratings.

2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500

SANYO DENKI Group Health Management Declaration

The Group will engage in health promotion activities and create a workplace where its employees can maintain and improve their physical and mental health. Further, we contribute to society to make use of our accumulated technologies and products since its founding in the promotion of health of all employees involved in SANYO DENKI Group.

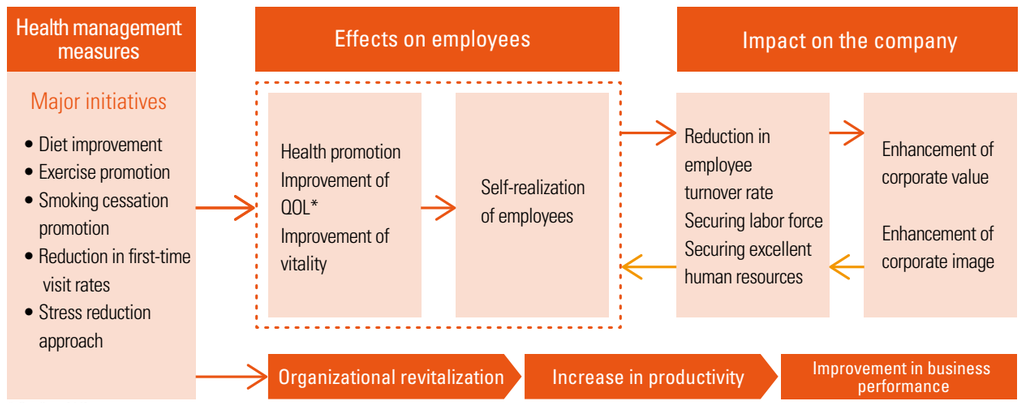
Chair of Health and Productivity Management Committee
Chairman of the Board & CEO
SANYO DENKI CO., LTD.

Shigeo Yamamoto

Note: This recognition program recognizes enterprises that practice outstanding health and productivity management based on their efforts to address local community health challenges and the implementation of the health improvement initiatives promoted by the Nippon Kenko Kaigi.

Strategy Map

Our Group has created a "Strategy Map" that illustrates the process, including the issues we aim to address through health and productivity management and the corresponding steps to resolve them.



* Quality of Life

Human Resources Strategy

The Group's human resources strategy is to "treat all employees equally and evaluate their abilities and performance fairly and equitably without any discrimination," and we strictly adhere to this policy. We will continue to proudly uphold this policy and promote diversity and inclusion by maintaining an environment where employees can fully express their individuality and abilities.

Acquisition of human resources

The Group combines a variety of recruitment methods to attract the best talent. We aim to recruit excellent candidates regardless of nationality and to foster a flexible organization through diversity. In addition to recruiting new graduates, we also actively seek mid-career employees, focusing on a diverse candidates based on their career backgrounds, experiences, and growth potential.

Training

We provide experiential training for new employees, career design programs that encourage individuals to consider their preferred work styles and lifestyles, and development programs for the future leaders who will manage the organization. We support each employee in maximizing their abilities through level-based, department-specific, and job-specific training.

In addition, to promote self-development and the acquisition of qualifications, we provide a range of initiatives, including subsidies for correspondence courses, incentives for earning certifications, in-house qualification exams, and training sessions led by external instructors.

Deployment

We have introduced a self-disclosure system, allowing employees to share their perceptions of the work environment and any concerns with the company at any time. Employees can also request transfers or interviews with counselors. We also have an internal recruitment system that fosters self-realization. In addition, we have implemented a reemployment program that facilitates the return of employees after retirement.

Human resource system

We have created an environment where employees can motivate themselves to pursue the achievement of our management plan by implementing a target interview system.

We also have a professional qualification system in place, which includes conducting promotion reviews annually. From FY 2023, we have abolished the requirement for a minimum number of years of service, previously a prerequisite for the review, making it easier to pursue higher qualifications.

This change aims to create an environment where employees can perform to their full potential.

Promotion of Work-life Balance

We are committed to creating a supportive work environment that prioritizes work-life balance, allowing each employee to fully leverage their capabilities in their roles. As part of these efforts, we are promoting proper labor management to prevent long working hours and enhance paid leave acquisition. We also promote diversity in work styles by introducing a flextime system, work-from-home options, and staggered work hours, creating an environment that enables our employees to work flexibly.

Support for Both Child and Aged Care

To continuously enhance our corporate value, we are making group-wide efforts to create an environment in which employees can balance childcare and nursing care regardless of gender.

For instance, we hold briefing sessions for employees who are expecting a child or providing nursing care, as well as those balancing work with parenting or caregiving responsibilities. These sessions cover our internal regulations and available benefits. Additionally, we offer a consultation system to support employees in their return to work and the use of relevant systems.

We also proactively encourage our male employees to take childcare leave. At SANYO DENKI and SANYO DENKI Techno Service, nearly half of our male employees do so, surpassing the national average.

Human capital, diversity

(1) Governance: Human capital management outline

SANYO DENKI Group aims to offer company so that each employee can achieve self-realization through work and corporate activities. We believe that having a work environment where employees work actively and enthusiastically and perform to the best of their abilities will result in contributing to the medium- and long-term growth of the SANYO DENKI Group and society.

(2) Fairness and impartiality

Since the 1990s, our Group has not taken diversity for granted in employee recruitment activities, performance evaluations, or the promotion of management positions. We have treated all employees equally and evaluated their abilities and performance fairly and impartially, without discrimination based on nationality, race, origin, gender, age, religion, academic background, creed, or personal preferences. To uphold fairness, we have established a Personnel Evaluation Auditing Committee to oversee evaluations.

To promote global management, our Group actively appoint local talent to management and executive positions in each country. Currently, out of all our group companies outside Japan, two-thirds of them are represented by locally hired staff. Furthermore, about half of them are women. We do not practice reverse discrimination. Instead, we maintain fairness by evaluating all employees equally without favoring a specific gender or group.

Career Development

Amid increasingly diverse work styles, values, and approaches to career development, the SANYO DENKI Group supports each employee in achieving their career goals.

Our video package, designed to promote career autonomy, delivers messages to foster career ownership*, providing an opportunity to reflect on the professional they aspire to become.

At career development lectures, employees with a strong sense of career autonomy serve as presenters, sharing their insights on career transitions, reskilling, and the lessons learned from overseas assignments, thereby providing a valuable learning opportunity for many employees.

Managers, who guide career development in the workplace, strengthen their ability to support subordinates through career design training, creating a system that facilitates guidance in daily work.

When each employee embodies career autonomy, it contributes to higher individual engagement and the revitalization of the entire organization.

The SANYO DENKI Group will continue to strengthen support for employee growth and actively foster employee development.

* Our company's definition: The process by which employees independently consider their career direction and take proactive steps to achieve it.



Career development seminar



Career design training

Developing Systems and Environments to Support the Workplace Accessibility of Employees with Disabilities

● Role of "With-Supporters" (Consultants Supporting Employees with Disabilities)

We have placed With-Supporters at each location to serve as points of contact for employees with disabilities and as a consultation resources for their coworkers. In many workplaces, the boundaries of reasonable accommodations can be unclear. With-Supporters assist in creating an environment where employees with disabilities can collaborate by discussing solutions together and proposing ideas.

The With-Supporters team currently consists of 10 members. We hold regular meetings to share best practices and conduct study sessions on the characteristics of disabilities.

● Study Sessions with a Mental Health Social Worker

To ensure that colleagues of employees with mental disabilities act with consideration for their physical and mental well-being, we hold study sessions as part of the "Mental and Developmental Disabilities Job Supporter Training Course" (sponsored by the Ministry of Health, Labor, and Welfare), led by a mental health social worker. Participants help create a collaborative workplace environment by brainstorming solutions and proposing supportive measures.

A pin badge that identifies With-Supporters. It is engraved with With Inclusive support. "With-Supporters" wear the pin badge, making it easier for employees who prefer to keep their disabilities private to approach them.





Study sessions

Social & Relationship Capital

We promote our corporate philosophy, "We at SANYO DENKI Group Companies aim to help all people achieve happiness, and work with people to make their dreams come true." To accomplish this, we value our relationships with our diverse range of stakeholders. To coexist and prosper together with our stakeholders and create new value that will lead to solutions to social issues, we consider it important and critical for the management of our group to actively engage in two-way dialogue with our customers, business partners, shareholders, financial institutions, local community, and all stakeholders, and to build strong partnerships with them.

(FY 2024 results)

Material procurement source

558 suppliers

SANYO DENKI Group

22 bases

Procurement

■ Procurement Policy

The SANYO DENKI Group strives to build sound, trusting, and long-lasting relationships with our business partners through our Basic Procurement Policy. Through this policy, we ask our business partners to consider human rights, discrimination, labor, and the environment.

