

Integrated Report **2025**

Together, surpassing expectations by empowering connections
to enrich society and delight people.

In Issuing This Report

IRISO ELECTRONICS CO., LTD. issued its first integrated report in 2024 to share our initiatives not only with our shareholders and investors, but also with all our stakeholders, including customers, local communities, and our employees, and to use the report as a tool for dialogue. While the Integrated Report 2024 included IRISO's history and business operations, this year's Integrated Report 2025, our second edition, incorporates feedback received through dialogue following the previous publication. We have enhanced the content with more specific information and added messages from our finance executive and human resources executive.

We continue to engage in business activities around the world under our Statement (Declaration of conduct), "Together, surpassing expectations by empowering connections to enrich society and delight people." We hope this integrated report will help deepen stakeholders' understanding of our efforts toward achieving sustainable growth of both IRISO and society.

External Recognition

Inclusion in ESG indices

- S&P/JPX Carbon Efficient Index
- FTSE Blossom Japan Sector Relative Index

Sustainability recognition

- "B" Score in CDP2024 Climate Change assessment
- Certified under the Science Based Targets (SBT) initiative
- KENKO Investment for Health Outstanding Organization
- Yokohama City "Companies Certified for Their Excellence in 3R Activities"*

* The certification system was discontinued in 2025.



FTSE Blossom
Japan Sector
Relative Index

FTSE Russell confirms that IRISO Electronics, Co., Ltd. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



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Editorial Policy

Editorial policy

We aim to further enhance our corporate value through dialogue based on this integrated report, by providing all of our stakeholders with a deeper understanding of our business and various initiatives.

In editing this report, we referred to documents including the International <IR> Framework recommended by the International Integrated Reporting Council (IIRC) and the Guidance for Collaborative Value Creation issued by Ministry of Economy, Trade, and Industry.

Period covered

FY2024 (From April 1, 2024 to March 31, 2025). However, some disclosure items and business activities that began after April 2025 are also included.

Organizations covered

IRISO ELECTRONICS CO., LTD. and its consolidated subsidiaries

Reference guidelines

International <IR> Framework by the International Integrated Reporting Council (IIRC), Guidance for Collaborative Value Creation by Ministry of Economy, Trade, and Industry

Notation in this document

The contents and figures in this report are specific to the IRISO ELECTRONICS Group, and the terms "IRISO ELECTRONICS GROUP," "IRISO ELECTRONICS," "IRISO," "the Company," and "we" are used to refer to the IRISO ELECTRONICS Group.

Third-party verification of data

Third-party verification has been conducted by Socotec Certification Japan Co., Ltd. since FY2022 for data on greenhouse gas (GHG) emissions for Scope 1, Scope 2, and Scope 3 (Categories 1, 2, 3, 4, 5, 6, 7, 10, 11, and 12).

Notes concerning forward-looking statements

The performance forecasts, plans, and strategies stated in this integrated report are based on currently available materials, and actual results may differ depending on various factors in the future.

* The full-year performance forecasts for the fiscal year ending March 31, 2026 (FY2025) stated in this integrated report are as of the date of preparation of this report (Japanese version prepared on September 30, 2025).

We announced a revision to its performance forecasts on November 5, 2025. For the latest performance forecasts, please refer to the "Notice Concerning Revisions to Full-Year Consolidated Earnings Forecast and Dividend Forecast" posted on our corporate website under IR News.

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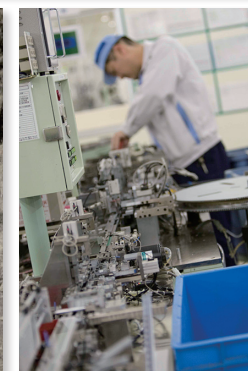
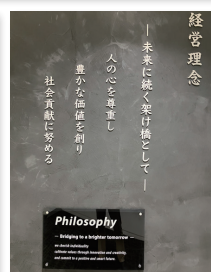
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Origin of the Company Name

Remembering the Gratitude and Inspiration

IRISO ELECTRONICS was founded on December 16, 1966, in Kawasaki City, Kanagawa Prefecture.

In the early days of the company, we primarily focused on assembling printed circuit boards. Our very first customer was a company located in Iriso village (presently Sayama City) in Iruma-gun, Saitama Prefecture. We therefore decided to name our company after Iriso to remember the gratitude and inspiration we were filled with.



Management Philosophy

– Bridging to a brighter tomorrow –

We cherish individuality, cultivate values through innovation and creativity, and commit to a positive and smart future.

We value our customers, investors, employees and all other people, keep delivering top-quality products that satisfy and impress our customers, and commit ourselves to increasing their happiness, trust, confidence and loyalty.

Purpose (Our Role in Society)

To bring this philosophy into shape, we have set our purpose (what role IRISO should play in society), dream (what we envision making happen in the future world) and belief (what we value).

Statement (Declaration of conduct)

Together, surpassing expectations by empowering connections to enrich society and delight people.

Purpose (What role we play in society)

We connect over electric paths with our strong proposal ability to empower customers. We provide secure, safe and user-friendly connections.

Dream (What we envision making happen in society)

We are deeply committed to the act of “connecting” and create a future world friendly to people and environment, where a wide array of features and functions are easily connected.

- High quality: legal compliance, quality first and customer trust
- Manpower-saving: deep commitment to floating technology for assembly automation
- Resource saving: deep commitment to downsizing and composite technology for lightweight products

Belief (What we value)

Full of Gratitude and Inspiration for All Customers.

The name “IRISO” is deeply rooted in our gratitude to customers.

We turn our joy of working into unique technology and express our appreciation in the form of reliable and impressive products.

Slogan

Interconnect with Reliable Solution

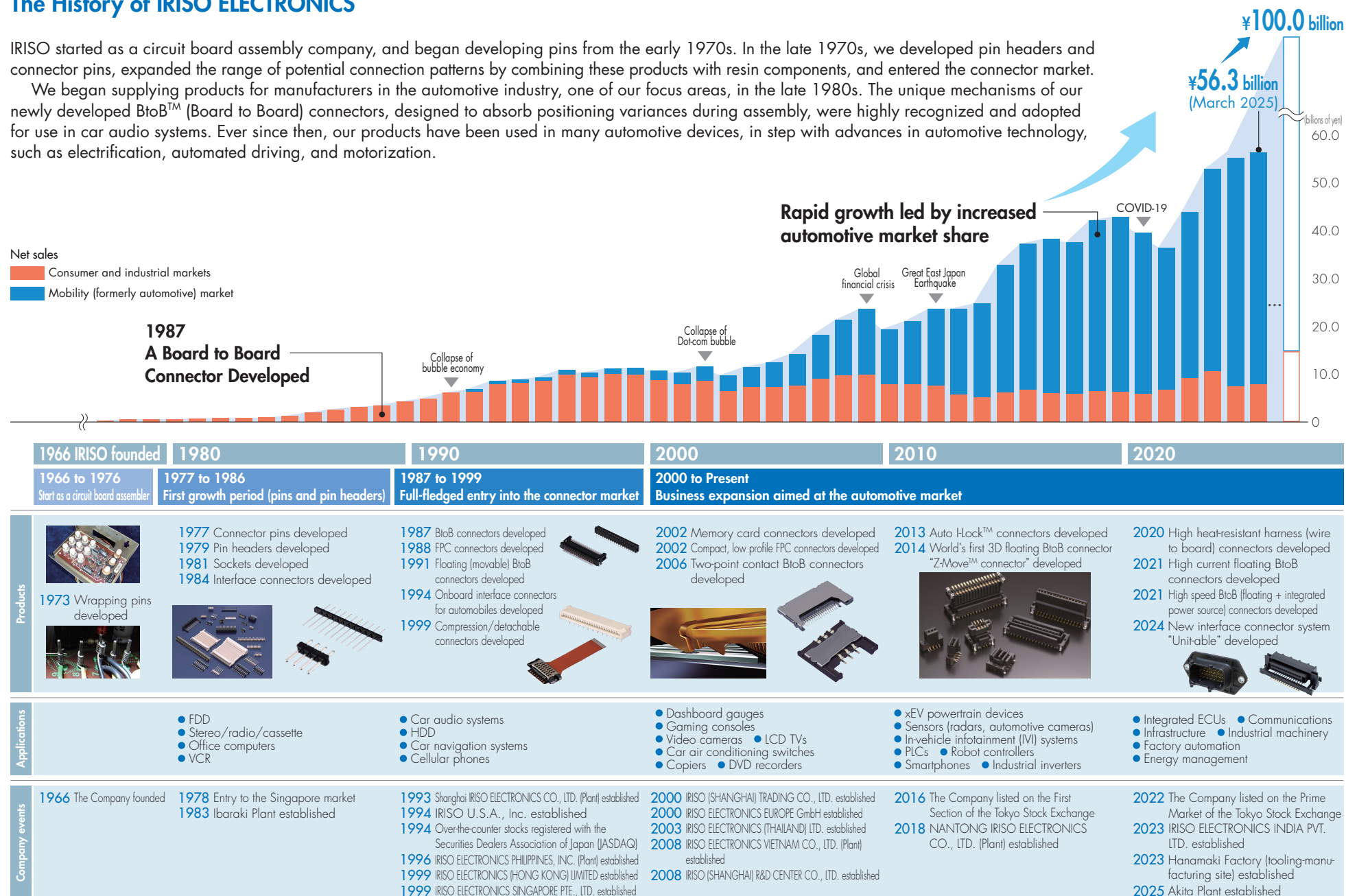
We suggest safe and secure connection solutions developed through our businesses with life-critical equipment manufacturers to our customers.



The History of IRISO ELECTRONICS

IRISO started as a circuit board assembly company, and began developing pins from the early 1970s. In the late 1970s, we developed pin headers and connector pins, expanded the range of potential connection patterns by combining these products with resin components, and entered the connector market.

We began supplying products for manufacturers in the automotive industry, one of our focus areas, in the late 1980s. The unique mechanisms of our newly developed BtoB™ (Board to Board) connectors, designed to absorb positioning variances during assembly, were highly recognized and adopted for use in car audio systems. Ever since then, our products have been used in many automotive devices, in step with advances in automotive technology, such as electrification, automated driving, and motorization.



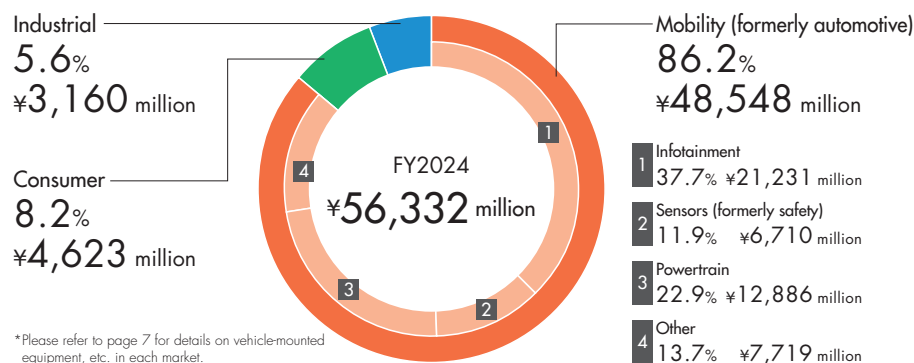
At a Glance

Business Description

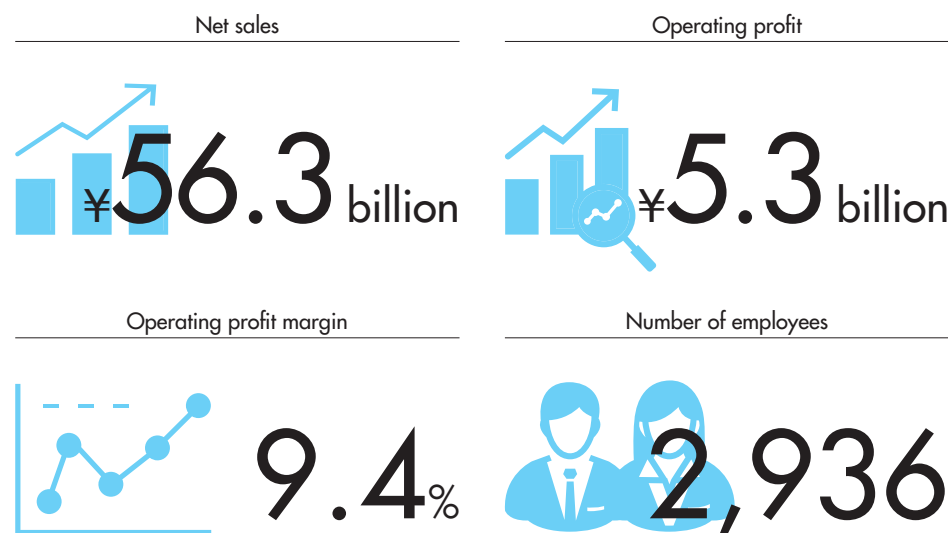
IRISO develops and manufactures "connectors" that connect electricity or signals inside devices and sells them worldwide.

The products are used in a wide range of industries, including automotive parts, industrial equipment, and consumer devices, and as 80% or more of sales are from automotive applications, IRISO is known as "IRISO for automotive" in the industry.