The Material Procurement Policy was established to ensure that our business partners, who contribute to the production activities of SANYO DENKI Group, not only understand our material procurement policy, but also cooperate with us in promoting procurement activities that contribute to society. Since then, we have revised the details of the policy in response to changes in the social environment, and have our business partners implement the policy.

Material Procurement Policy

1. Comply with domestic and foreign laws and social norms
   (1) Comply with the law.
   (2) Respect human rights, eliminate all forms of discrimination, and prohibit child and forced labor.
   (3) Maintain adequate working conditions to reduce overtime hours, manage the safety and health of workers, and ensure compliance with labor laws, including support for the right to organize labor.
2. Environmental considerations
   (1) Promote the procurement of parts and materials that are less harmful to the environment.
   (2) Thorough management of harmful chemical substances.
   (3) Work to reduce energy consumption and greenhouse gas emissions in consideration of the impact on climate change.
   (4) Work to reduce waste and recycle resources, in order to reduce environmental pollution.
3. Promotion of fair and impartial transactions
   (1) Open the door to a wide range of suppliers and select suppliers fairly and impartially.
   (2) Conduct business in good faith on an equal footing based on relevant laws, and contracts.
   (3) Strive to provide the necessary information and thoroughly manage and protect acquired information.
   (4) Eliminate the acts which violate corporate ethics.

SANYO DENKI Group Companies promote initiatives based on the above policy cooperating with suppliers.

Eliminating Conflict Minerals

Conflict minerals refer to minerals mined in the Democratic Republic of the Congo in Central Africa and surrounding conflict areas in neighboring countries. The Group is committed to eliminating conflict minerals based on the following policy.

Policy

1. The SANYO DENKI Group recognizes its responsibilities as a member of the global community and acts in accordance with social norms and relevant laws and regulations of the countries where it operates.
2. Under this policy, conflict minerals include tin, gold, tantalum, tungsten, and cobalt.
3. We will occasionally check whether or not suppliers of parts and materials, which are likely to include any of these minerals, use minerals produced in the Congo as well as the country of origin of the minerals they use.
4. We will immediately stop purchasing parts or materials should they be found to contain any minerals produced in the Democratic Republic of the Congo or neighboring conflict zones.
   Suppliers are asked to promptly contact our purchasing department should they discover that any of their products contain or may contain a conflict mineral, and follow the instructions provided.
5. Regardless of the policy stated above, it may be difficult to identify the country of origin, refinery, and upstream suppliers of a material since conflict minerals constitute rare metals or precious metals and are traded in various forms and through different channels. We will conduct follow-up investigations at appropriate intervals to ensure that the investigation is thorough.

Human Rights Initiatives

At SANYO DENKI Group, based on our corporate philosophy—"We aim to help all people achieve happiness and work with people to make their dreams come true,"—we recognize our responsibility to respect human rights, which are fundamental to a life of dignity and happiness. Building on this recognition, the SANYO DENKI Group Human Rights Policy, serves as a foundational framework rooted in our Business Conduct and Practices, guiding all business activities across the Group.

SANYO DENKI Group Human Rights Policy

SDGs Promotion Committee

On April 1, 2023, we established the SDGs Promotion Committee, chaired by our Chairman of the Board & CEO. As the corporate philosophy states, we aim for a society where "we help all people achieve happiness," which coincides with the sustainable and prosperous society that the SDGs aim for. The Group will continue to work across all divisions toward achieving the SDGs, which are common goals of the international community.

Communication with Business Partners

The Declaration of Partnership Building

SANYO DENKI advocated the declaration of partnership building that was established at the "Council on Promoting Partnership Building for Cultivating the Future" whose members included the Chairman of the Japan Business Federation, the Chairman of the Japan Chamber of Commerce and Industry, the President of the Japanese Trade Union Confederation, and the ministers of relevant ministries, and created and announced "The Declaration of Partnership Building" in October 2021.

Based on this declaration, we will strive to increase the added value of the entire supply chain and build long-term relationships of trust with all suppliers.

In recent years, as the review of trade practices and the importance of fair trade have grown, the SANYO DENKI Group aims to build stronger relationships with our business partners. We regularly seek feedback through surveys and work to make improvements. We will continue to collaborate with our business partners in striving to achieve a sustainable supply chain.

Global Procurement

The SANYO DENKI Group carries out international and open procurement activities and is building a system that can respond flexibly to changes in the market environment. Aiming to achieve both a stable supply of parts and cost competitiveness, we have established overseas procurement bases to promote procurement from optimal locations.

In parallel with purchasing activities, we are also actively participating in overseas exhibitions to attract overseas suppliers. We will continue to expand our procurement bases globally to achieve stable procurement and reduce costs.

In preparation for potential shortages of critical components, we are also implementing the following measures:

• Risk Avoidance at the Design Stage

We are advancing designs that avoid using materials prone to international supply constraints, such as export restrictions and price volatility.

• Supplier Diversification and Visualization

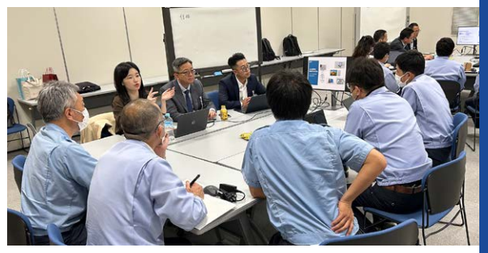
The Purchasing Headquarters is visualizing the supply network by mapping the distribution of domestic and international suppliers. This system enables us to quickly identify alternative suppliers in emergencies, such as natural disasters.

Going forward, we will actively consider procuring from new countries and regions, incorporating the concept of local production for local consumption, while striving for stable procurement and cost optimization through diversed sourcing.

Initiatives for Design Improvement and Cost Optimization with Suppliers

The SANYO DENKI Group collaborates with suppliers from the early stages of product development to promote the joint development of parts and materials. Utilizing the Value Engineering (VE) and Value Analysis (VA) methods, we optimize costs through component selection and design reviews, achieving both greater resource efficiency and economic efficiency. Furthermore, we also undertake global initiatives to enhance product value using cutting-edge technology.

Technology exchanges and factory visits allow us to obtain the latest technical information from suppliers, deepen mutual understanding, improve development quality, and strengthen trust-based relationships. These activities form the foundation for collaboration that enhances our technological capabilities and promotes business growth.



Technical exchange meetings with suppliers

Promoting Innovation through External Collaboration

The SANYO DENKI Group is engaged in research and development that contributes to solving social issues, fostering new innovations through inter-company collaboration, and incorporating cutting-edge knowledge through joint research with universities.

Through these collaborations, we aim to achieve sustainable growth.

Initiatives for Local Communities

As part of our efforts to foster the next generation and strengthen our ties to the local community, we provide opportunities for our employees to give lectures to students, mainly at educational institutions in Nagano Prefecture.

For example, our Servo Systems product development engineers give lectures based on on-site technology to students who aspire to enter the engineering field, allowing them to become more familiar with the world of technology and broaden their future career prospects. For employees responsible for delivering lectures, teaching students is not only an opportunity to show their experience and abilities but also a valuable opportunity for personal growth that allows them to gain new insights.

Through engagement with the local community and knowledge sharing, we aim to foster our Group's employees and the generation that will lead us into a new era together.



Classes at National Institute of Technology Nagano College

The Servo Systems in Practice allows participants to operate the product through programming and gain a deeper understanding of its operation.

Lecture results at educational institutions

From 2016	Nagano Prefectural Institute of Technology	"Introduction to Control Engineering"
From 2023	National Institute of Technology Nagano College	"Fundamentals of Servo Systems," "Servo Systems in Practice"

Building Partnerships with the Local Community: SANYO DENKI (Chengdu) CO., LTD.

In May 2024, the SANYO DENKI Group established a new company in Chengdu, China. This initiative helps strengthen relationships with stakeholders and build trust. We present the role and future outlook of the company, along with a message from its Managing Director.

Enhancing Customer Satisfaction to Establish the SANYO DENKI Brand in the Local Community

By conducting business directly with local distributors and customers, we have established a service system that responds quickly to requests.

We also aim to expand our business by providing high-quality customer service and improving customer satisfaction through new product information and networking events.

We will also customize customers' equipment to provide added value and to promote the SANYO DENKI brand in Western and Central China.

Future Outlook

Our employees are united in advancing the following initiatives, aiming to establish the SANYO DENKI brand as a preferred choice for customers in the medical field, one of the key industries in Western China.

• Strengthening trust through close communication with distributors and customers
• Proposing and selling value-added products that meet customer needs
• Promoting personal growth and self-realization through employee development

In addition to these efforts, we will contribute to the Group' s sustainable growth and development by establishing a stable management structure and solid revenue base.



SANYO DENKI (Chengdu) CO., LTD.
Managing Director

Angela Sun

SANYO DENKI Group's Social Contribution Activities

The SANYO DENKI Group is engaged in social contribution activities to coexist with society and the environment and to achieve sustainable growth.

These activities are proactively carried out by employees of each group company in response to the call from the SDGs Promotion Committee.



SANYO DENKI *(Shenzhen) CO., LTD.*

■ Coastal cleaning

We conducted a beach cleanup at a local beach (Xichong, Shenzhen).



SANYO DENKI *ENGINEERING (Shanghai) CO., LTD.*

■ Clothing donations

We collected used clothing from employees, packaged it, and delivered it to welfare facilities for children and their families.



SANYO DENKI *(H.K.) CO., LIMITED*

■ Student support program

We participated in a program for students at the College of Professional Studies at The Chinese University of Hong Kong, offering career guidance and support to prepare them for the workforce.



SANYO DENKI *PHILIPPINES, INC.*

■ Support for elderly care facilities

We visited the facility, providing daily necessities such as food and medicine, and joined in singing, dancing, and recreational activities organized by our employees.



SANYO DENKI CO., LTD. Jakarta Representative Office

■ Mangrove reforestation

We planted mangrove seedlings to prevent coastal erosion.



SANYO DENKI Techno Service CO., LTD.

■ Community engagement and experiential learning

We organized factory tours and hands-on cooling fan workshops for elementary school students and their parents in the Ueda area.



SANYO DENKI IT Solution CO., LTD.

■ Food donations

We contributed to reducing food waste and supporting food aid by participating in the "Food Drive Activity" organized by the Ueda City Social Welfare Council, donating food items collected from employees.



SANYO KOGYO CO., LTD.

■ Community engagement and planting activities

We collaborated with local residents to improve the streetscape near our sales office.



SANYO DENKI *TAIWAN CO., LTD.*

■ Meetings with local distributors

We organized a forum to exchange ideas with distributors, and worked to strengthen relationships, including those among the distributors themselves.



SANYO DENKI *AMERICA, INC.*

■ Food loss reduction

We participated in a food-packing event at a food bank in the Los Angeles area.

Others

We organize networking events with suppliers and local communities, and conduct charity activities around the world.



SANYO DENKI *EUROPE S.A.*

■ Book donations



SANYO DENKI *GERMANY GmbH*

■ Assistance for individuals in financial need



SANYO DENKI CO., LTD. Singapore Branch

■ Assistance for individuals in financial need



SANYO DENKI *(THAILAND) CO., LTD.*

■ Support for facilities for persons with disabilities



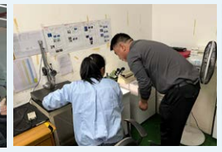
SANYO DENKI *SHANGHAI CO., LTD.*

■ Support for facilities for persons with disabilities



SANYO DENKI *(Tianjin) CO., LTD.*

■ Interaction with stakeholders



SANYO DENKI *(Zhongshan) CO., LTD.*

■ Interaction with stakeholders



SANYO DENKI *(Chengdu) CO., LTD.*

■ Community cleanup activities



SANYO DENKI *ENGINEERING (Shanghai) CO., LTD.*

■ Community cleanup activities

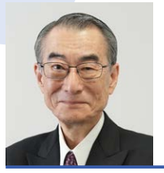


SANYO DENKI *KOREA CO., LTD.*

■ Community cleanup activities

Executives Directors

As of June 2025
* These directors are also appointed as Operating Officer.



Representative Director
Chairman of the Board and Chief Executive Officer

Shigeo Yamamoto *

Dec. 1, 1950 - Date of birth

Apr. 1983	Joined the Company
Jun. 1987	Director
Jun. 1991	Managing Director
Jun. 1994	President and Chief Executive Officer
Jun. 1999	Representative Director (current position) President and Operating Officer
Jun. 2020	Chairman of the Board and Operating Officer (current position)



Representative Director
President and Chief Operating Officer

Nobumasa Kodama *

Dec. 22, 1954 - Date of birth

Apr. 1978	Joined the Company
Apr. 2002	General Manager, Cooling Systems Division
Jun. 2002	Operating Officer
Jul. 2003	Executive Operating Officer General Manager, Servo Systems Division
Jun. 2004	Director
May 2006	General Manager, Power Systems Division
Apr. 2014	Senior Executive Operating Officer
Apr. 2018	Representative Director (current position) Vice President and Operating Officer
Jun. 2020	President and Operating Officer (current position)



Director
Senior Executive Operating
Officer for Company
Officer for Breaking the Shell
and Finance

Chihiro Nakayama *

Sep. 4, 1965 - Date of birth

Apr. 1988	Joined the Company
Apr. 2008	Department Manager, Production Department, Cooling Systems Division
Apr. 2010	Department Manager, Production Department, Power Systems Division
Apr. 2016	Operating Officer General Manager, Cooling Systems Division
Jan. 2018	Deputy General Manager, Power Systems Division
Oct. 2018	Executive Operating Officer
Jun. 2019	Director (current position)
Apr. 2020	Senior Executive Operating Officer (current position)

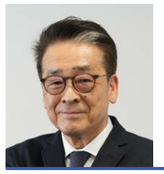


Director
Senior Executive Operating
Officer for Sales
Officer for Group companies

Yoshimasa Matsumoto *

Jan. 12, 1960 - Date of birth

Apr. 1983	Joined the Company
Apr. 2000	Department Manager, International Sales Department
Apr. 2004	Operating Officer
Feb. 2009	General Manager, Sales Headquarters
Apr. 2009	Executive Operating Officer
Jun. 2011	Director (current position)
Nov. 2018	Executive Operating Officer (current position)
Apr. 2023	Senior Executive Operating Officer (current position)



Outside Director

Shin Kurihara

Jul. 18, 1954 - Date of birth

Apr. 1978	Joined Toyo Radiator Manufacturing CO., LTD. (currently T.RAD CO., LTD.)
May 1985	Joined Diesel Kiki CO., LTD. (currently Valeo Japan)
May 2007	Operating Officer, Syscom CO., LTD. (currently Comco Corporation)
Dec. 2010	Plant Manager, TI Automotive Japan
Aug. 2020	President and CEO, TI Automotive Japan (current position)*
Jun. 2021	Outside Director of the Company (current position)

* Retiring on July 31, 2025



Outside Director

Yudai Miyake

Jun. 24, 1974 - Date of birth

Oct. 2006	Registered as an attorney (Tokyo Bar Association)
Oct. 2006	Joined Miyake Law Office (currently Miyake Karino Law Office) (current position)
Jun. 2023	Outside Director of the Company (current position)
Jun. 2024	Outside Audit & Supervisory Board Member, IINO KAIUN KAISHA, LTD. (current position)



Outside Director

Noriko Miyagi

Jun. 28, 1962 - Date of birth

Apr. 1985	Joined The Kyowa Bank, Ltd. (currently Resona Bank, Limited)
Apr. 2012	Branch Manager, Sales Department 2, Hongo and Myogadani Area
Apr. 2013	Branch Manager, Myogadani Branch
Oct. 2013	Office Manager, Office for Promoting Diversity, Human Resource Services Department, Resona Holdings, Inc.
Apr. 2015	Department Manager, Human Resources Development, Resona Bank, Limited
Apr. 2016	Audit and Supervisory Board Member, Saitama Resona Bank, Limited
Jun. 2019	Director and Auditor
Apr. 2021	Senior Managing Director, Resona Business Service CO., LTD.
Jun. 2021	Outside Audit & Supervisory Board Member of the Company
Apr. 2022	Outside Audit & Supervisory Board Member (Full-time)
Jun. 2022	Outside Audit & Supervisory Board Member, Japan Finance Corporation (current position)
Jun. 2025	Outside Director of the Company (current position) Outside Director, Audit and Supervisory Committee Member of BML, Inc. (current position)

Operating Officers



Executive Operating Officer
General Manager
Sales Headquarters

Tatsuya Hirata



Executive Operating
Officer for Quality Control
Company President -
San Ace Company

Koichi Uchibori



Executive Operating Officer
for Business Administration
Officer for Medium -
Term Strategy Official
Department Manager

Masaki Iwayama



Operating Officer for
Technical Development
Company President -
Electronics Company

Satoru Onodera



Operating Officer
Deputy General Manager
Sales Headquarters
Officer for New Markets
Development