Sales Breakdown by market



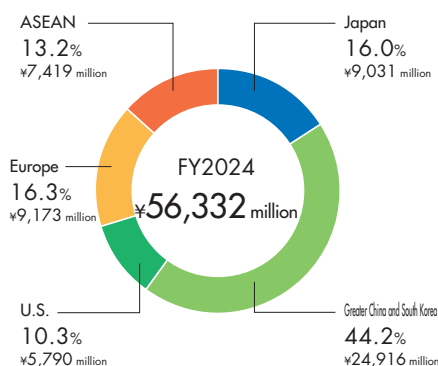
IRISO by the Numbers (FY2024)



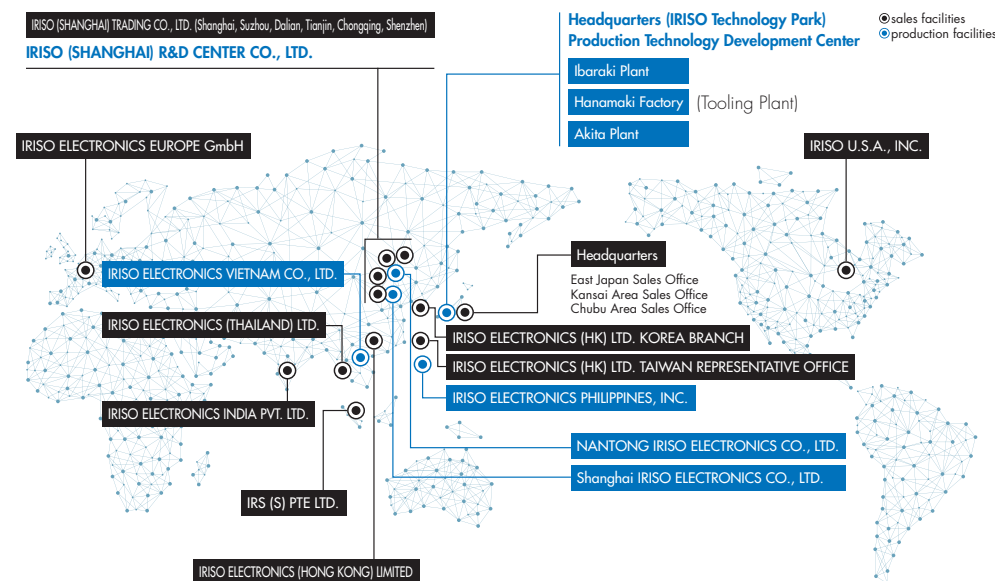
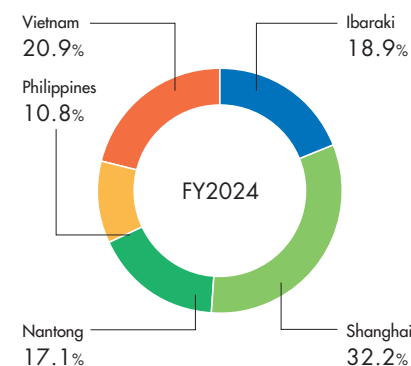
Global Business Foundation

IRISO products are used widely not only in Japan, but also by the world's leading global companies. We expanded overseas at an early stage, and we are engaged in a worldwide business with at least 80% of sales and production being conducted overseas.

Sales breakdown by region



Production breakdown by region



IRISO's Business

The Roles and Benefits of Connectors

Connectors are important components used to transmit the added value created on circuit boards or devices without loss. Their history dates back to World War II. It is said that they were invented to meet the need for replacing only the broken components of devices. The invention of connectors made it possible to remove components that previously could not be removed because they were directly soldered on.

The increasingly widespread use of printed circuit boards and the invention of various electronic components produced synergistic benefits for connectors. Over time, their shapes changed significantly, but they remained valued for their ease of use, stable quality, contributions to size reduction, and ability to enable disassembly. Today, they are widely used in everything from the largest to the smallest devices.

Connection Method Comparison

	Soldering	Welding	Harness and wire	Connector
Ease of use: Automatic assembly, process streamlining	○	×	×	◎
Quality stability: Uniformity, noise resistance	△	△	○	○
Size reduction	△	×	△	◎
Ease of disassembly: Repair, recycling	○	○	△	◎

IRISO Products

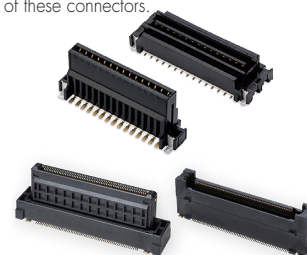
Today, we use all kinds of electronic devices, such as computers and smartphones. The number of electronic devices used in automobiles and factory machinery is also increasing, and their functions are becoming more advanced.

Printed circuit boards are the heart of electronic devices, with components performing a wide range of functions arranged on them, creating a landscape that resembles a cityscape. IRISO connectors help the components on these circuit boards to fulfill their roles by passing on signals and electricity. IRISO has a wide-ranging lineup of these connectors, which are used inside devices and thus seldom seen. Our lineup primarily consists of board to board (BtoB) connectors and connectors for flexible printed circuits (FPCs).

BtoB™ Connectors

Board to Board (BtoB) connectors are connectors developed for high-density installation for printed circuit boards. Floating connectors can move in all directions—forward, backward, left, and right. They are designed to absorb connection misalignments. The combination of sockets and plugs allows them to move along the X, Y, and Z axes in relation to a plane, making their design and structure highly effective at accommodating misalignment.

BtoB connectors are IRISO's primary products, and we are an industry leader, offering an overwhelming variety of these connectors.



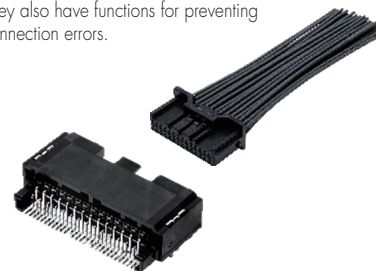
☑ Watch the video introduction to our products (Japanese only)
<https://youtu.be/rY4QWUrhDJk>

Wire to Board Connectors

These connectors are used to connect circuit boards to non-waterproof wire harnesses designed to meet automotive specifications. They are compact, low-profile, and high-density, capable of withstanding high temperatures and being surface-mounted, which allows for automatic mounting.

They are so reliable that they can be used even in harsh, high-temperature environments such as automobile engines and batteries.

They are also designed to be more user-oriented, with a shape that makes them easy to hold when inserting cables. They also have functions for preventing connection errors.



FPC/FFC Connectors

FPC/FFC connectors were developed to connect separate circuit boards using flexible, laminated cables known as flexible printed circuits (FPCs) or flexible flat cables (FFCs).

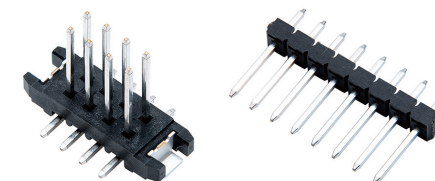
IRISO connectors include both zero insertion force (ZIF) connectors, which can lock FPCs/FFCs using almost no force, and NON-ZIF connectors which can be inserted using only a small amount of force. IRISO offers a wide variety of FPC/FFC connectors including Auto I-Lock™ connectors with highly dependable two-point contact designs, providing both ease of use and high reliability.



☑ Watch the video introduction to our products (Japanese only)
<https://www.youtube.com/watch?v=BDkF4hlvm8g>

Pin Header Connectors

Our pin header connectors are essentially shaped like plugs, with a locking (resin insulator) that supports pins (non-ferrous electrical conductors) made from cut and processed wire material. They are used for internal connections between circuit boards in various technologies and devices. Seen from the side, they somewhat resemble kenzan, the spiked stands used in ikebana flower arrangements. IRISO started from pins. A wide variety of designs with varying pin lengths, pin diameters, and locking positions are available.



IRISO's Business Domains



Mobility Market

IRISO connectors are installed in automobiles around the world, from gasoline-powered vehicles to electric vehicles, fulfilling the role of connecting.

Main installed equipment

■ Infotainment Market

Car navigation systems, car audio systems, cluster panels,IVI, etc.

■ Sensor Market

Millimeter wave radar, LiDAR, cameras

■ Powertrain Market

Converters, inverters, BMS (battery management system), chargers, etc.

■ Other

Switches, two-wheelers, etc.

Business opportunities

- Progress of electrification
- Progress of automation
- Factors such as the evolution of electrification and autonomous driving have increased the number of ECUs in vehicles and opportunities for internal connections on circuit boards
- By leveraging vibration and heat resistance, connection reliability, and high-speed transmission technologies developed through the automotive business, we will expand our business portfolio into mobility sectors such as agricultural machinery, construction machinery, and flying vehicles

Sales for FY2024

¥48.5 billion (sales breakdown: 86.2%)

- Infotainment Market: ¥21.2 billion (sales breakdown: 37.7%)
- Sensor Market: ¥6.7 billion (sales breakdown: 11.9%)
- Powertrain Market: ¥12.8 billion (sales breakdown: 22.9%)
- Others: ¥7.7 billion (sales breakdown: 13.7%)



Consumer Market

Recently, life has become more convenient thanks to smart technology. IRISO connectors are also widely used inside devices in our daily lives.

Main installed equipment

Printers, gaming consoles, digital cameras, LCD TVs, etc.



Business opportunities

- Increase in high-definition image processing
- Assembly automation through the use of connectors
- Size and weight reduction

Sales for FY2024

¥4.6 billion (sales breakdown: 8.2%)

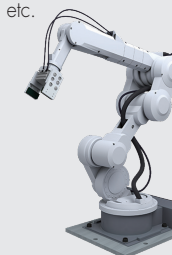


Industrial Market

Automation at production sites is advancing. The use of connectors in various devices used at production sites is also increasing. Our products are also installed in infrastructure supporting daily life, such as base stations for high-speed communications and smart meters.

Main installed equipment

FA-related equipment (PLCs, inverters, etc.), base stations, smart meters, energy management equipment, etc.



Business opportunities

- Increased automation and use of robots at production sites in response to labor shortages
- Increased communication speed
- Expansion of semiconductor manufacturing equipment and energy management market

Sales for FY2024

¥3.1 billion (sales breakdown: 5.6%)



IRISO's Strengths

IRISO's strengths lies in its pursuit of reliability. We use an integrated and consistent approach to development, design, manufacturing, and sales, building a solid track record in the automotive market, which demands high levels of quality. In automobiles, IRISO connectors are used in everything from the car navigation systems we rely on daily to powertrains, the heart of vehicles, which are essential for driving, turning, and stopping. This track record and the trust we have earned explain why IRISO has become a connector supplier of choice around the world, as well as why our customers can feel secure using our products.

Strength 1 Customer Network in the Automotive Market

Changes in automobiles

Floating connectors offer high levels of connection reliability and ease of assembly. They began being used in car audio systems in the 1990s. With further advances in the electrification of automotive systems, such as the use of switches to open and close windows, demand for connectors, which relay electrical power and signals, has risen. From the late 2010s onward, there have been technical innovations in a new business sector, CASE, which stands for "Connected, Autonomous/Automated, Shared, Electric."

Proactive solution proposals

During this period, we expanded our network of sales sites worldwide, establishing a system that integrates technology and sales to deliver proposals directly to customers. We dedicated significant effort to developing proactive solutions that respond to market changes and meet customer needs. We helped reduce the size of devices by replacing harnesses and cables with our BioB and FPC connectors, and we contributed to the automation of assembly with our floating connectors.

Business with global automotive component manufacturers

As a result of these efforts, we are doing business with many global component manufacturers in the automotive industry, an industry with high barriers to entry. Another distinctive feature of IRISO is that we are not part of any automotive group, allowing us to do business with a wide range of companies.

In recent years, we have also been doing more business with new Asian companies making automobile battery devices, an area that is growing as the electrification of vehicles accelerates.

Strength 2 Floating Technologies

What are floating connectors?

- Floating connectors reduce the stress placed on soldered areas when they are connected. Springs in connector terminals reduce the load placed on soldered components and absorb misalignment when assembling devices, helping prevent soldered components from being damaged.
→ Improved connection reliability.
- Connectors can move while maintaining their connections, allowing multiple connectors to simultaneously be connected on the same circuit board
→ Improved ease of assembly

Varieties of floating connectors and sales track record

Since developing our first floating connector in 1991, our floating connectors have been used not only in the automotive market but also in the industrial market in recent years.

Currently, we offer roughly 100 series, 400 types, and 1,400 possible combinations of connectors with floating functions alone.

We have sold over 5 billion of these products, and we have an extensive track record in the automotive market, which is known for its focus on reliability and its high barrier to entry.

📺 Watch the video introduction to our products

<https://youtu.be/QiJUnDr0THE>

Delivering added value through floating technologies at our core

We meet the demands of our customers by adding new value to our floating technologies, one of IRISO's strengths.

Examples of functions providing additional value

- **3D movement (Z-Move™):** These connectors offer an enhanced level of vibration resistance through their floating structure, which can move not only in the X and Y directions but also in the Z direction, all the while maintaining connectivity.
- **High speed transmission:** Our connectors not only handle high transmission speeds of 25 Gbps, but also have movement ranges that exceed pitch widths. They have power terminals, and the overall sizes of connectors are minimized.
- **Two-point contact:** These connectors have a high degree of reliability, preventing poor contact and keeping out foreign substances when connecting components.

Strength 3 Connector Technology for Robotic Assembly

With the growing shortage of labor, demand for industrial robots is rapidly increasing. Robotic production contributes to improved assembly quality, stabilized production takt time, and curbing wage increases. However, process-related defects such as foreign substances contamination, misalignment during mounting or mating, and incomplete mating can still occur.

Based on its proven technologies, IRISO offers "automation connectors" optimized for robotic production environments.

Three core technologies behind automation connectors

● Floating connectors

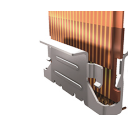
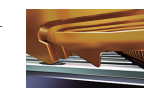
We offer one of the industry's most extensive lineups of floating connectors. Floating connectors can absorb misalignment between circuit boards and allow multiple units to be mounted and mated on the same board. They can also accommodate slight positional deviations during robotic assembly.

● Two-point contact structure

The two-point contact structure features two contact points on a single pin. This design helps remove foreign substances such as floating substances or scattered flux and ensures stable contact through reliable wiping action, thereby improving connection reliability.

● Auto I-Lock™ structure

FPC/FFC cards were previously considered unsuitable for robotic assembly. However, IRISO's Auto I-Lock™ FPC/FFC connectors automatically lock when a card is inserted, enabling reliable mating even with robotic assembly.