Jiro Sakamoto



Operating Officer
President and
Chief Operating Officer
at SANYO KOGYO CO., LTD

Ichiro Yamamoto



Operating Officer for
Production Engineering
Company President -
Motion Company

Yoshinori Kobayashi



Operating Officer
General Manager
Purchasing Headquarters
Department Manager
International Purchasing Department
Purchasing Headquarters

Koichi Hara



Operating Officer
Company Vice President
Technical Development
Electronics Company
Company Vice President
Technical Development
Motion Company

Yasutaka Narusawa

Audit & Supervisory Board



Audit & Supervisory Board Member

Akira Tsukada

December 21, 1957 - Date of birth

May 2001	Joined the Company
Apr. 2005	Department Manager of Finance Department
Apr. 2007	Operating Officer In charge of Finance, Department Manager of Finance Department 1
Apr. 2012	Consulting Officer
Jul. 2012	Consulting Officer, Department Manager of Public Relations Department
Apr. 2021	Department Manager of Finance Department 1
Apr. 2024	Consulting Officer
Jun. 2024	Audit & Supervisory Board Member (Full-time) (current position)



Outside Audit & Supervisory Board Member

Masafumi Kobayashi

January 21, 1957 - Date of birth

Apr. 1980	Joined NEC Corporation
Apr. 2004	Department Manager for Purchasing Department at NEC Saitama, Ltd.
Apr. 2008	Department Manager for Planning Division of Mobile Terminal Business Unit at NEC Corporation
Apr. 2010	Chief Manager for Solution Purchasing Division at NEC Corporation
Jun. 2011	Auditor at NEC Purchasing Service, Ltd. (currently NEC Business Intelligence, Ltd.)
Apr. 2014	Auditor at NEC Management Partner, Ltd. (currently NEC Business Intelligence, Ltd.)
Jun. 2023	Outside Audit & Supervisory Board Member (Full-time) of the Company (current position)



Outside Audit & Supervisory Board Member

Takafumi Yamada

January 11, 1957 - Date of birth

Apr. 1980	Joined The Kyowa Bank, Ltd. (currently Resona Bank, Limited.)
Oct. 2007	Joined MAEZAWA KASEI INDUSTRIES CO., LTD
Oct. 2007	General Manager responsible for Management Assistant of General Affairs Department of MAEZAWA KASEI INDUSTRIES CO., LTD.
Jan. 2008	Audit & Supervisory Board Member of Kyowa Molding CO., LTD. (currently NIIGATA MOLDING CO., LTD.)
Apr. 2008	General Manager of Corporate Planning Department of MAEZAWA KASEI INDUSTRIES CO., LTD.
Jun. 2010	Executive Officer, General Manager of Corporate Planning Department, Administration Headquarters of MAEZAWA KASEI INDUSTRIES CO., LTD.
Jun. 2015	Executive Officer, General Manager of Accounting Department, Administration Headquarters of MAEZAWA KASEI INDUSTRIES CO., LTD.
Jun. 2017	Audit & Supervisory Board Member of MAEZAWA KASEI INDUSTRIES CO., LTD.
Jun. 2024	Outside Audit & Supervisory Board Member (Part-time) (current position)



Outside Audit & Supervisory Board Member

Nobuko Furusawa

May 28, 1978 - Date of birth

Apr. 2001	Joined Katolec Corporation
Dec.2003	Joined TAJIRI Accounting Firm (currently TAJIRI Accounting Tax Corporation)
Mar. 2016	Registered as a tax accountant
Jan. 2021	Deputy Director (current position)
Jun. 2025	Outside Audit & Supervisory Board Member (Part-time) (current position)

Basic Policy

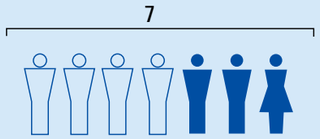
The SANYO DENKI Group enhances transparency of management and corporate governance, and is determined to construct and maintain an organizational system that can rapidly adjust to changes in management environment, and a fair management system that benefits our shareholders.

In addition, we promote our corporate philosophy, "We at SANYO DENKI Group Companies aim to help all people achieve happiness, and work with people to make their dreams come true." In order to enhance the meaning of our company's existence, the position of each stakeholder is respected in order to implement the corporate philosophy.

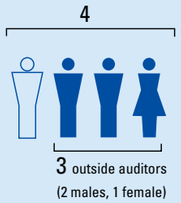
Corporate Governance System Description

Organizational form	Company with a Board of Auditors
Director **Board of Directors**	Number of board of directors: 7 (including 3 outside directors) Director's term of office: 2 years Number of board of directors' meetings held: 13
Auditors **Board of Auditors**	Number of auditors: 4 (including 3 outside directors) Auditor's term of office: 4 years Number of board of auditors' meetings held: 20
Operating officer system	Yes
Advisory committee of the board of directors	Compensation Committee
Accounting auditor	Ernst & Young Shin Nihon LLC

Number of directors



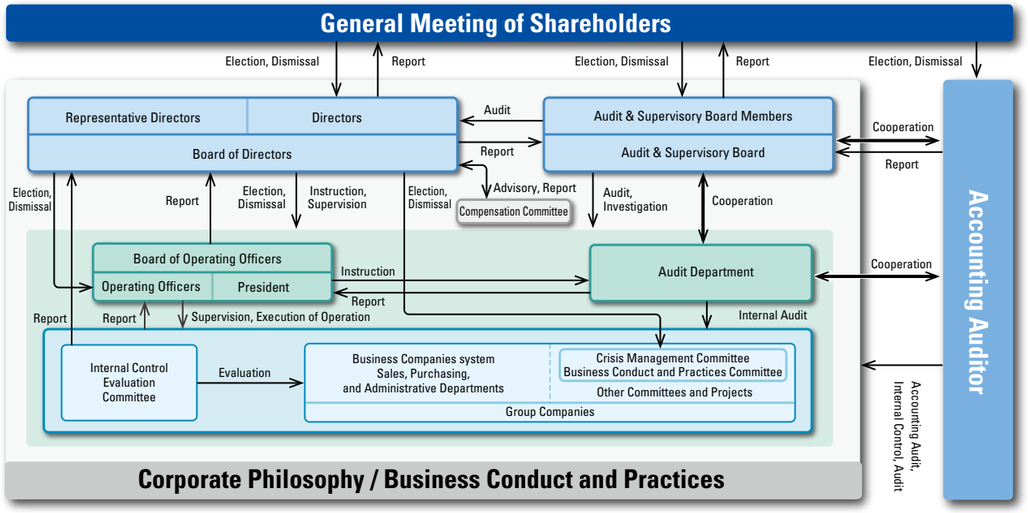
Number of auditors



Initiatives to Strengthen Corporate Governance

	1999	2007	2015	2018	2021	2022
Supervisory functions strengthened	Outside directors introduced	The number of outside directors increased to two	Appoint at least 1/3 of the total directors as outside directors			
Business execution clarified and expedited	Operating officer system introduced					
Corporate governance enhanced			Basic corporate governance policy formulated			
Objectivity and transparency of management decisions secured				Compensation Committee established		

Corporate Governance Structure



Board of Directors

The board of directors always ensures that the activities of directors and employers comply with laws, regulations, and the Company's Articles of Incorporation. The board receives reports from the heads of divisions at regular board of directors meetings, and when needed. The board also makes decisions, issues instructions, and provides guidance when necessary.

The board of directors appoints the necessary number of operating officers to realize systematic, appropriate, and speedy execution of operations, provides individuals the responsibility and authority they need to carry out their duties, oversees operations, and receives reports from the operating officers at board of directors meetings or whenever necessary.

Board of Auditors

Auditors audit the operations of the directors and check whether operating officers, and then the divisions under their control, are executing operations appropriately according to laws, regulations, the Articles of Incorporation, and by-laws.

Audit Department

The audit department, under direct control of the president, performs audits to check whether operations in all divisions of the company and its subsidiary group companies are being conducted appropriately according to laws, regulations, the Articles of Incorporation, and by-laws. It also provides guidance when it believes a practice needs to be improved.

Compensation Committee

The Compensation Committee that consists of one outside director excluding representative directors and three outside directors, as an advisory committee, examines the salaries for directors and operating officers, and reports it to the board of directors.

Internal Control Evaluation Committee

The internal control evaluation committee evaluates the internal controls of the company and group companies, and reports it to the board of directors. The board of directors then instructs or provides guidance based on the evaluation report.

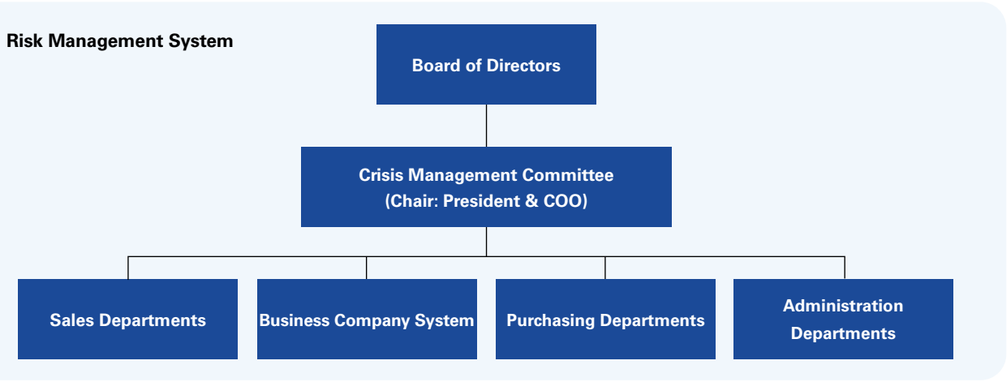
Business Conduct and Practices Committee

The Business Conduct and Practices Committee, appointed by the board of directors, provides employees of the company and subsidiary group companies with thorough training on compliance with laws, business conduct, and practices.

Risk Management System

The SANYO DENKI Group collects and monitors information on risks related to its business activities at the Executive Officers Meeting and the Board of Directors. To appropriately address potential risks, our Group has established crisis management regulations and formed a Crisis Management Committee chaired by the President and COO. This committee is responsible for developing a risk management framework, planning and promoting risk management education, and responding to incidents when risks arise.

The status of these risk management measures is regularly reported to the Executive Committee and the Board of Directors, ensuring that appropriate risk countermeasures are in place. We also establish task forces and projects as necessary to minimize the impact of identified risks.



Crisis Management Committee

The company's Crisis Management Committee, appointed by the board of directors, should recognize the risks that affect operations of the company and its subsidiary group companies, and strive to improve our crisis management system. During normal operations, the committee formulates measures to prevent risks from occurring.

Specific risk examples and countermeasures

Risk classification	Risk description	Planned actions
Economic fluctuations	A downturn in the global or domestic economy, particularly if it leads to reduced capital investment in industries such as machine tools, robotics, and semiconductor manufacturing equipment—our Group's primary sales markets—poses the risk of declining orders.	● Explore sales markets in a wide range of fields ● Grow businesses globally ● Strengthen business structure
Rapid technological advancement	We are facing rapid technological advancements and changes in customer needs. There is a risk that existing products and services may become obsolete, undermining our competitive advantage.	● Strengthen R&D activities ● Advance production technology ● Enhance production efficiency ● Thorough quality control
Global expansion	We promote globalization as part of our medium-term management plan. However, expanding into overseas markets presents potential risks, including geopolitical factors, language barriers, cultural differences, varying legal systems, tax regulations, and local business practices.	● Field assessment in new business regions ● Monitoring of local conditions after business expansion
Governance system	The effectiveness of the governance system may be compromised by rapid changes in the business and social environments.	● Ensure management transparency ● Build a system that can quickly respond to changes in the business environment
Information system	The Group possesses sensitive data and personal information, which could be lost, tampered with, leaked, or affected by system failures due to cyber attacks or infrastructure malfunctions. In such event, there is a risk of being required to compensate affected parties and facing damage to our social credibility.	● Thorough information management ● Regular employee training ● Cyber attack countermeasure ● Strengthen IT governance
Employment	In the future, there is a risk that competition for acquiring talented personnel will intensify, making it difficult for us to maintain our current employees or acquire new skilled personnel.	● Respect diversity ● Build an organizational structure that leverages individual expertise ● Systematic and ongoing training
Natural disasters	Natural disasters such as major typhoons, earthquakes, floods, and volcanic eruptions or outbreaks of infectious diseases at our business locations in the world may affect our employees and facilities, leading to delays in production and shipments. Also, disruptions to infrastructure and supply chains could result in parts shortages, logistics delays, and market instability.	● Established a crisis management committee ● Employee safety reporting system ● Formulated disaster management and business continuity plans
Intellectual property	There is a risk that we may inadvertently infringe on the intellectual property rights of other companies, which could hinder product development and service delivery, potentially leading to claims for damages.	● Research sufficiently when using technology ● Hold intellectual property rights to maintain a competitive advantage
Product liability	If we provide defect products or services, we could face compensation payments and legal costs through the process. This could also lead to a loss of public trust in our company.	● Build a strict quality control system
Procurement	We rely on procuring a significant volume of parts and raw materials from both domestically and internationally. Unexpected market fluctuations beyond our forecasts may affect our performance and financial position.	● Distributed procurement sources ● Changes in product design ● Evaluating alternative parts ● Switching to in-house production
Currency exchange rate	When preparing consolidated financial statements, the average exchange rate for each fiscal year is used to convert amounts to yen. Consequently, fluctuations in the exchange rate may affect the converted value.	● Raw material procurement and sales activities taking into account the balance of foreign currency-denominated assets and liabilities
Human rights	If a human rights issue arises from an unforeseen event in the supply chain, it could affect the SANYO DENKI Group's business performance.	● Established the SANYO DENKI Group Human Rights Policy to promote initiatives that respect humanrights

Selection Criteria for Directors and Auditors

The Articles of Incorporation states that there shall be no more than ten directors. Regarding selection of directors, an individual who is well versed in each business field or who possesses relevant legal, accounting, or management knowledge is selected to maintain balance between knowledge, experience, and capabilities as well as diversity within the board.

Additionally, it is considered that many important matters directors are expected to address are not uniform and that policy related to selection should not be fixed.

(As of June 19, 2025)

Status of Outside Officers		Independent officer	Concurrent positions	Attendance at the board of directors meetings	Attendance at the board of auditors meetings	Attendance at the compensation committee
Outside Director	**Shin Kurihara**	Yes	President at TI Automotive Japan Ltd.(1)	13/13 100%	-	12/12 100%
Outside Director	**Yudai Miyake**	Yes	Lawyer Outside Auditor at IINO KAIUN KAISHA, LTD.	13/13 100%	-	12/12 100%
Outside Director	**Noriko Miyagi**	Yes	Outside Auditor at Japan Finance Corporation Outside Director, Audit and Supervisory Committee Member, BML, Inc.(2)	13/13 100%	19/20 95%	12/12 100%
Outside Auditor	**Masafumi Kobayashi**	Yes	–	13/13 100%	20/20 100%	-
Outside Auditor	**Takafumi Yamada**	Yes	–	10/10 100%	14/14 100%	-
Outside Auditor	**Nobuko Furusawa**	Yes	Certified Tax Accountant	N/A (Newly appointed)	N/A (Newly appointed)	-

* The number of meetings attended for the Board of Directors, the Audit & Supervisory Board, and the Compensation Committee is based on FY 2024 results.

(1) Retirement date: July 31, 2025. (2) Appointment date: June 27, 2025.

Appointment criteria and qualifications of the independence of outside directors/officers

Regarding the independence of outside directors and auditors, the independence standard set by the Tokyo Stock Exchange is used as the standard for SANYO DENKI. They are expected to provide appropriate management and/or auditing based on their specialized knowledge and experience. In principle, we appoint them based on the knowledge that there is no interest conflict with shareholders.

Compensation Committee

Committee Composition

Chair: Noriko Miyagi (Independent outside director)
Members: Yoshimasa Matsumoto (Director)
Shin Kurihara (Independent outside director)
Yudai Miyake (Independent outside director)

Activities

Compensation Committee meetings were held five times in the period from April 2024 to March 2025. The followings are the topics of the meetings, which were the inquiries from the Board of Directors.

(1) Executive compensation policies
(2) Compensations of directors, officers, and group company executives

Executive Compensation

Executive compensation policies

SANYO DENKI clarifies the policy for determining executive compensation at the board of directors meeting after consulting with and reporting to the Compensation Committee as follows.

Executive compensation is determined at the board of directors meeting after consulting and receiving advice from the Compensation Committee, which is formed when needed.

Executive compensation includes fixed monthly compensation, variable performance-based compensation, and non-cash restricted stock-based compensation. The total amount of the fixed compensation, performance-based compensation, and restricted stock-based compensation is determined within the limits approved by the general shareholders meeting. It is determined according to the following:

Fixed compensation (basic salary)

In the case of directors who also serve as executive operating officers, their compensation is determined based on the degree of responsibility they have for their assigned duties, and in the case of directors who do not serve as executive operating officers, their compensation is determined based on the degree of their involvement in overall management.

Performance-based compensation

Depending on the overall performance of the consolidated company in the previous fiscal year and the degree of performance of each director, the performance-based compensation is determined within the range of 0 to approximately five times (annual) the monthly compensation of each director.