Winner of the Japan Society of Mechanical Engineers' Excellent Product Award

Amid growing concerns over the declining labor force in the manufacturing industry, IRISO's three core technologies that make up its "automation connectors" were recognized for their significant contribution to promoting automated assembly using industrial robots and driving innovation in the robotics field. As a result, the Company received the 2021 Excellent Product Award from the Japan Society of Mechanical Engineers.



IRISO Solutions to Social Issues

Business Opportunities in the Electrification Market and IRISO's Contribution

Vehicle electrification is important for a decarbonized society. IRISO connectors are used in xEVs (electrified vehicles) such as EVs, FCHVs, PHVs, and HEVs.

Unlike gasoline-powered vehicles with internal combustion engines, xEVs run on a rotating motor that uses electrical energy stored in a battery. Power systems for electric vehicles consist mainly of an onboard charger, battery management system, DC-DC converter, and inverter, which are referred to as the powertrain equipment of electric vehicles. IRISO connectors are installed in these powertrain devices. We have customers all over the world and play a part in the acceleration of car electrification worldwide.

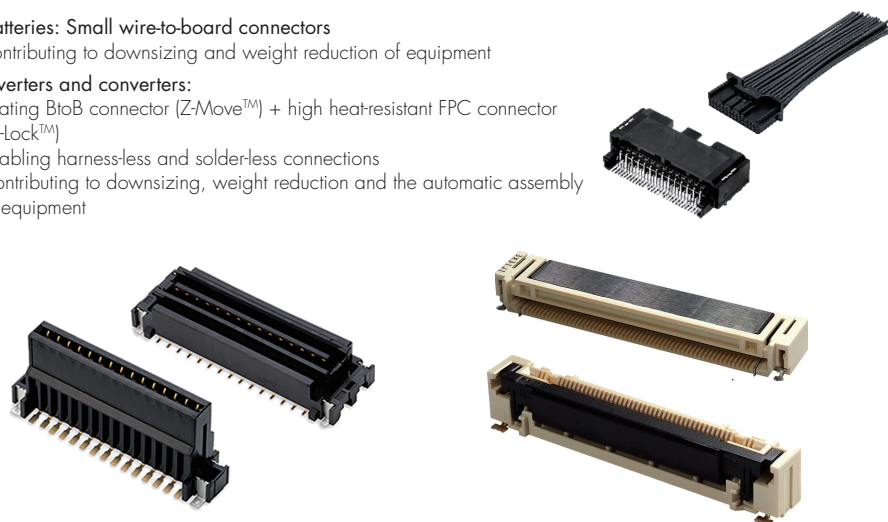
Technologies and Advantages in the Electrification Market

Vibration Resistance Solution Service: Z-Move™ + Vibration Simulation

- The world's first three-dimensional floating BtoB connector "Z-Move™" lineup, which was developed for use in harsh vibration environments, such as xEV powertrain equipment
- The vibration resistance of customers' equipment can be evaluated by vibration analysis with unique simulations that IRISO has developed, as well as by using Z-Move™
IRISO's unique "Vibration Resistance Solution Service" helps customers improve design reliability at the design phase and shorten their development time

Helping Customer Assembly

- For batteries: Small wire-to-board connectors
→ Contributing to downsizing and weight reduction of equipment
- For inverters and converters:
3D floating BtoB connector (Z-Move™) + high heat-resistant FPC connector (Auto H-lock™)
→ Enabling harness-less and solder-less connections
· Contributing to downsizing, weight reduction and the automatic assembly of equipment



Business Opportunities and Contributions in the Autonomous Driving Vehicle Market

The global adoption of autonomous driving and advanced driver assistance systems (ADAS) for assisting drivers is expected to have a significant effect on reducing traffic accidents caused by drivers.

Autonomous driving and ADAS require various sensors, such as onboard cameras and radar, that gather information from the outside world, and ECUs and other devices, that identify useful information in the data collected by the sensors and make decisions on vehicle control.

Our connectors are used for these devices and play a key role in improving the levels of autonomy in vehicles and ADAS development.

Technologies and Core Competency in the Automated Driving and ADAS Markets

Onboard Coaxial Camera Solution

- We offer the "Absorb 6G CAM," a solution for onboard coaxial cable camera, in line with the concept of "total connector solutions for camera-inside system through connecting cables, not just a connector itself as a single product"
- The connector is designed to meet diverse needs, such as streamlining the production process by assisting automated assembly, as well as increasing the image resolutions and miniaturizing the system of cameras by using our connectors suitable for high-speed transmission and product downsizing



2024 Topics

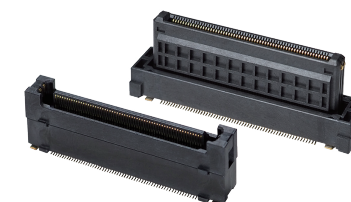
Joint development with KEL Corporation of compact coaxial connectors for automotive cameras supporting up to 9 GHz, to further enhance our solution capabilities

KEL



High-Speed Transmission Connector

- Internal connections in Engine Control Units (ECU) for autonomous driving, which control a large number of onboard cameras, need high-speed transmission
- The 10143 series, which is capable of 25-Gbps high-speed transmission, the highest speed ever among all floating BtoB connectors, can meet such needs for higher speeds



Top Message

Unlocking a brighter tomorrow with value that surpasses expectations

With the launch of operations at the new Akita Plant, IRISO Electronics is working to optimize its global production system. Through the focus strategies of the Medium-Term Management Plan, we will build a foothold toward further growth and aim for future success. We will also pursue initiatives based on our five materiality goals to become a sustainable company.

In this message, I would like to explain to you our shared management philosophy structure and our initiatives to contribute to society through our business, as well as share with you the challenges we are taking on to achieve our Medium-Term Management Plan.

Hitoshi Suzuki Representative Director and President



The intentions behind our management philosophy structure and our commitment to contributing to society through our business

At IRISO Electronics, we uphold “—Bridging to a brighter tomorrow—We cherish individuality, cultivate values through innovation and creativity, and commit to a positive and smart future” as our Management Philosophy. This philosophy has been given further shape with our Statement, Purpose (what role we play in society), and Dream (what we envision making happen in society). Together, these form our Management Philosophy structure that indicates our own values and mission, which we strive to communicate outside the Company and share and instill within our entire organization. Embodied therein is our desire to surpass the expectations of society and our customers by empowering safe, secure, and comfortable connections and to create a brighter future that is kind to people and the environment by deepening these connections.

The IRISO Electronics Group currently has around 3,000 employees throughout the world. Companies must value the individual thoughts of each employee while aligning their focus as a team to move forward in the same direction. Without that alignment of focus, their individual paths may diverge. The importance of aligning our focus is never greater than at times of uncertainty. This is the reason for sharing and instilling our management philosophy structure throughout the Company.



In particular, I strongly emphasize to all Group employees the phrase “surpassing expectations” of society and customers found in the Statement, and I take time to explain it to them. This is because “surpassing expectations” is what gives absolute peace of mind, safety, and comfort to society and customers, guaranteeing confidence in the value that we provide.

In recent years, as changes in social conditions and markets have become increasingly rapid and continue to have irreversible impacts on people’s daily lives, we have reaffirmed our unwavering commitment to our management philosophy structure and strengthened our resolve to contribute to society through business.

The IRISO Electronics Group manufactures and sells connectors that connect automotive devices, industrial equipment, and other devices and components and send electronic signals. Over the years, we have supported safety and security in society through the provision of high-quality connectors that guarantee the stable operation of equipment and ensure that their functions are maintained. We are now further refining our technological capabilities, contributing to the provision of customers’ performance requirements, such as by making products more compact and lightweight, enabling higher transmission speeds, and supporting automated production, and to the realization of a green society.

Another duty that we must fulfill is the maintenance of a stable product supply. If even a single connector is missing, equipment will be unable to function. Not only will vehicles be unable to move, but industrial equipment and communication devices will also cease to operate. In April 2025, the Group began operation of its new Akita Plant. We built the new plant in Akita as part of our business continuity plan (BCP). Our objective was to expand and strengthen our global production system, alongside our existing plants in Japan and overseas, to enable the stable production and supply of the same products in any region in the event of natural disasters or the impact of geopolitical risks.

The Group will continue to materialize the corporate philosophy structure across our entire organization and fulfill an even greater social contribution while further expanding our business.

Instilling an awareness of co-existence with society and the environment within the Company a year after identifying our five materiality goals

The IRISO Electronics Group practices sustainability management, and in May 2024, we identified the following five materiality goals (important issues).

- ① Addressing social issues and growing the company’s business
- ② Unlocking the power of manufacturing to support value creation
- ③ Working towards secure, safe and livable society that supports people and the environment
- ④ Fostering workplace diversity and inclusion
- ⑤ Improving the management foundation

A year after they were identified, awareness of these materiality goals has gradually expanded throughout the Company, and initiatives to achieve the KPI targets of the individual goals are underway. With regard to the environmental theme, “Working towards secure, safe and livable society that supports people and the environment,” in particular, the entire Group is working together on activities to achieve the FY2030 targets of the major KPIs, namely the reduction of CO₂ emissions from electricity and greenhouse gas emissions, and the improvement of the electricity intensity of our plants. In February 2025, CDP, an international non-profit organization that provides environmental disclosure systems, granted us a “B” score in the Climate Change category, in recognition of our climate change responses and information disclosures.

Meanwhile, the social themes of “Addressing social issues and growing the company’s business” and “Unlocking the power of manufacturing to support value creation” will be realized by increasing sales of products that contribute to mobility automation and electrification and by improving productivity. Alongside the management themes of “Fostering workplace diversity and inclusion” and “Improving the management foundation,” these initiatives will generate outcomes with a long-term approach. We intend to continue instilling in the Company an awareness of our role as an



enterprise to co-exist and share prosperity with society and the environment.

Expanding and optimizing our global production system from the perspectives of local production for local consumption and BCP

The IRISO Electronics Group conducts business in Japan, Asia, Europe, and the United States. Our products are sold by sales bases in 10 countries worldwide, and we have increased our overseas sales ratio to around 80%. Further, in the automotive industry, through transactions with almost all Tier 1 suppliers (suppliers that deliver components directly to finished vehicle manufacturers), we have built up a position in which IRISO connectors are installed in cars of manufacturers from around the world.

We have production sites in operation in two locations in Japan, namely our Ibaraki Plant and the new Akita Plant, and four locations overseas—the Shanghai Plant and Nantong Plant in China, the Philippines Plant, and the Vietnam Plant. Until now, our overseas plants have accounted for around 80% of total production, but with the launch of the new Akita Plant, its share of production will gradually increase, and we anticipate that, ultimately, 30% of our supply will come from products manufactured in Japan. We are also planning to increase the rate of local production for local consumption in Japan and China to 80% or more.

A distinctive characteristic of this global production system is that all of our plants deal with the mobility, industrial, and consumer markets and are able to manufacture the same products. This could be described as a major strength of the Group, in that we are able to respond smoothly to our customers' global expansion moves and supply products through local production for local consumption at all of our plants. Additionally, in recent years, we have been promoting in-house tooling manufacturing, and we have also just started working on standardization. Going forward, we will also standardize our assembly equipment with the intention of speeding up the launch of production lines.

In the context of local production for local consumption, production sites in Europe and the United States will also be needed. However, since the commencement of operations of the new Akita Plant, with the Group's scale, Group-wide production capacity is able to cover sales worth around 100.0 billion yen. For this reason, although we do not have any plans to establish production sites in Europe or the United States for the foreseeable future, if the need does arise in the future, we will consider whether to establish our own plant or to make use of contracted production.

Achieving sustainable growth through business portfolio optimization to realize our vision

The long-term growth targets that we have set out are the achievement of 100.0 billion yen in net sales and the realization of a global top-ten ranking in the connector component industry. While the road ahead is expected to be a long one, in terms of the concrete processes for realizing these goals, having failed to realize significant growth in business results in recent years, we are currently rewriting our growth strategies.

Our direction of expanding business primarily in the mobility market will not change. In the immediate term, while the shift to electric vehicles has slowed, the trend toward decarbonization is expected to drive reductions in CO₂ emissions and fuel consumption and lead to the eventual phase-out of gasoline vehicles. As many automobile manufacturers are actively moving in that direction, we are focusing our efforts on expansion in the powertrain market to seize business opportunities. Although the expansion of autonomous driving has not progressed as much as we had anticipated due to government restrictions, we will continue to strengthen our responses in the sensor market in anticipation of the future.

On the other hand, given that the mobility market already accounts for 86.5% (FY2024) of the Group's total net sales, the optimization of our business portfolio is an essential prerequisite for sustainable growth. To establish the industrial market as the "second pillar" of our business,

we intend to capitalize on the growth of factory automation equipment and robotics to meet automation and manpower-saving needs, the expansion of the AI market, and the increasing adoption of energy management solutions. Most recently, we have successfully broken into the energy management market, and we will continue to expand the breadth of our entry into that market.

The key to capturing these kinds of new growth opportunities will be the appropriate matching of products that the Group offers with markets. For example, in the industrial and consumer markets in recent years, there have been fewer new products emerging in Japan, and the playing field has shifted to China and the United States. For this reason, we are exploring product needs and working to capture opportunities in those regions.

In terms of our product offerings, instead of relying solely on our own products, we will leverage external resources to supplement areas where the Group's offerings are lacking. We will also engage in joint development of products with other companies. An example of this is the joint development with KEL Corporation of in-vehicle small coaxial connectors, which was announced in May 2025. By actively engaging in this kind of external co-creation and leveraging each other's strengths, we will broaden our value provision and capture growth opportunities.

We will build the foundation of "IRISO for future mobility" and strengthen our overseas expansion in the industrial market

We have launched the "2026 Medium-Term Management Plan," covering the three-year period from FY2024 to FY2026. The aims of this plan are to maintain average annual sales growth of 5% over the three years and achieve 65.0 billion yen in net sales and operating profit of 10.0 billion yen (operating profit ratio of 15.4%) in the final year of the plan. In terms of capital efficiency, we have set targets of 10% for both ROE and ROIC.

As a focus strategy on the sales front, we will work on preparing the ground for shifting from "IRISO for automotive"



to “IRISO for future mobility” and increasing our global presence in the industrial market. At the same time, we will strive to improve productivity, cost, and quality competitiveness to lay the foundation for overcoming issues and getting back on a growth track.

In FY2024, the first year of the Plan, the recording of sales ahead of schedule in the previous fiscal year in preparation for the transition to a new ERP system had an impact on the business results for the fiscal year under review. However, helped by the effects of the weaker yen, we achieved increases in net sales in all segments, namely the mobility market, consumer market, and industrial market. As a result, net sales overall reached a new record high of 56,332 million yen (up 1.9% year on year). However, if the effects of the weaker yen are excluded, net sales stopped at approximately 54,000 million yen, indicating that challenges remain in achieving growth based on actual performance.

On the profit front, in addition to the increased costs from the launch of the new ERP system and the new Akita Plant, we were also impacted by sharp rises in the costs of raw materials, labor, and transport. For this reason, operating profit fell by 10.6% year on year to 5,307 million yen and ordinary profit by 23.4% to 5,504 million yen. Due to the recording of 1,990 million yen in structural reform expenses as an extraordinary loss, profit attributable to owners of parent fell by 52.4% year on year to 2,662 million yen. Operating profit margin fell from 10.7% in the previous fiscal year to 9.4%, but it was over 10% from the 2nd quarter onward. Operating cashflows amounted to 12,043 million yen, with a margin rate of 21.4%, meaning that our capacity to generate cash was maintained at a high level.

In the mobility market, the powertrain and infotainment markets performed strongly, and net sales exceeded the previous fiscal year’s result. In the powertrain market, we increased sales of on-board wire-to-board (WtoB) connectors for battery management systems (BMS), and net sales from the 3D floating BtoB connector “ZMove” also increased. In the infotainment market, in addition to strong performance in LCD panels, net sales from high-speed transmission floating BtoB connectors expanded to approximately triple that of the previous fiscal year. In the sensor market, although net sales for cameras were maintained due to the expansion

of customers, net sales for radars declined due to a fall in the number of vehicle models equipped with radars and to structural changes in certain devices.

In the industrial market, our entry into the energy management market produced results, compensating for sluggish sales for FA-related equipment, resulting in a slight increase over the previous fiscal year.

In the consumer market, while the downturn in sales for gaming consoles continued, sales of products for printers and digital cameras grew, and an increase in net sales was achieved.

In terms of initiatives for the future, in the mobility market, we have taken the on-board WtoB connectors that we primarily sell in China and tailored them to U.S. and European specifications, with the aim of achieving their adoption in xEV powertrain equipment. In the infotainment market as well, we have asked customers to evaluate prototypes of our next-generation specification high-speed transmission floating BtoB connectors and are working toward securing their adoption.

In the industrial market, as part of a review of our sales channels and methods, we signed a distributor agreement with Arrow Electronics in February 2025, to better accommodate models and modules that we are unable to cover fully with our existing direct sales structure. Through our collaboration with Arrow Electronics, we intend to expand our sales channels and win a wider range of customers.

Leveraging the effects of structural reforms to drive our next growth and achieve our goals by steadily executing our focus strategies

We launched Group-wide structural reforms in February 2025 for the improvement of our cost structure. Through a review of production sites’ roles, we are working to improve production efficiency, while leveraging the new ERP system to pursue improvements in operational efficiency. In FY2024, in addition to shifting some production and functions from the Ibaraki Plant to the new Akita Plant, we put out a call for voluntary redundancies for the optimization of

staff numbers in Japan. The structural reform expenditures of 1,990 million yen incurred in these actions were recorded as an extraordinary loss. As a result of these initiatives, we expect to ultimately generate an annual benefit of approximately 890 million yen.

In FY2025, the second year of the Medium-Term Management Plan, car production is expected to fall to 88 million units. We forecast that the mobility market will see a decline in net sales, due to a decline in the sensor market, despite an increase in the infotainment market. In the industrial market, the expansion of energy management applications will underpin performance, and we forecast an increase in net sales. However, the consumer market is expected to be sluggish due to a decline in sales for gaming consoles.

Assuming the above, our forecasts for consolidated financial results are net sales of 55.0 billion yen (down 2.4% on FY2024), operating profit of 5.5 billion yen (up 3.6%), ordinary profit of 5.4 billion yen (down 1.9%), and profit attributable to owners of parent of 3.9 billion yen (up 46.5%).

While these forecasts deviate from the targets for FY2026, the final year of the Medium-Term Management Plan, we aim to turn things around by prioritizing revenue growth, including in the short term, and the recovery of



earning power, and by focusing our efforts on expanding our business in each market and strengthening our management foundations.

In the mobility market, we will work to increase sales of products compliant with U.S. and European standards and expand the line-up of the 3D floating BtoB connector “Z-Move” for the expansion of the powertrain market. Meanwhile, in the infotainment market, we will introduce next-generation high-speed-compatible products and scalable connectors for automotive centralized control ECUs. In the sensor market, we will work to capture new demand through the early achievement of mass production of the products jointly developed with KEL Corporation.

In the industrial market, while continuing to increase sales in the energy management market, we will develop new markets in the AI, semiconductor manufacturing equipment, and communications sectors. Further, we will strengthen our sales activities through the aforementioned collaboration with Arrow Electronics.

The key points for the strengthening of our management foundations will be the improvement of productivity and establishment of frameworks through the start of operations at the new Akita Plant and the review of headquarters functions to improve the efficiency of back-office operations. Additionally, the entire Group will leverage the new ERP system for the standardization of operations and visualization of the supply chain, aiming to reduce indirect costs while improving capital investment efficiency and reducing fixed costs.

In terms of the external environment, the risks resulting from U.S. tariff policies are cause for concern. At this point in time, we predict a negative impact of approximately 2.5 billion yen due to the decline in global car sales, including approximately 1.0 billion yen from the decline in car sales volumes in North America. However, as the situation is changing minute by minute, we have not reflected these forecasts into our FY2025 business results forecasts. While working closely with our customers to gather information, we are also considering relocating our production sites for the U.S. mainland to the optimal location for tax purposes, and we will respond promptly and accurately.

We will leverage the diversity of our human resources as a company operating globally to enhance corporate value

The sustainability promotion structure of the Group conducts Group-wide activities, centered on the CSR Promotion Department and the Business Strategy Meeting, which consists of executive officers, under the leadership of the Director and General Manager of the Administration Division. Activity goals are set not only for headquarters and domestic locations, but also for overseas locations, and activities are carried out while providing a unified direction across the entire Group.

As part of our human capital management initiatives to encourage active participation by our personnel and enhance corporate value, we plan to place efforts into the recruitment and promotion of global talent going forward. Currently, one of our executive officers is Chinese, but as a corporate group that conducts business globally with around 2,400 non-Japanese employees working for us in various parts of the world, we acknowledge that we should do more to leverage the diversity of our personnel. At our overseas production sites, plant general managers are currently dispatched from Japan, with the exception of the Shanghai Plant, where a local employee serves in that position. Going forward, we will actively recruit and develop local talent and open up pathways to executive promotions, to expand opportunities for growth and active participation.

Internally as well, to improve employee engagement, I personally travel around our various locations to conduct town hall meetings, where I hold direct dialogue and exchange opinions with employees. At these meetings, I convey the Company's policies, strategies, and approaches, and at the same time, I listen to the wishes and opinions expressed by the employees. I will continue this initiative as an opportunity to value the individual thoughts of each employee while aligning their focus as a team to move forward in the same direction, which I mentioned at the beginning.

Leveraging the competitive advantage of our unique connectors to increase market share and open up new markets

Regarding the return of profits to our shareholders, our basic policy is to issue dividends with a target of a payout ratio of over 40% or a dividend on equity (DOE) of 5% in FY2026, maintaining a balance between growth investments and shareholder returns. On this basis, we issued a year-end dividend for FY2024 of 100 yen per share, as initially planned. We are planning a year-end dividend of 110 yen per share for FY2025.

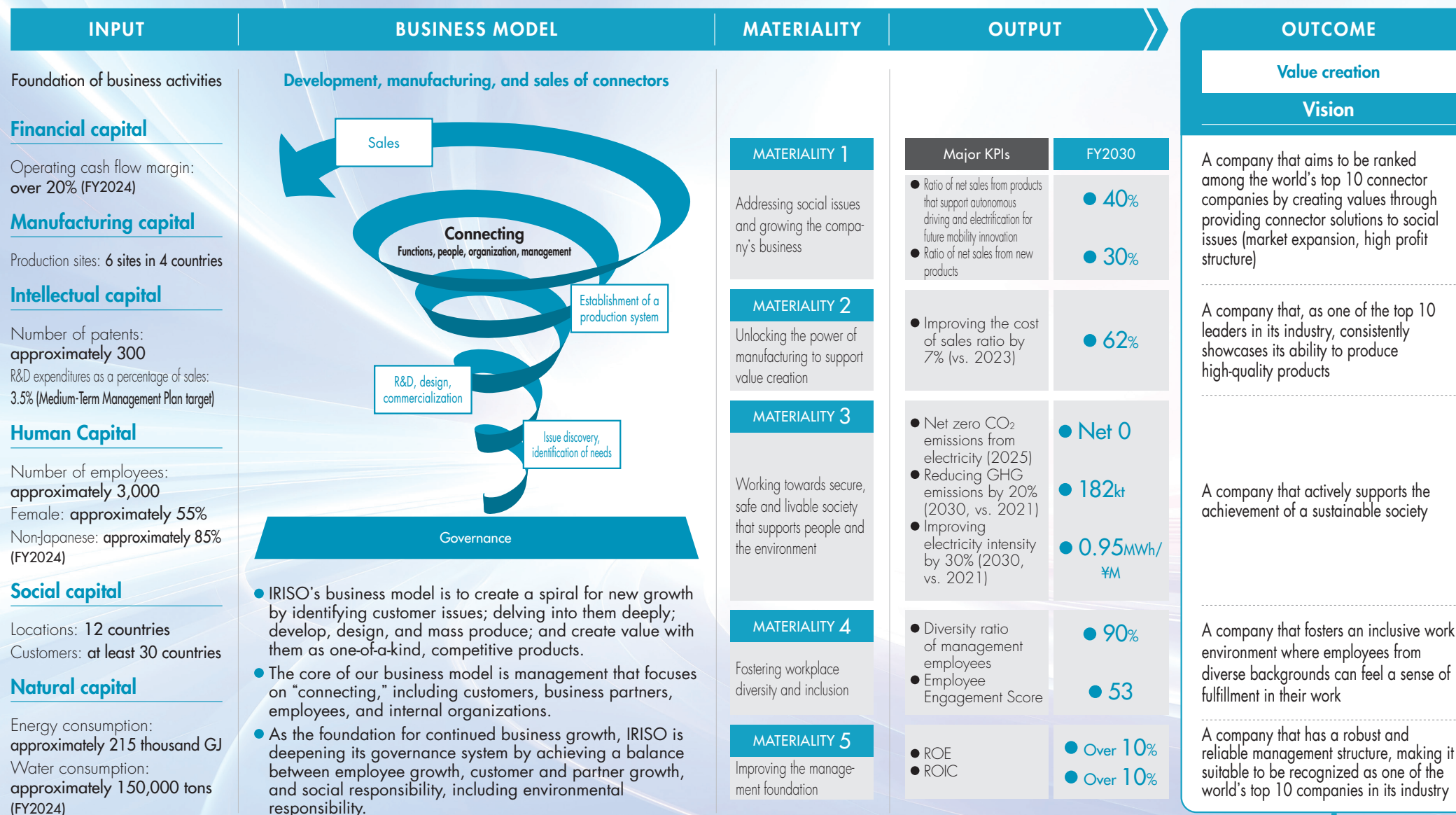
Our current (FY2024) capital efficiency indicators are low at 3.6% ROE and 3.2% ROIC. We will strive to boost our performance to improve these figures as soon as possible, and, while strengthening the return of profits to shareholders, improve our valuation in the stock market.

Many of the connectors that we produce have a competitive advantage over those of other companies. Leveraging that advantage, while increasing our share in existing markets and among existing customers, we will open up new markets to expand our growth potential and profitability. With our large-scale investments now complete, we are entering a phase in which we will leverage those projects to reap their benefits. I hope you will look forward to our achievements in this regard.

To our stakeholders, I hope that you will take note of the great potential of our connectors and continue to give us your long-term support for the Group's businesses.



Value Creation Process



Materiality (Important Sustainability Issues)

What We Envision

We ensure “our company will continue to grow through surpassing social and customer expectations by empowering connections,” as well as “committing to sustainable society, environment and quality through making our employees and stakeholders inspired.”

In 2022, we formulated a CSR policy of “Lean Process for the Earth.” This policy is based on the recognition that the business activities of IRISO themselves contribute to society and help solve environmental and social issues.

For example, by adopting IRISO connectors, customers can improve work efficiency, reduce work hours, minimize the size and weight of equipment, and automate production through the use of robots, which in turn contributes to resource conservation, energy efficiency, and addressing the challenges of a declining workforce. We have redefined IRISO’s CSR as “coexisting with and contributing to society through our business activities,” and we aim to become a sustainable company through the achievement of this CSR policy.

In 2023, along with the formulation of the new purpose of “We connect over electric paths with our strong proposal ability to empower customers. We provide secure, safe and user-friendly connections,” we set a vision for 2035, approximately 10 years into the future.