Non-cash compensation

Directors other than outside directors shall be granted a restricted stock award. The number of shares to be allocated is calculated based on an amount that is triple each person's monthly compensation in accordance with the "Restricted Stock Compensation Rules." The transfer restriction shall be canceled when the subject director resigns his/her position as a director, an auditor, or an operating officer of the company for justifiable reasons. If a director causes damage to the company during his/her term of office, the company will naturally acquire all or part of its Allotted Shares without compensation.

Regarding the ratio of fixed compensation, performance-based compensation, and non-cash compensation for eligible directors, we will determine an appropriate payment ratio so that it functions as a sound incentive.

In addition, outside directors who are responsible for management supervisory functions will be paid only a fixed compensation in consideration of their duties.

* At the board of directors meeting held in July 16, 2025

FY 2024 Results

Officer types	Total of compensations (Millions of Yen)	Total amount of compensation by classification (Millions of Yen)			Number of applicable officers (People)
		Base salary	Performance-based compensation	Non-cash compensation	
Directors (excluding outside directors)	233	157	50	26	4
Auditors (excluding outside auditors)	19	19	-	-	2
Outside Director	50	50	-	-	3
Outside Auditor	33	33	-	-	3

Implementation of Compliance

The SANYO DENKI Group positions the implementation of compliance as one of the important management issues of the group and strives to promote it. In the Business Conduct and Practices common to the group, we have established definitions and action guidelines regarding Compliance with Laws and Regulations, Elimination of Antisocial Forces, Prevention of Money Laundering, Elimination of Unfair Trading Methods, Prohibition of Insider Trading, Gifts and Entertainment, Prohibition of Gifts and Entertainment to Public Institutions, Elimination of Political Activities, and Prevention of Interference with Market Competition, and have incorporated them into educational programs for all employees. In this way, we are focusing on ensuring a fair business environment.

10-Year Financial Summary

IFRS **Consolidated**

Millions of Yen

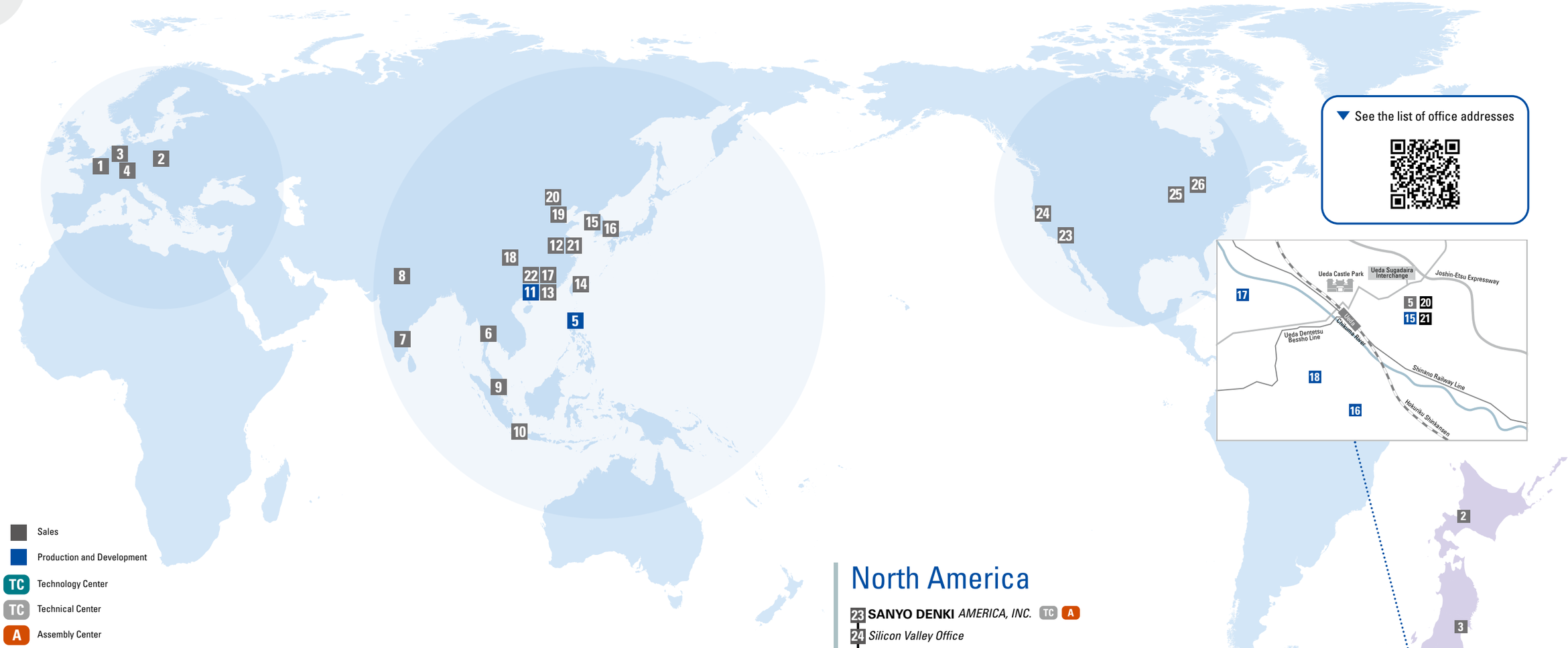
	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Operating Results:										
Operating revenues	80,282	74,798	89,188	84,678	70,706	77,506	101,123	120,803	112,904	**97,847**
Cost of sales	61,975	57,022	66,284	63,662	56,757	60,469	75,524	89,586	84,001	**72,721**
Selling, general, and administrative expenses	13,098	12,469	14,237	14,596	13,052	12,416	14,744	17,896	17,911	**17,760**
Operating profit	5,432	5,414	8,784	6,590	1,043	4,830	10,971	13,421	11,811	**7,936**
Profit before income taxes	5,268	5,332	8,540	6,890	986	4,996	11,787	14,226	13,323	**8,003**
Net profit attributable to owners of the parent	3,738	4,031	6,415	4,983	426	3,942	9,015	11,410	10,477	**5,637**
Net income	492	5,259	7,212	4,032	(1,014)	8,758	11,606	14,037	19,948	**4,735**
EBITDA[1]	8,566	8,685	12,323	10,748	6,267	10,260	16,622	19,436	17,652	**13,896**
Capital expenditures	2,480	1,962	8,044	6,052	4,156	3,100	3,460	3,302	6,748	**2,345**
Depreciation and amortization	3,133	3,270	3,538	4,157	5,223	5,429	5,651	6,014	5,841	**5,959**
Research and development cost	2,495	2,215	2,965	2,976	3,089	2,984	3,211	3,477	3,544	**3,455**
Net cash provided by operating activities	4,930	6,571	5,797	3,058	8,728	4,959	8,234	8,258	21,452	**15,788**
Net cash used in investing activities	(2,862)	(2,825)	(6,770)	(8,164)	(5,330)	(4,294)	(4,826)	(4,422)	(6,466)	**(3,734)**
Net cash provided by (used in) financing activities	(1,971)	(2,626)	422	3,682	(1,113)	10	(622)	(2,675	(10,666)	**(9,690)**
Free cash flow	2,068	3,746	(972)	(5,106)	3,398	665	3,407	3,836	14,986	**12,053**
Balance Sheet Data (As of March 31):										
Total assets	88,700	93,156	107,631	106,304	106,103	113,962	128,667	143,871	150,688	**145,628**
Total equity	53,420	57,054	62,135	64,832	62,541	70,387	80,655	93,217	110,373	**113,347**
Current assets	55,376	58,143	66,738	63,595	61,915	68,730	84,253	99,660	96,958	**94,862**
Current liabilities	27,481	28,610	34,849	27,991	28,181	30,254	36,176	41,168	30,137	**23,533**
Interest-bearing debt	8,069	7,192	9,834	14,996	15,737	17,265	18,847	18,598	11,919	**4,801**
Cash and cash equivalents	12,743	13,766	13,182	11,693	13,642	14,848	18,778	20,548	26,687	**28,898**
Total number of shares issued (shares)	64,860,935	64,860,935	12,972,187	12,972,187	12,972,187	12,972,187	12,972,187	12,972,187	12,972,187	**12,972,187**
Per Share Data (Yen) [2], [3]:										
Basic earnings per share	301.00	329.25	526.89	411.66	35.22	325.70	744.94	942.91	867.52	**472.79**
Cash dividends per share	18	18	65	110	90	90	115	135	145	**165**
Equity attributable to owners of the parent per share	4,300.44	4,665.35	5,132.20	5,355.20	5,166.39	5,814.95	6,663.82	7,695.26	9,258.58	**9,504.59**
Ratios (%):										
Ratio of equity attributable to owners of the parent to total assets	60.2	61.2	57.7	61.0	58.9	61.8	62.7	64.8	73.2	**77.8**
ROE (Return on equity attributable to owners of the parent)	7.0	7.3	10.8	7.9	0.7	5.9	11.9	13.1	10.3	**5.0**

(1) EBITDA (Earnings before interest, taxes, depreciation, and amortization) = Operating profit/income + depreciation and amortization.