Based on these activities, along with an analysis of future industry megatrends and numerous social issues, we have evaluated the importance for stakeholders, identified key items for our continuous growth, held discussions with external experts, and determined five materiality issues necessary for IRISO’s sustainable growth.

Materiality Identification Process

Management Philosophy/Purpose	Materiality	Our goals	Vision	Major KPIs	FY2024	FY2030	Opportunities	Risks
Making a list of potential ESG issues identified through reviewing future megatrends including GRI Standards, SASB Standards, etc.	① Addressing social issues and growing the company's business	IRISO will achieve business growth while providing “connections” that exceed the expectations of customers and society and contributing to solving social issues, including decarbonization, labor saving, and resource conservation	A company that aims to be ranked among the world's top 10 connector companies by creating value through providing connector solutions to social issues (market expansion, high profit structure)	<ul style="list-style-type: none"> Ratio of net sales from products that support autonomous driving and electrification for future mobility innovation Ratio of net sales from new products 	● 35% ● 24%	● 40% ● 30%	<ul style="list-style-type: none"> Growing demand for connectors used in electronic components as a result of an increasing number of circuit boards, helped by advanced autonomous driving and electrification in the future mobility market 	<ul style="list-style-type: none"> Decreased competitiveness due to delays in product development that meet market needs
Analyzing both potential risks and opportunities associated with each listed issue	② Unlocking the power of manufacturing to support value creation	IRISO will continuously deliver value that exceeds the expectations of customers and society on a global level through relentless transformation of its manufacturing capabilities	A company that, as one of the top 10 leaders in its industry, consistently showcases its ability to produce high-quality products	<ul style="list-style-type: none"> Improving the cost of sales ratio by 7% (vs. 2023) 	● 68%	● 62%	<ul style="list-style-type: none"> Improving profitability through productivity increase Earning customers' and social trusts 	<ul style="list-style-type: none"> Risks of accidents, lawsuits due to product defects, recalls, and damage to brand value
Evaluating the significance and impacts of the listed issues and mapping the results	③ Working towards secure, safe and livable society that supports people and the environment	IRISO commits to creating a safe, secure, and comfortable society that is friendly to both people and the environment by steadily pursuing initiatives focused on decarbonization, resource conservation and recycling, aimed at forming a decarbonized and recycling-oriented society	A company that actively supports the achievement of a sustainable society	<ul style="list-style-type: none"> Net zero CO₂ emissions from electricity (2025) Reducing GHG emissions by 20% (2030, vs. 2021) Improving electricity intensity by 30% (2030, vs. 2021) 	● 34kt ● 262kt ● 1.03 MWh/¥M	● Net 0 ● 182kt ● 0.95 MWh/¥M	<ul style="list-style-type: none"> Committing to a decarbonized society and circular economy Raising more funding from ESG investors 	<ul style="list-style-type: none"> Business stagnation due to intensified climate change and disasters Increased costs to meet more stringent legal requirements
Extracting likely candidates for materiality in business	④ Fostering workplace diversity and inclusion	IRISO will maximize the abilities and skills of diverse human resources and provide an environment where they can play an active role in order to support manufacturing capabilities on a global level	A company that fosters an inclusive work environment where employees from diverse backgrounds can feel a sense of fulfillment in their work	<ul style="list-style-type: none"> Diversity (foreigners, females and mid-career hires) ratio of management employees Employee engagement score 	● 86% ● 50	● 90% ● 53	<ul style="list-style-type: none"> Hiring diverse and talented human resources Generating further innovation through diversity 	<ul style="list-style-type: none"> Failure to retain diverse and skilled talent Innovation stagnation
Specifying potential materiality in business	⑤ Improving the management foundation	IRISO will strengthen its global management foundation (corporate governance, financial base, supply chain management, etc.) as a sustainable company that contributes to solving social issues	A company that has a robust and reliable management structure, making it suitable to be recognized as one of the world's top 10 companies in its industry	<ul style="list-style-type: none"> ROE ROIC 	● 3.6% ● 3.2%	● Over 10% ● Over 10%	<ul style="list-style-type: none"> Improving trust in society and boosting company value 	<ul style="list-style-type: none"> Decline in social trust and a decrease in business value Business growth slowdown and increased risks of business continuity
Identifying the company's materiality goals through discussions among management								

Implementation Structure

The company’s sustainability initiatives are overseen and handled mainly by the Management Strategy Meeting, which consists of executive officers, led by the Director and General Manager of the Administration Division, as well as the Sustainability Promotion Office, under the direction of the Board of Directors.

Visions for 2035

- Becoming a company that will continue to grow through surpassing social and customer expectations by empowering connections
- Committing to sustainable society, environment and quality through making our employees and stakeholders inspired



Message from Finance Executive Officer

We aim to drive business growth while improving efficiency and profitability. We will strive to achieve the goals of the 2026 Medium-Term Management Plan and to bolster our value-based management with a focus on the cost of capital and stock price.



Shinichiro Oura

Director & Executive Officer
General Manager of Administration
Division and Department Manager
of CSR Promotion Department

Overview of FY2024 from financial strategy perspectives

FY2024, the first year of the 2026 Medium-Term Management Plan, began with the goal of achieving 58.0 billion yen in net sales and operating profit of 7.0 billion yen. The end result for the year was a year-on-year increase of 1.9% in net sales to 56.3 billion yen and a decrease of 10.6% in operating profit to 5.3 billion yen.

Despite a business environment that saw global automobile production decline due to sluggish sales in Japan, Europe, and the United States, in the powertrain sector of the mobility market, sales of connectors for electric vehicles increased in the China region. Similarly, we achieved record-high net sales in the infotainment sector of the mobility market due to significant expansion of sales of high-speed transmission floating BtoB connectors. On the profit front, in addition to soaring raw material prices and labor and transportation costs, the transition to the new ERP system and the completion of the Akita Plant also resulted in increased costs. Although efforts were made to curb the decline in profits by reducing costs, a year-on-year drop in profits was inevitable, and the operating profit margin was 9.4%.

Under these circumstances, to ensure that the benefits from the introduction of the new ERP system and the completion of the Akita Plant lead to the enhancement of production efficiency and improvement of earning power, we undertook structural reforms, the main ones being a review of the role of the Ibaraki Plant and the optimization of the domestic workforce. Specifically, while proceeding with the transfer of mass-production products from the Ibaraki Plant to the Akita Plant in an effort to enhance production efficiency, we will re-develop the Ibaraki Plant into an engineering center and component supply base, where prototype and sample production will be concentrated. At the same time, we optimized staff numbers by calling for voluntary redundancies in Japan (headquarters and Ibaraki Plant). This resulted in a decrease in net profit due to the recording of 1,990 million yen in structural reform costs as an extraordinary loss in FY2024. However, we have been able to project future improvements in profitability of 810 million yen in FY2025 and 890 million yen in FY2026 and beyond.

The goals of our financial strategy are to create an operating cash flow margin of 20% or more and, while

securing extra capacity in growth investments, reach 10% for both ROE and ROIC in FY2026, the final year of the current Medium-Term Management Plan. In FY2024, from the perspective of management with an awareness of cost of capital and stock prices, we announced a share repurchase budget of 9.0 billion yen and made repurchases of 5.8 billion yen during the fiscal year. We also strived to control total assets and net assets, while proceeding with shareholder returns.

Establishing financial initiatives, investment policy, and financial discipline based on growth strategies in the Medium-Term Management Plan

In May 2024, we launched the 2026 Medium-Term Management Plan covering the three-year period from FY2024 to FY2026. We positioned this Plan as three years of laying the foundation for overcoming issues and getting back on a growth track. The Company has grown by riding the tailwinds of the automotive electrification and autonomous driving trends. We are now aiming to harness those forces anew, while at the same time, expanding our business domains from "IRISO for automotive" to "IRISO for future mobility." Additionally, we are also determined to build a second business pillar beyond the automotive sector, which we have positioned as a long-standing challenge.

Among the markets and sectors that we are focusing on, we intend to grasp opportunities in the powertrain sector and capitalize on the trend toward Electric Control Unit (ECU) integration, and turn those opportunities into drivers for the expansion of our business. In addition, in the sensor (camera) sector and industrial market, we have decided to set laying the foundations for the realization of dramatic growth in the next Medium-Term Management Plan as a challenge.

Meanwhile, regarding the strengthening of our manufacturing capabilities, we have decided to work on the improvement of productivity and investment efficiency through the establishment of a production base structure, and the reduction of costs. Specifically, with the completion of the new Akita Plant, as well as achieving its smooth launch, we



will review the roles and production systems of all of our plants and make improvements to productivity and plant operating rates. As well as shortening development lead times through the expansion of equipment and tooling standardization and the use of DX, we will cut down on material costs and apply value engineering (VE) in the design phase to improve production efficiency and reduce investments and costs.

Through such measures, we aim to achieve net sales of 65.0 billion yen and an operating profit margin of 15% in FY2025 under the Plan. With regard to capital allocations, we plan to allocate 70-80% efficiently to investments in the new ERP system, construction of the Akita Plant, and equipment in growth areas. In addition, we also plan to be flexible in considering alliances and other good opportunities for business expansion.

In this way, in our policy of strengthening management with an awareness of cost of capital and stock prices while working to grow our business and improve efficiency and profitability, we will aim to achieve ROE and ROIC of 10% as indicators of capital and investment efficiency. Regarding shareholder returns during the period of the 2026 Medium-Term Management Plan, our targets are a payout ratio of over 40% or dividend on equity (DOE) of 5% or more.

Recognition of issues and future improvement plans in response to current PBR and PER levels

Given that our price-to-book ratio (PBR) hovered around 1 in 2024, we adopted a stance of “accomplishing the growth strategies and profit structure reforms set forth in the Medium-Term Management Plan, rebuilding the management foundation, and pursuing management that can maintain an ROE of 10% or more.” As management targets for FY2026, in addition to the ROE mentioned above, we have also set a target for ROIC, with the aim of 1.5 for PBR.

In FY2024, our operating cash flow margin reached 21.4%. Of the 12.0 billion yen in operating cash flow, 2.1 billion yen was allocated to dividends and 5.8 billion yen to share repurchases, resulting in a payout ratio of 85%. However, PBR at the end of FY2024 was 0.79 and had

only reached 0.9 by the end of the first quarter of FY2025. Our price-to-earnings ratio (PER) is on par with the average of 15 for all companies listed on the Prime Market and above the manufacturing industry average of 14. However, we take seriously the fact that our PBR remains at a level that does not fully reflect our profit growth trajectory.

We intend to reaffirm our commitment to steadily implement our planned initiatives and achieve our top priority of further improving our business performance. Specifically, while raising profit levels through the completion of the structural reforms announced in February 2025, by steadily executing the initiatives outlined in the 2026 Medium-Term Management Plan and delivering results, we will strive to ensure that expectations for our future lead to an increase in our stock price. For this reason, while remaining conscious of ROIC, we believe that growth investments must not be halted. We will actively make the necessary investments while monitoring investment efficiency.

Assumed cost of equity/WACC and conditions for improvement of ROE/ROIC

We assumed our current cost of equity/WACC to be around 6%, and we are aiming for ROE and ROIC of 10% in the 2026 Medium-Term Management Plan. In terms of improvement measures, as a financial technique to improve these ratios, one potential option is to reduce net assets through share buybacks for increasing ratios. While keeping such methods in mind, our primary focus is to strengthen our earning power and improve our operating profit margin. In doing so, we aim to improve ROE and ROIC.

Engagement with investors

To engage with our investors, particularly institutional investors, we hold regular information disclosure and briefing sessions based on our quarterly financial results. Over the twelve months of FY2024, we held a cumulative total of about 230 such briefings and meetings with investors and analysts. In these meetings, as well as seeking suggestions



for strengthening our earning power and promoting ESG initiatives, we make an effort to understand where investors' interests and focus lie.

In feedback received recently, it was suggested that, in the short term, we implement measures to raise the stock price through proactive financial strategies, such as realizing an increase in the stock price level through increases in dividends and further share repurchases. Meanwhile, from a slightly more medium- to long-term perspective, we are receiving more requests to present strategies that will realize definite business growth, for example, by proposing markets and sectors that we should focus our efforts on. In the past several years, we have also frequently been asked about our ESG initiatives, giving us a strong sense of the high degree of concern about social issues among investors. To respond firmly to such requests, we have made efforts to enhance our disclosures every year. In the environmental area in particular, to show a more proactive response, we are working on obtaining CDP and SBTi certification, and our efforts have been recognized to a certain extent.

We share our investors' concerns and requests not only with the management team, but also across divisional meetings, and we put this feedback to effective use in the expansion of our business and earning power. I hope to receive your ongoing kind support.



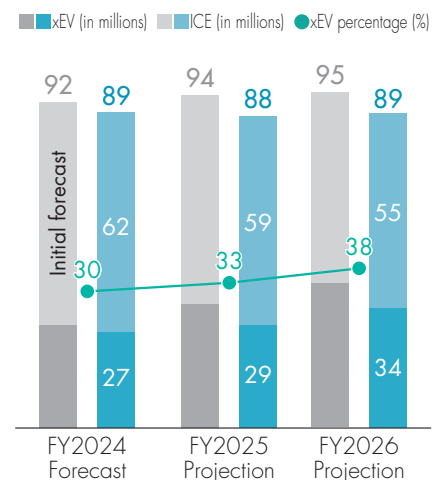
Review of the First Year (FY2024) of the Medium-Term Management Plan

Positioning the Medium-Term Management Plan period of FY2024 to FY2026 (fiscal year ended March 31, 2025 to fiscal year ending March 31, 2027) as three years for laying the foundation for overcoming issues and getting back on a growth track, last year, the Company formulated a plan that aims to achieve net sales of 65.0 billion yen, an operating profit margin exceeding 15%, and ROE and ROIC exceeding 10% in FY2026.

In FY2024, we achieved net sales of 56.3 billion yen and an operating profit of 5.3 billion yen (an operating profit margin of 9.4%). In consideration of the impact of U.S. tariffs and other factors, global car production is expected to be lower than initially forecast. However, we have not changed our targets of net sales of 65.0 billion yen and an operating profit margin of 15% or more for FY2026 and will make concerted efforts across the entire organization to achieve these targets.

FY2024 Results		FY2025 Target		FY2026 Target	
Net sales	¥56.3 billion	¥55.0 billion	¥65.0 billion	¥65.0 billion	¥65.0 billion
Operating profit	¥5.3 billion	¥5.5 billion	¥10.0 billion	¥10.0 billion	¥10.0 billion
Operating profit margin	9.4%	10.0%	15.4%	15.4%	15.4%
Profit attributable to owners of parent	¥2.6 billion	¥3.9 billion	¥7.5 billion	¥7.5 billion	¥7.5 billion
EPS	¥118	¥188	¥330	¥330	¥330
ROE	3.6%	—	10.0%	10.0%	10.0%
ROIC	3.2%	—	10.0%	10.0%	10.0%
R&D/Net sales	2.6%	—	3.5%	3.5%	3.5%
Budget exchange rate	USD 152.48JPY EUR 163.62JPY RMB 21.10JPY	USD 145JPY EUR 162JPY RMB 20JPY	USD 140JPY EUR 155JPY RMB 20JPY	USD 140JPY EUR 155JPY RMB 20JPY	USD 140JPY EUR 155JPY RMB 20JPY

Global car production



Graph created based on reports from Fuji Chimera Research, banks, and securities firms

Focus Strategies of the Medium-Term Management Plan

We have set the following five items as focus strategies in the Medium-Term Management Plan.

- 1 Preparing the ground for shifting from “IRISO for automotive” to “IRISO for future mobility”
- 2 Increasing our global presence in the industrial market - Building a foundation to grow the second pillar
- 3 Strengthening our global production system, promoting equipment and tooling standardization to improve productivity and capital efficiency
- 4 Bolstering our value-based management with a focus on the cost of capital and stock price
- 5 Continuing to develop our sustainable management system

An explanation of the progress, achievements, and challenges of each strategy follows.

1 Preparing the ground for shifting from “IRISO for automotive” to “IRISO for future mobility”

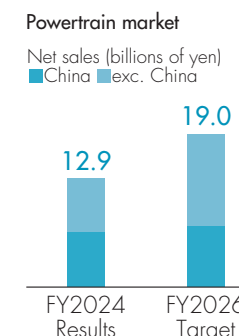
Although we have focused on the automotive market until now, coinciding with the start of this Medium-Term Management Plan, we have extended the target of our activities to the mobility market in order to expand our automotive technologies to moving objects in the air, sea, and space. In the mobility market, we are focusing on the following three markets: (1) the powertrain market, (2) the automotive centralized control ECU market, which is expected to grow dramatically in the infotainment field, and (3) the sensor market, which is essential for autonomous driving.

① Powertrain market

Under the theme of “Developing products and strengthening sales for global expansion,” in the Medium-Term Management Plan, we set focus strategies as follows:

- ✓ Based on our track record in China and Japan, increased sales of our products compliant with standards set by Europe, the U.S., and other regions
- ✓ Ongoing technology development and shortened product development cycle to improve the performance of high-current, vibration-resistant, and heat-resistant connectors

FY2024 achievements	Future issues
<ul style="list-style-type: none"> ● Launch of Mass production of WtoB connectors for BMS that are compliant with European standards ● Plans underway to meet various customer needs by expanding our product line of the high-vibration-resistant “ZMove™” connector. 	<ul style="list-style-type: none"> ● Shortening of product development cycle and production lead time as required by the Chinese market, and boost in price competitiveness ● Further expansion of market share in Europe and the United States



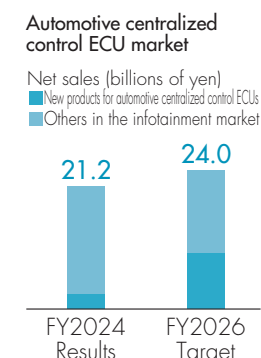
We will continue to expand sales of products compliant with standards in Europe, the U.S. and other regions, promote further global market expansion, and continue technological development for higher current capacity, improved vibration resistance, and enhanced heat resistance, all while shortening development times.

② Infotainment market (Automotive centralized control ECU market)

Under the theme of “Anticipating market trends and market-leading product development and supply” in the Medium-Term Management Plan, we set focus strategies as follows:

- ✓ Promoting technological innovations for the higher-speed, higher-capacity and downsized/weight reduced high-speed transmission floating BtoB connector to expand our product line and increase our sales share
- ✓ Bringing scalable connectors to the market

FY2024 achievements	Future issues
<ul style="list-style-type: none"> ● Sales expansion of the current generation high-speed transmission floating BtoB connector ● Ongoing development of next generation products ● Preparations underway to bring highly difficult scalable connectors to market 	<ul style="list-style-type: none"> ● Supply chain enhancement for stable supply ● Ongoing verification of changes in market needs amid the development of next generation products ● Stable quality and supply in mass production of high-difficulty products



We will continue to pursue further technological innovation in high-speed transmission floating BtoB connectors, expand our product lineup, and increase our market share as we aim to bring scalable connectors to market.



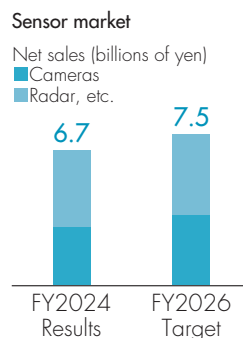
③ Sensor market

Under the theme of “Rebuilding our camera business through collaborative product development, etc.” in the Medium-Term Management Plan, we have set focus strategies as follows:

- ✓ Expanding our product line and sales for view and sensing cameras, and driver monitoring systems (for autonomy levels 2-3), as well as developing high-spec products (high-frequency, high-speed, etc.) (for autonomy levels 3-5)
- ✓ Winning new customers and increasing our market share through cross-industry sales alliances with other companies

FY2024 achievements	Future issues
<ul style="list-style-type: none"> Progress in development of products for cameras (for autonomy levels 2-3 and 3-5) and product line expansion As shown below, Progress in collaboration with KEL Corporation for the development of a compact waterproof coaxial connector with excellent high frequency characteristics 	<ul style="list-style-type: none"> As a latecomer to existing markets, creation of a track record and credibility (for autonomy levels 2-3) Ongoing verification of changes in market needs for advanced function products (for autonomy levels 3-5)

Considering the time required from development to market launch, we do not expect significant growth in sales until FY2026. We will instead focus on laying the foundation for significant growth in the period of the next Medium-Term Management Plan.



Collaboration with KEL Corporation in development of in-vehicle small coaxial connector

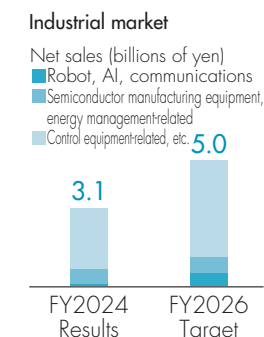
- IRISO ELECTRONICS CO., LTD. and KEL Corporation have successfully developed a prototype of an in-vehicle small coaxial connector through joint research and development to meet the growing demand for automotive coaxial connectors. These connectors support the high-speed data transmission and wide bandwidth required in response to the advancement of autonomous driving technology and the accelerated development of software defined vehicles (SDVs).
- The high-frequency characteristic that accommodates up to 9 GHz and the reduced size and diameter of the connectors will help with high-density applications in ECUs and with appropriate harness routing.
- We will aim to enable mass production at an early stage and expand sales in the sensor market with solutions combined with existing products.

2 Increasing our global presence in the industrial market
- Building a foundation to grow the second pillar

Under the theme of “Expanding our global business and product line” in the Medium-Term Management Plan, we set focus strategies as follows:

- ✓ Winning new customers among Japanese leading companies and increasing our market share, mainly by supplying our high-speed transmission floating BioB connector
- ✓ Winning new EU customers by global FAEs and bolstering local sales teams
- ✓ Reviewing sales methods by expanding to new sales channels through working with distributors and developing our product range through out-sourcing procurement
- ✓ Business development in semiconductor manufacturing equipment and energy management markets

FY2024 achievements	Future issues
<ul style="list-style-type: none"> Contract with Arrow Electronics to expand sales channels Ongoing customer development through global FAE; expecting to sign a contract with a distributor that is strong in Northern Europe Successful sales expansion in energy management market 	<ul style="list-style-type: none"> Deployment of more powerful sales promotion tools Development of products with floating function for industrial market (mainly for semiconductor manufacturing equipment) Further expand market share in energy management market



While we are targeting net sales of 5.0 billion yen in FY2026, we will strive to build a foundation for dramatic growth in the next Medium-Term Management Plan, similar to the approach in the sensor market, to establish a second pillar of growth to follow the mobility market.



3 Strengthening our global production system, promoting equipment and tooling standardization to improve productivity and capital efficiency

Under the theme of “Improving productivity and return on investment (ROI) by developing manufacturing system and cutting costs” in the Medium-Term Management Plan, we have set focus strategies as follows:

Improving productivity and operating rate

- ✓ Revising the systems and roles of all Group manufacturing sites and improving production efficiency by 15%
- ✓ Ensuring that the Akita plant will start operations smoothly and improving the ratio of domestic production

Sharing of equipment and tooling and reduction of costs

- ✓ Increasing productivity in product, equipment and tooling design and promoting standardization with digital transformation (DX)

- ✓ Reducing costs and shortening manufacturing lead time by expanding in-house tooling manufacturing

Cutting down on material costs and applying value engineering (VE) in the design phase

- ✓ Standardizing materials and reducing the volume of resins, plating, etc., used to make each connector
- ✓ Promoting local procurement and centralized purchasing



Start of operations at Akita Plant (April 1, 2025)

FY2024 achievements	Future issues
<ul style="list-style-type: none"> ● Productivity improvement mainly by increasing the number of molds ● Standardization of equipment and tooling design, and cost reduction through DX and in house tooling manufacturing ● Reduction of raw material procurement costs through localization and cost cut by applying value engineering (VE), such as reducing volume of plating, etc. 	<ul style="list-style-type: none"> ● Improvement of effective capacity utilization and overall equipment effectiveness (OEE) ● Acceleration of operational launch at Akita Plant and early launch of new products ● Further standardization of equipment and tooling design and reduce costs ● Rising prices of metal materials

We will continue to steadily implement focus strategies in our efforts to reduce the cost of sales ratio to 65% and improve productivity and efficiency of invested capital.

4 Bolstering our value-based management with a focus on the cost of capital and stock price

We will enhance corporate value by improving capital efficiency.

FY2024 achievements	Future issues
<ul style="list-style-type: none"> ● Announcement of structural reform plan to strengthen earning power amid slowing sales growth and profit margin recovery due to decline in automobile production from initial forecast and other factors ● Ongoing reforms reforms to achieve optimal capital structure through effective use of debt for construction of Akita Plant, while securing financial safety ● Increase of shareholder returns by repurchasing more than 2 million shares of treasury stock 	<ul style="list-style-type: none"> ● Return to the fundamentals of sales activities (strengthening customer contact points, selling price strategies, etc.) ● Cost cut and productivity improvement through DX ● Development of high value-added products and pursuit of technological innovation ● Strategic use of net cash ● Thorough and company-wide penetration of ROIC management

We will enable management that can maintain ROE and ROIC of at least 10% by completing the growth strategies outlined in the current Medium-Term Management Plan through FY2026 and structural reforms announced in February 2025, and by rebuilding our management foundation and realizing an optimal capital structure. We will also promote share repurchases and shareholder returns through a stable dividend policy, aiming for a dividend payout ratio of over 40% or DOE of 5%.

5 Continuing to develop our sustainable management system

The focus strategies of the Medium-Term Management Plan are as follows, linked to our materiality.

Sustainable management for people and the environment

- ✓ Promoting renewable energy for electricity, waste recycling and reuse
- ✓ Contributing to the achievement of a carbon-free and resource-circulating society through supply chain management

Fostering workplace diversity and inclusion

- ✓ Diversifying board members and management employees
- ✓ Embracing diverse employee work styles and conditions to improve employee engagement

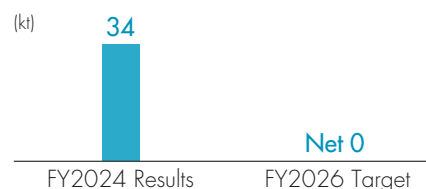
Improving the management foundation

- ✓ Reinforcing global risk management
- ✓ Developing a digital infrastructure in management, promoting automation and improving corporate security
- ✓ Management with an awareness of cost of capital and stock prices

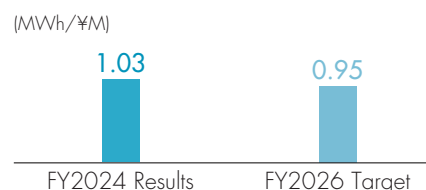
FY2024 achievements	Future issues
<ul style="list-style-type: none"> ● 100% green power at Ibaraki Plant ● A “B” score in the CDP climate change rating ● Human resource development by achieving organization with the launch of in-house recruitment system 	<ul style="list-style-type: none"> ● Reduction of GHG emissions related to raw materials and production equipment ● Cooperation of supply chain in GHG emissions reduction ● Gap reduction between the ideal talent profile and current situation ● Acceleration of DX promotion

We will continue to thoroughly implement various measures to achieve sustainable management as an entire company.