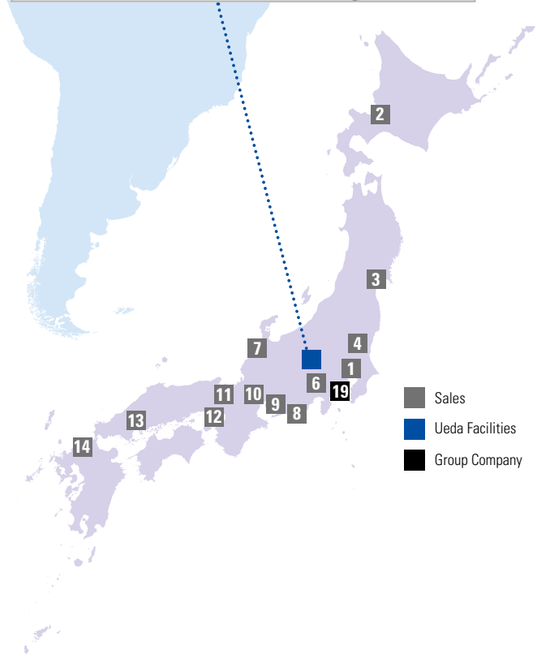
(2) Our company implemented a share consolidation in which five shares were consolidated into one share on October 1, 2017. Basic earnings per share and equity attributable to owners of the parent per share are calculated based on the assumption that the share consolidation was executed at the beginning of FY 2015 (April 1, 2015).

(3) The dividend for FY 2017 is the sum of the interim dividend amount of ¥10 and the year-end dividend amount of ¥55 (after the share consolidation). When converted on a post-share consolidation basis, the interim dividend will be ¥50 and the full-year dividend will be ¥105.

Global Map



Sales
Production and Development
TC Technology Center
TC Technical Center
A Assembly Center



▼ See the list of office addresses

Europe

1 **SANYO DENKI** *EUROPE S.A.* TC A
2 *Poland Branch*
3 **SANYO DENKI** *GERMANY GmbH* TC
4 *Munich Branch*

Southeast Asia

5 **SANYO DENKI** *PHILIPPINES, INC.* TC
6 **SANYO DENKI** *(THAILAND) CO., LTD.* TC
7 **SANYO DENKI** *INDIA PRIVATE LIMITED*
8 *New Delhi Office*
9 **SANYO DENKI CO., LTD.** Singapore Branch TC
10 **SANYO DENKI CO., LTD.** Jakarta Representative Office

East Asia

11 **SANYO DENKI** *(Zhongshan) CO., LTD.*
12 **SANYO DENKI** *SHANGHAI CO., LTD.* TC
13 **SANYO DENKI** *(H.K.) CO., LIMITED*
14 **SANYO DENKI** *TAIWAN CO., LTD.* TC
15 **SANYO DENKI** *KOREA CO., LTD.* TC
16 *Busan Branch*
17 **SANYO DENKI** *(Shenzhen) CO., LTD.* TC
18 **SANYO DENKI** *(Chengdu) CO., LTD.*
19 **SANYO DENKI** *(Tianjin) CO., LTD.* TC
20 *Beijing Branch*
21 **SANYO DENKI** *ENGINEERING (Shanghai) CO., LTD.*
22 **SANYO DENKI** *ENGINEERING (Shenzhen) CO., LTD.* A

North America

23 **SANYO DENKI** *AMERICA, INC.* TC A
24 *Silicon Valley Office*
25 *Chicago Office*
26 *Detroit Office (Repair Center)*

Japan

SANYO DENKI CO., LTD.

1 Head Office
2 Sapporo
3 Sendai
4 Utsunomiya
5 Ueda
6 Kofu
7 Kanazawa
8 Hamamatsu
9 Kariya
10 Nagoya
11 Kyoto
12 Osaka TC
13 Hiroshima
14 Fukuoka
15 Kangawa Works
16 Fujiyama Works
17 Tsuiji Works
18 Technology Center TC
19 **SANYO KOGYO CO., LTD.**
20 **SANYO DENKI Techno Service CO., LTD.**
21 **SANYO DENKI IT Solution CO., LTD.**

SANYO DENKI CO., LTD.

Ueda, Nagano

Kangawa Works

Total floor area: 67,140 m²
Number of employees: 634
ISO 9001, ISO 14001

Products produced:

Motor

This factory has large-scale automated production lines for producing servo motors. Also, it utilizes resources with its rainwater treatment facility and large PV generation system that can power the entire factory.



Fujiyama Works

Total floor area: 95,632 m²
Number of employees: 452
ISO 9001, ISO 14001

Products produced:

Fan, San Ace Options, Renewable Energy Inverter, UPS, Generator, Driver/ Amplifier, Motion Controller

Fujiyama Works is a production site with high-efficiency automated production lines for our San Ace, SANUPS, and SANMOTION products. It also has a large PV generation system that can power the entire factory, saving energy.



Tsuiji Works

Total floor area: 11,517 m²
ISO 9001, ISO 14001



SANYO DENKI *PHILIPPINES, INC.*

Subic Bay Freeport Zone, Philippines

Total floor area: 61,114 m²
Number of employees: 1,228
ISO 9001, ISO 14001,
ISO 45001

Products produced:

Fan, Renewable Energy Inverter, UPS, Motor, Amplifier

This facility has three production factories and a Technology Center for research and development, and develops and produces San Ace, SANUPS, and SANMOTION products.









SANYO DENKI *(Zhongshan) CO., LTD.*

Zhongshan, China

Total area: 2,110 m²
Number of employees: 38
ISO 9001, ISO 14001,
OHSAS 18001

Products produced:

San Ace Options

SANYO DENKI (Zhongshan) CO., LTD. was established in 2011. This is the production site of fan finger guards.



Assembly Factories

The following group companies also function as assembly factories to ensure prompt product delivery to customers around the world.

SANYO DENKI ENGINEERING (Shenzhen) CO., LTD. / SANYO DENKI AMERICA, INC. / SANYO DENKI EUROPE S.A.

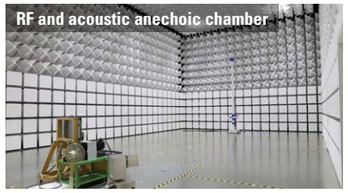
SANYO DENKI CO., LTD.

Ueda, Nagano

Total floor area: 44,926 m²
Number of employees: 341
ISO 9001, ISO 14001

Established as a research and development base in 1997, Technology Center engages in product development using state-of-the-art technology in cooperation with production bases in Japan and the Philippines.




RF and acoustic anechoic chamber


Design room

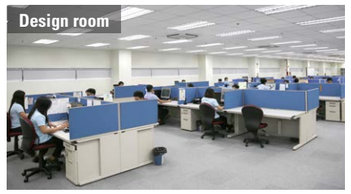

Continuous testing laboratory

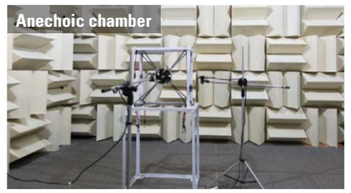
SANYO DENKI *PHILIPPINES, INC.*

Subic Bay Freeport Zone, Philippines




Building entrance


Design room


Anechoic chamber

SANYO KOGYO CO., LTD.

SANYO KOGYO CO., LTD. was founded in 1944, and organized as a SANYO DENKI group company in July 2009. As an engineering trading company, it deals with a wide range of businesses such as the sales of electrical and electronic products, and planning, design, installation, and maintenance of industrial control systems.


Head Office


Meguro Office

Number of employees: 106
Head Office: Meguro, Tokyo
Sales bases: Tokyo, Kanagawa, Tochigi, Nagano, Osaka, Hiroshima
Main business: Electrical contracting and sales of industrial electrical equipment, control devices, and electrical materials


Sales of electrical and electronic products


Engineering

SANYO DENKI Techno Service CO., LTD.

SANYO DENKI Techno Service CO., LTD. was founded in 1999 as a SANYO DENKI group company, and has contributed to the group's production and services.



Number of employees: 603
ISO 9001, ISO 14001
Head Office: Ueda, Nagano
Main business: Electronics manufacturing, repair, and maintenance; field service; logistics service; facility maintenance; recycling; solar power generation; car maintenance service; insurance agency business, etc.