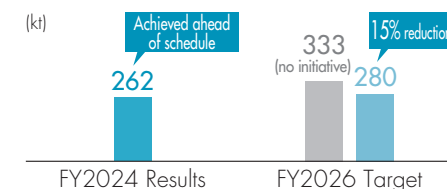
Reduction of CO₂ emissions from electricity



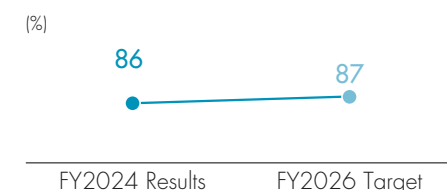
Electricity energy intensity



GHG emissions



Diverse manager rate



IRISO Electronics Group's Growth Strategies

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We promote product development with the keywords “high-speed transmission,” “high-current and high-voltage,” and “automatic assembly,” contributing to a convenient, comfortable, and safe lifestyle, and to the realization of a future smart society.

Shigeru Mitsuzuka,
General Manager of the Engineering Division

Technology Domain SWOT Analysis

Opportunities

- Growing demand for high-current connectors driven by the expanding EV and PHEV markets
- Increasing demand for products compatible with high-speed transmission, driven by advances in autonomous driving and 5G communication
- Emergence of new demand in the industrial equipment market, driven by the enhanced functionality and diversification of robots

Strengths of the Group

- Expansion of product offerings featuring vibration-resistant floating structures enabled by Z-Move™ functionality
- Establishment of high-precision vibration simulation technology with strong correlation to actual measurement results

Risks

- Potential stagnation in demand due to slowing growth in the EV, autonomous driving, and 5G markets
- Delays in launching new products and increasing difficulty in differentiating from competitors amid intensifying competition in development speed

Value Created

- Contributing to improved development efficiency and expansion into new markets for customers through the provision of highly reliable products
- Building strong relationship as an important partner with customers by offering technical proposals that combine new products with simulation results

Current conditions of the Engineering Division and recognized issues, etc.
after the first year of Medium-Term Management Plan

Promoting product development and digital transformation by leveraging existing technologies to enable timely market launch of new products

As our customers accelerate their development cycles, we recognize that the speed of our own new product development remains a challenge. In response, we are working to strengthen our development framework by promoting the standardization of product development, initiated in FY2024, and by leveraging digital transformation (DX) technologies such as digital twins. These efforts aim to improve development efficiency and enable quicker responses to market needs. In particular, in the Chinese market, we are enhancing the technical capabilities of our Shanghai R&D Center to accelerate product deployment tailored to local customer needs. Through this approach, we seek to further improve our price and cost competitiveness. Additionally, ahead of mass production of new products, we will intensify the use of prototype development in FY2025, more than in the previous year, to actively engage in creating new proposals for our customers.

Strategies for achieving the Medium-Term Management Plan and specific initiatives for FY2025

Developing new products that contribute to a smarter society

To achieve the goals of our Medium-Term Management Plan, we are actively engaged in the prototyping and development of new products in the powertrain field, focusing on high-current applications. In addition to mobility-related uses, we are also exploring expansion into the robotics market, aiming to build a highly versatile product lineup. In the camera market, we are pursuing the development of new high-performance products with coaxial structures that meet electrical specifications through joint development under strategic partnerships. These efforts are designed to respond to the growing demand for in-vehicle cameras driven by the spread of driver assistance systems and autonomous driving. In the integrated ECU field, the advancement of autonomous driving is creating demand for even higher transmission speeds, and we are promoting technology development to meet these requirements. Furthermore, as multifunctional AI-equipped robots become more prevalent, we are accelerating proposals for products that respond to next-generation market by advancing high-speed transmission-compatible connectors for the robotics market.

Approach to materiality goals

Practical application of eco-friendly resins and initiatives for resource circulation

As part of our materiality initiatives in FY2025, we will continue efforts to start practically applying eco-friendly resins for packaging materials, a topic we began exploring in FY2024. Although mass production was not achieved in the last fiscal year due to molding challenges, we plan to reexamine the materials and overall development approach in FY2025, with the aim of establishing a clear path toward mass production.

Efforts to effectively utilize recycled materials are progressing across material manufacturers, who are working to increase usage rates in accordance with regulatory requirements. We are also promoting further adoption of recycled materials to help reduce waste. In addition, for mold components used in the production of molded and metal parts, we are adopting wear-resistant materials to extend product life. This contributes to reducing the need for replacement parts and supports more efficient resource utilization.



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In FY2025, our Akita Plant will begin full-fledged operation. In addition, we will continue to actively drive significant productivity improvements across our five existing plants.

Takeshi Yoshikawa,
General Manager of the Production Management Division

Technology Domain SWOT Analysis

Opportunities

- Reinforcement of production sites for BtoB connectors, our core products, beyond prior levels
- Full-fledged operation of the Akita Plant to strengthen the supply structure for Japanese customers

Strengths of the Group

- Global business development expertise built on our long-standing business structure weighted toward overseas production and sales
- "Multi-site production system" that allows production at multiple sites
- "Local production for local consumption" by producing in regions close to our customers

Risks

- Continued U.S.-China trade friction and concerns over global economic slow-down due to U.S. tariff measures
- Disruption of global supply chains amid ongoing instability in the Middle East

Value Created

- Securing an uninterrupted global supply chain
⇒ Through shortened transportation routes, localized inventory storage near consumption areas, and multi-site production capabilities

Current conditions of the Production Management Division and recognized issues, etc. after the first year of Medium-Term Management Plan

Full-fledged operation of the new Akita Plant and talent acquisition and development through its operation

The new Akita Plant was completed in October 2024 as initially planned. It has steadily progressed with the phased installation and launch of automated assembly lines, molding machines, and press machines. Production of performance samples, internal evaluations, customer evaluation data collection, and sample submissions have all proceeded smoothly, and the framework for full-scale mass production is nearing completion. We extend our sincere gratitude to the local government authorities in the Akita region for their support, and to the new employees who have joined us from the local community. As our sixth manufacturing facility, the Akita Plant will strengthen its function of inter-plant component distribution for our domestic plants. We are committed to ensuring its profitability and enhancing its operational capabilities, while actively giving back to and contributing to the development of the Akita region. Through local talent recruitment and technical exchanges with other plants, we aim to foster human resource development via the operation of this new facility. We look forward to the Akita Plant growing into a vital touchpoint for both our customers and the local community.

Strategies for achieving the Medium-Term Management Plan and specific initiatives for FY2025

Organizing manufacturing and sales management operations specialized in supply chain management functions

In FY2024, we strengthened our Shanghai and Nantong Plants as supply sites for BtoB connectors, our core products, in the growing Chinese market, and worked to build a more flexible supply system. In FY2025, we will continue to reinforce our supply structure in China, while further enhancing the overall supply chain through the full-fledged operation of the Akita Plant. To accelerate manufacturing operations, we will also implement improvement initiatives such as strengthening mass production trial runs, speeding up sample supply, further promoting local production for local consumption, optimizing international transportation methods, and enhancing responsiveness to customer feedback.

The new ERP system introduced in 2024 transitioned into effective utilization in 2025. Going forward, we will visualize the entire supply chain process from market sales information to parts procurement and production/shipment, by leveraging numerical data. This will enable us to advance our organizational operations specialized in supply chain management, integrating conventional production management on the manufacturing side and sales management on the sales side.

Approach to materiality goals

Improving productivity indicators through the six-plant top-runner approach

Over the past few years, the continuing rise in material costs, particularly gold prices, and labor expenses has made improving productivity a key task in strengthening our manufacturing capabilities. Based on our understanding of the current external environment, we are promoting reforms in purchasing activities. They include the use of locally sourced materials as part of our "local production for local consumption" approach not only in manufacturing but also in purchasing, as well as the simplification of material procurement routes. In addition, we are working to improve productivity indicators in key production processes, such as resin molding, metal pressing and plating, and assembly, through the six-plant top-runner approach, aiming to establish a manufacturing structure capable of absorbing rising material and labor costs.



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By pursuing the synergistic effects of “expanding sales channels,” “accelerating collaboration,” and “reforming sales capabilities,” we aim to chart a path toward higher and more sustainable growth.

Akihiko Ohira
General Manager of the Sales Headquarters

Sales Domain SWOT Analysis

Opportunities

- Growing demand for local production for local consumption and for compliance with Zero Emission Vehicle(ZEV) regulations in the Indian and ASEAN markets
- Sales channel expansion for FA systems, robotics, and related fields, starting with a global agreement with Arrow Electronics, Inc.
- Timing for supplier reevaluation due to OEMs' restructuring of procurement strategies
- Increased opportunities for new supplier selection through the reorganization of procurement networks, including Tier 1 and Tier 2 suppliers

Strengths of the Group

- A portfolio of floating BtoB connector technologies with high-vibration resistance and high-reliability, such as Z-Move™
- An integrated structure of production, sales, and engineering optimized by region, with flexible and customizable proposal capabilities
- Clear and specialized value communication through social media, including teardown-focused YouTubers
- Strong local responsiveness tailored to regional requirements and proven reliability backed by mass production experience

Risks

- Uncertainty in procurement and development strategies due to geopolitical risks such as U.S.-China tensions and the reintroduction of tariffs
- Risk of declining sales due to slowing EV demand in the Chinese market
- Increased uncertainty in short-term development projects resulting from strategic shifts by automotive manufacturers (OEMs), such as a return to HEVs and reduced investment in SDVs
- Project delays caused by prolonged decision-making processes and risk of development cancellation

Value Created

- Technology enhancement and accelerated deployment through external collaboration, such as joint development with KEL Corporation on coaxial connectors for in-vehicle cameras
- Horizontal expansion into multi-purpose markets beyond mobility, including factory automation and robotics
- Co-creation with customers through a solution-oriented sales approach that makes our business stand out from our competitors.
- Balancing business growth with contributions to social challenges such as decarbonization, labor shortages, and disaster response

Current conditions of the Sales Headquarters and recognized issues, etc. after the first year of Medium-Term Management Plan

Recognizing the need for sales channel expansion and organizational evolution in response to regional environmental changes and sales structure reform

In the automotive industry, revisions to electrification strategies and supply chain restructuring by OEMs have progressed, and their impact has begun to spread to sales operations. The reintroduction of Trump-imposed tariffs, the slowdown in the Chinese market, and the shift toward India and ASEAN countries have further increased the need for region-specific responses.

Amidst these business conditions, the Company has expanded its sales channels through a global agreement with Arrow Electronics, Inc. and has actively pursued new markets beyond mobility. At the same time, limitations have emerged in our traditional, person-dependent sales and product proposal style, highlighting the need to reform sales skills and accelerate development speed. In addition to our current integrated structure of manufacturing, sales, and technology, we recognize that collaboration with external partners and the systematization of sales processes will be key to solving future challenges.

Strategies for achieving the Medium-Term Management Plan and specific initiatives for FY2025

Building a growth strategy through the synergy of channel expansion, joint development, and sales reform

In FY2025, we will strengthen our sales activities based on three key pillars: expanding sales channels, accelerating development speed, and enhancing sales capabilities.

Specifically, we will leverage the global network of Arrow Electronics, Inc. to expand proposals based on the concept of local production for local consumption in high-growth markets such as India and ASEAN, utilizing regionally self-contained operations. Rather than focusing solely on in-house development, we will promote collaborative product development with external partners, including the joint development of compact coaxial connectors with KEL Corporation. In terms of sales organization, we will incorporate expert insights to build a structure where each sales representative can logically articulate the reasons why customers choose us. By establishing this foundation, we aim to improve the quality of customer engagement through a repeatable sales process combined with strategic information sharing via social media.

Approach to materiality goals

Pursuing sustainable value creation through responsiveness to social challenges and enhanced sales capabilities

The Sales Headquarters is committed not only to conducting sales activities, but also to addressing social challenges while maximizing customer value.

On the product side, we contribute to a decarbonized society through connectors with features such as lightweight design, high vibration resistance, and energy efficiency, while strengthening application proposals for non-mobility sectors. In our sales activities, we are moving away from a person-dependent sales approach and establishing structured systems for training, mindset, and behavior. In addition, by incorporating external expertise, we aim to build an organization that can deliver high-quality sales across diverse regions and product categories, and a globally trusted sales framework, thereby contributing to sustainable growth.



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We are committed to achieving zero defects to ensure security, safety and trust by revisiting the original drawings and redefining the optimal inspection process

Yoshifumi Shigeeda

General Manager of the Quality Assurance Division

Quality Assurance Domain SWOT Analysis

Opportunities

- Emerging quality needs amid a transformational shift in the automotive industry

Strengths of the Group

- Development of highly reliable floating connectors and two-point contact connectors
- In-house analytical facilities capable of completing fundamental reliability evaluations

Risks

- Securing and developing talent with expertise in highly innovative connector development required to respond to industry transformation

Value Created

- Providing connectors that solve challenges faced by society and customers
- ZERO defects to ensure security, safety and trust

Current conditions of the Quality Assurance Division and recognized issues, etc. after the first year of Medium-Term Management Plan

Steady reduction in quality issues through thorough implementation of PDCA and SDCA cycles

Needless to say, continuous improvement is essential when it comes to quality. To continuously improve quality, in FY2024, we have focused on SDCA (Standardize, Do, Check, Act) as our main improvement activities, in addition to the PDCA (Plan, Do, Check, Act) activities we have repeatedly implemented over the years. Through these initiatives, we achieved standardization across many operations, enabling consistent work regardless of the individual performing it. As a result, we are seeing a steady decrease in the number of quality issues. Moving forward, we will continue to reinforce quality improvement activities by conducting patrol checks to ensure that work is performed according to work instructions, and by gathering feedback from operators on tasks that are difficult to perform. These efforts will promote further standardization and support the continuation of reliable manufacturing.