PCB design


Electronics manufacturing

SANYO DENKI IT Solution CO., LTD.

SANYO DENKI IT Solution CO., LTD. was founded in April, 2021 with the aim of integrating the IT systems of the entire group by using the group's IT networks and the IT-related know-how that we had accumulated through our past business operations.

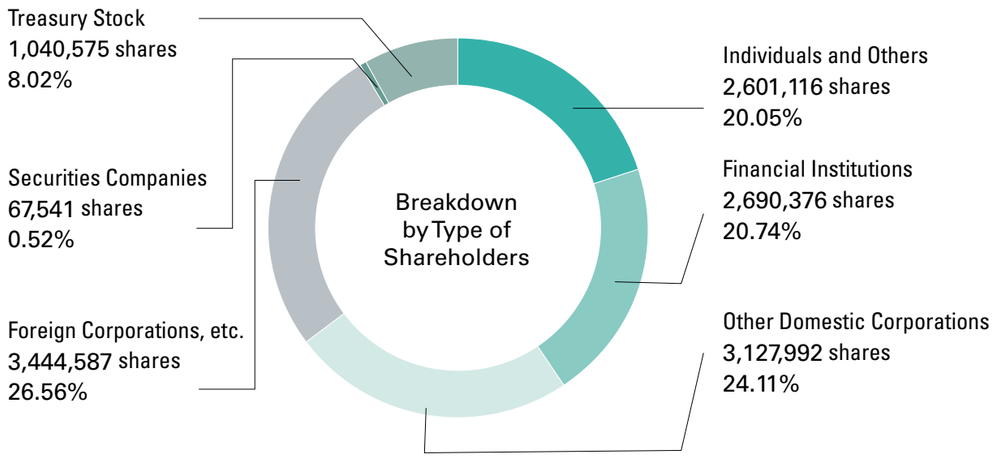
Head Office: Ueda, Nagano
Main business: Develop and operate IT systems of the Group; manage and maintain the Group's network security; plan, develop, and consult on IT-related issues and projects

Note: Numbers of employees are as of March 31, 2025

Stock Information

(As of March 31, 2025)

Issued shares	12,972,187 shares
Number of shareholders	3,394
General meeting of shareholders	Within three months from April 1 every year
Dividend receiving shareholder settlement date	Year-end dividend: March 31 of every year
	Interim dividend: September 30 of every year
Share unit number	100 shares



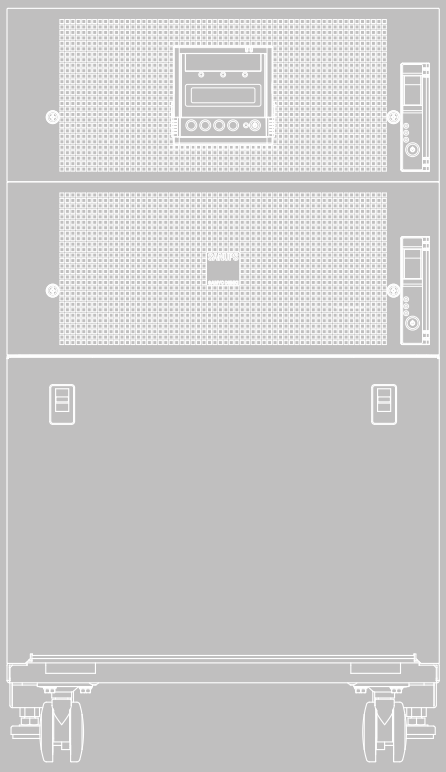
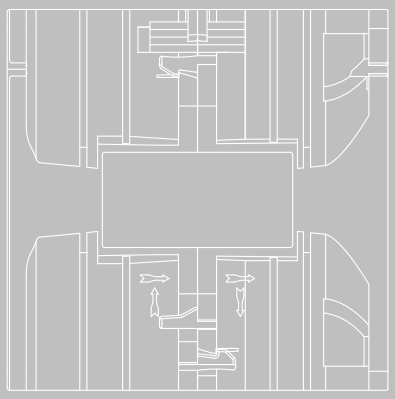
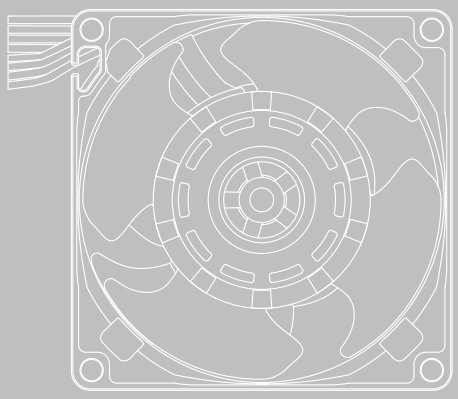
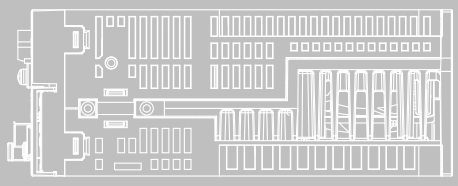
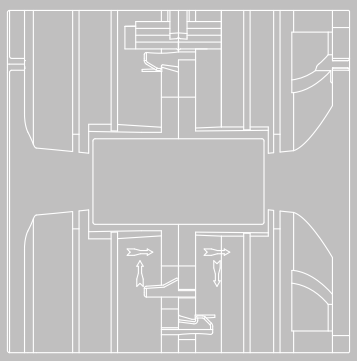
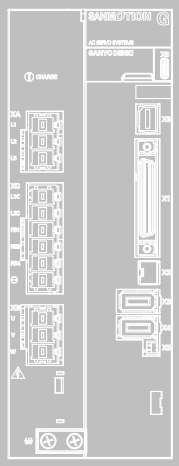
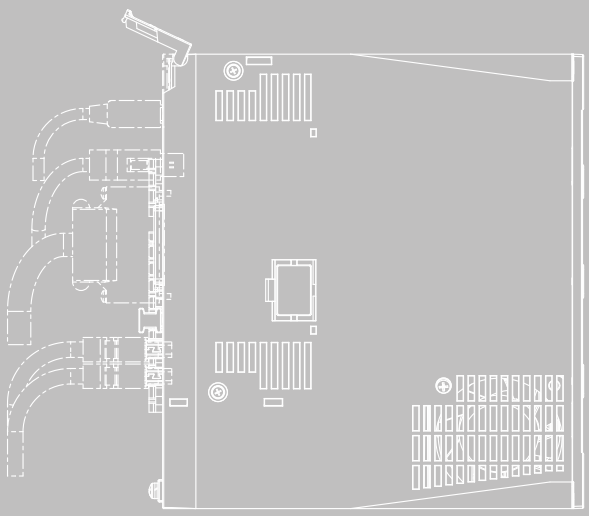
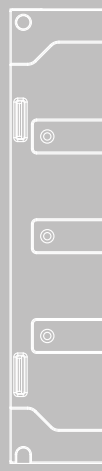
Major Shareholders

Shareholder Names	Thousand shares	Shareholding Percentage (%)
Kyodo Kogyo Co., Ltd.	1,845	15.47
The Master Trust Bank of Japan, Ltd. (account in trust)	1,192	9.99
INTERTRUST TRUSTEES CAYMAN LIMITED AS TRUSTEE OF JAPAN-UP UNIT TRUST	1,140	9.55
INTERTRUST TRUSTEES (CAYMAN) LIMITED SOLEL Y IN ITS CAPACITY AS TRUSTEE OF JAPAN-UP	469	3.93
Custody Bank of Japan, Ltd. (Trust account opened)	356	2.99
Sanyo Kaihatsu Co., Ltd.	318	2.67
Nippon Life Insurance Company	298	2.50
GOVERNMENT OF NORWAY	285	2.39
Mizuho Bank Ltd.	227	1.91
Sumitomo Mitsui Trust Bank, Limited.	202	1.70

Note 1: The shareholding percentage is calculated excluding treasury shares (1,040,575 shares).
2: The number of shares shown in the list above is rounded down to the nearest thousand shares.

Company Overview

Founded	August 1927
Incorporated	December 1936
Capital	¥ 9.9 billion (as of March 31, 2025)
Consolidated Operating Revenues	¥ 97.8 billion (FY 2025)
Representatives	Shigeo Yamamoto, Chairman of the Board & CEO
	Nobumasa Kodama, President & COO
Number of Employees	SANYO DENKI Group: 3,646 (as of March 31, 2025)
Head Office	3-33-1 Minami-Otsuka, Toshima-ku, Tokyo 170-8451
Stock Listing	Tokyo Stock Exchange Prime Market
Security Identification Code	6516

SANYO DENKI CO., LTD.

https://www.sanyodenki.com/