Strategies for achieving the Medium-Term Management Plan and specific initiatives for FY2025

Revisiting the original drawings and redefining the optimal inspection process

As we continue to advance quality improvement, the number of control points within the same process has been steadily increasing year by year. In response, we have introduced AOI (Automated Optical Inspection) in manufacturing processes, resulting in more areas where all units are inspected automatically. At the same time, manual double-checking has also increased. While this indicates strengthened quality assurance through multiple verifications of the same point, it also raises concerns about inspection complexity due to the growing number of control items. To address this, we reviewed certain processes and began specifying functionally necessary dimensions and dimensions required for connector assembly directly on the original drawings. This revision has clarified the purpose of each dimension, enabling the establishment of an optimal inspection process aligned with design intent. Moving forward, we will enhance quality based on this inspection framework.

Approach to materiality goals

Fostering a workplace environment where all employees are committed to quality

The challenge of quality assurance is that, no matter how much effort is put into improving quality, a single complaint can instantly destroy the trust built with customers over many years. One single error can be fatal. To minimize such errors to the greatest extent possible, it is essential that all employees maintain a strong awareness of quality in their daily work.

As part of our efforts to raise quality awareness, we revised our quality policy in FY2024 and established the policy: "Achieving zero customer complaints builds security, safety and trust." This policy is an adaptation of the wording used in our Purpose statement, and we have also provided each employee with a "quality policy card" so that they can carry it all the time and remind themselves of the difficulty and importance of maintaining quality on a daily basis. Through these initiatives, we aim to foster a strong sense of responsibility toward quality and contribute to our customers' ability to stay connected.



IRISO Electronics Group's Growth Strategies

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We aim to build a solid management foundation that grows alongside society and its stakeholders through our materiality initiatives.

Shinichiro Oura
General Manager of the Administration Division

Management Domain SWOT Analysis

Opportunities

- Positive impact of once-in-a-century transformation in the automotive industry on the mobility business
- Expansion of connector demand driven by resource-saving and miniaturization needs, and growing attention and expectations for floating technology which contributes to automated assembly

Strengths of the Group

- Market-in sales and planning capabilities led by direct sales
- Global production and sales network

Risks

- Production and sales bias toward certain regions
- Talent development to reinforce advance development and proposal sales
- Further enhancement of information disclosure and reinforcement of communication

Value Created

- Optimization of talent and capital allocation
- Improvements in management foundation including engagement, CSR, and corporate governance
- Further improvement of the governance system for consolidated management

Current conditions of the Administration Division and recognized issues, etc. after the first year of Medium-Term Management Plan

Enhancement through dual perspectives: the perspective of shareholders and investors, and management functions that support business operations

At the Administration Division (comprised of : the Management Planning Department, the Accounting Department, the Human Resources and General Affairs Department, the Corporate Communication Department, the Information Systems Department, and the Business Transformation & DX Promotion Department), we place importance on the perspective of shareholders and investors and the perspective of strengthening the management functions that support our business.

From the perspective of shareholders and investors, we strengthened shareholder returns in FY2024 through share buybacks and increased dividends. However, we believe that further enhancement is needed in our communication of information such as management strategies, carbon neutrality initiatives, and shareholder return policies. Within the Company, the Administration Division is recognized as a behind-the-scenes function that supports business divisions and serves as a governance control unit, enabling our technology, manufacturing, sales, and quality assurance functions to reach their full potential. In FY2024, we promoted structural reforms to strengthen our foundation for growth. In FY2025, we will focus on implementing management strategies to drive further growth, including the enhancement and allocation of human and financial resources, as well as continued improvement of operational efficiency through the utilization of our new ERP system.

Strategies for achieving the Medium-Term Management Plan and specific initiatives for FY2025

Focusing on building talent and organizations that seize opportunities agilely and respond flexibly to risks

As the need for electrification of mobility, including automobiles, and autonomous driving continues to grow, demand for our core competencies—board-to-board connectors (BioB) and high-speed transmission connectors—is expected to further expand. At the same time, it is essential to respond to environmental changes such as geopolitical risks.

The Administration Division will continue to support business divisions in agilely seizing opportunities and responding flexibly to risks. Through initiatives aimed at strengthening employee engagement—such as the internal recruitment system introduced in financial year 2024—and strategic management enhancements such as alliances including joint development, we will advance organizational reinforcement and talent development.

Approach to materiality goals

Addressing materiality goals as the Administrative Division to support and drive sustainable business growth

Regarding "Working towards secure, safe and livable society that supports people and the environment," our Ibaraki Plant transitioned to 100% renewable electricity in FY2024. We will continue to implement initiatives planned within the Company, including improving production efficiency at our plants, by steadily executing the PDCA cycle. In terms of "Fostering workplace diversity and inclusion," the management diversity ratio for IRISO worldwide rose to 86% in FY2024. We will continue working to improve the diversity ratio in Japan, which remains a challenge, while also striving to enhance employee engagement. In terms of "Improving the management foundation," we will further utilize the ERP system introduced in FY2024 and promote stronger worldwide governance as a key initiative. Moreover, for the benefit of our stakeholders, we will implement further enhancement of disclosure, management with a clear awareness of capital cost, and shareholder return expansion.



Message from Human Resources Executive Officer

We will encourage individual employees' growth to turn them into the driving force of the entire company's growth

Based on our management philosophy, "We cherish individuality, cultivate values through innovation and creativity, and commit to a positive and smart future," we will work to improve employee satisfaction, establish comfortable workplaces, and implement three reforms: HR system reform, work style reform, and human capital development reform. These reforms are required to foster autonomous human resources for a 100-year company that creates customer value and to create a highly diverse organization.



Banro Hino

Executive Officer
Deputy General Manager of Administration Division and
Department Manager of Human Resources and
General Affairs Department

Current status of employee engagement (trends in employee satisfaction, turnover rate, etc.) and measures for improvement

FY	2020	2021	2022	2023	2024
Work engagement (index)	49.2	48.7	48.8	48.7	49.7
Turnover rate (%)	6.3	3.6	4.8	5.3	5.9

A key factor in the growth and development of a company is to increase the number of employees who feel a sense of emotional attachment and pride toward the company and who are motivated to contribute proactively to the company. Regarding employee engagement, based on the results of the engagement survey that we conduct every year, we identify issues and plan and implement various measures. As a current initiative, we hold town hall meetings to enable direct dialogue between the management team and employees, giving management more opportunities to share information. The aim of this initiative is to give every employee a better understanding of the Company's Management Philosophy, Purpose, and immediate strategies and challenges. Recognizing that employee health is the foundation of everything, we implement company-wide initiatives to promote employee health and wellbeing. In 2024, IRISO ELECTRONICS CO., LTD. was accredited as a KENKO Investment for Health Outstanding Organization. Going forward, we will further enhance related initiatives in our efforts to improve employee engagement.

HR initiatives in human capital management (leveraging talent to enhance corporate value)

With regard to employees' independent career development, to help employees clearly envision their desired future and take proactive steps toward their goals, we promote initiatives such as one-on-one meetings, enhancement of coaching programs, expansion of age-based career development training, and the introduction of selective training programs.

We are in the process of reviewing and redefining the skill sets, capabilities, and personal attributes required of our employees. Looking ahead, after revising the skill maps for each job type, we will expand training programs in accordance with those revised skill maps and establish defined career paths. We will also consider linking them to promotion criteria. In addition, we will visualize individual skills and capabilities to promote talent management that places the right people in the right positions. Through the centralized management of data and clear definition of career paths, we will encourage each employee to grow in our aim to turn them into the driving force of the entire company's growth.



Sustainability 1

Foundation of Sustainability and Management Philosophy

"Bridging to a brighter tomorrow, we cherish individuality, cultivate values through innovation and creativity, and commit to a positive and smart future" In line with this management philosophy, we believe that our business activities themselves are a form of social contribution.

The use of our connectors helps to enable the lightest, thinnest, and smallest connection points. Along with the reduction of raw materials used, including rare metals, weight reduction in the mobility market leads to improved fuel efficiency, which contributes to resource and energy conservation.

In addition, the vibration resistance of our connectors, which can move in the Z-axis direction as one of our strengths, contributes to the reduction of the labor force by expanding the scope of automated assembly using robots.

We aim to strengthen IRISO's sustainability and become a 100-year company that creates customer value through a virtuous cycle in which our daily efforts contribute to solving social issues and at the same time lead to corporate growth.

Lean Process for the Earth

To further contribute to solving social issues and at the same strengthen our sustainability, we formulated a CSR policy of "Lean Process for the Earth" in 2022.

Our concept of "mottainai," the term in Japanese which conveys the sense of regret over waste, is not limited to the 3Rs (reduce, reuse, and recycle). "Mottainai" exists everywhere throughout the world, including society, customers, and within the company, and exists in various forms, including human capital, time, and space.

Through our business activities, we actively identify "mottainai," find solutions by bringing together the Group's wisdom (technology) and passion, spread our products and services throughout the world to create change, and reduce and eliminate "mottainai." We believe that this is the CSR (corporate social responsibility) that IRISO should fulfill.

Foundation for Sustainability

We believe that we can conduct business activities that contribute to solving social issues only if we have a solid management foundation. We strive to enhance our sustainability based on a roadmap addressing E (Environment), S (Society), and G (Governance).

Environmental Initiatives

Promoting environmental conservation and improvement activities in our environmental management system (based on ISO 14001)

- Preventing the contamination of products with hazardous chemicals
- Implementing measures throughout the supply chain to achieve zero CO₂ emissions that cause climate change
- Implementing measures to reduce CO₂ emissions at each site, recognizing that response to climate change is a top priority
- Setting renewable electricity procurement and energy conservation targets, and formulating, executing, and promoting measures
- Reducing wastewater through conservation of water resources, wastewater purification, and recycling of reclaimed water to preserve biodiversity

Social Initiatives

- We have established our Human Rights Policy, and communicated and implemented the prohibition of forced labor, the prohibition of child labor, the prohibition of discrimination and inhumane treatment, fair wage settings and payments, and the appropriate management of working hours throughout the entire supply chain through our guidelines
- Our top priority is to prevent injuries and illnesses, and to provide safe, healthy working conditions for all employees, enabling them to lead prosperous, peaceful, and fulfilling lives
- We conduct risk assessments on occupational safety at all workplaces, identify sources of hazards, and reduce risk
- In order to establish an environment for human capital development, we conduct training as appropriate, including training for mid-level employees, leaders, and newly appointed managers according to their level, training aimed at acquiring skills necessary for performing duties, and company-wide training for improving basic knowledge of respect for diversity and harassment prevention
- ISO 9001 quality management system certification (1996) acquired
- After acquiring QS certification, a standard for the American automotive industry, the international standard ISO/TS16949 (2007), which later updated to IATF16949 (2018), acquired

Governance

- We have formulated the Code of Business Conduct and Ethics that declares our commitment to conducting fair and equitable business transactions, complying with domestic and international competition laws, adhering to contract conditions with suppliers, conducting business on equal terms, and not offering, demanding, or accepting bribes, money, or any other forms of benefits
- Conducting an evaluation of the effectiveness of the Board of Directors
- Establishment of a whistleblowing system and company-wide implementation of the system



Sustainability 2

Roadmap

Item	Outline and strategy	Goal	2023	2024	2025	2030	2050
E	1. GHG emission reduction						
	① Net zero CO ₂ emissions (from electricity) by 2025	2025			● 100% reduction		
	● 30% reduction of electricity consumption intensity by increasing manufacturing efficiency and standardizing products	2030				● 30% reduction	
	● Switching to green power contracts, certificates, etc.	From 2023 (to be continued)					
	② GHG reduction efforts across supply chain						
	● Net zero emissions by 2050	2050					● Net zero
	● Scope 3 tracking and 20% reduction (vs. FY2021)	2030				● 20% reduction	
2. Environmental impact reduction							
	① Support for sustainable material development						
	● Support for research and development	From 2023 (to be continued)					
S	1. Respect for diversity (female, foreign nationals, etc.)						
	① Workplace diversity disclosure	—	To be continued				
	② Women's empowerment in the workplace						
	● Ratio of female managers/executives (in Japan): 5%	5% (2030)	2.6%			● 5% achieved	
	● Ratio of female new graduate hires: 30%	30% (2025)	14.3%		● 30% achieved		
	③ Foreign national executives (incl. executive officers)	10% (2025)	5.9%		● 10% achieved		
	④ Mid-career experienced hires (managers/executives in Japan)	Achieved/To be continued	Ratio of mid-career hires: 50% and more achieved				
	⑤ Development of employee skills	—	To be continued				
	2. Good education, wellbeing and welfare						
	① Employee engagement improved by good training programs						
	● Language program development	2022 (Completed)	To be continued				
	● Career development support through in-house opportunity announcement system	—	To be continued				
	② Workplace health promotion (KENKO Investment for Health certification)	2023 (Completed)	Certified KENKO Investment for Health Outstanding Organization, Yokohama Health Management Class AA Certification				
	③ Educational and social support						
	● Scholarship foundation to support university students	—	Support to be continued				
	● Joint research, etc. with university laboratories	—	To be continued				
3. Community involvement							
	① Contribution to community by each site	—	Measures proposed by each site based on regional characteristics				
G	1. Establishment of strong corporate foundation						
	① Response to market restructuring (TSE, CG code, etc.)						
	● Disclosures in accordance with TCFD recommendations	2022 (Completed)	To be continued				
	2. Risk management						
	① Organizational resilience development						
	● BCP development including supply chain management	—	To be continued				



Environmental Initiatives 1

Basic Approach

The IRISO Electronics Group aims to continue to be a sustainable company that provides value that contributes to solving social issues, and regards “working towards secure, safe and livable society that supports people and the environment” as a materiality. We aim to contribute to the formation of an environmentally friendly society and improve our corporate value through initiatives such as decarbonization, resource conservation, and recycling in accordance with the ISO 14001 environmental international standard.

Environmental Policy

The IRISO Electronics Group stays committed to creating a sustainable society and respecting the environment and biodiversity on earth, through mastering the art of “connecting” in its business operations and creating a future world friendly to people and environment, where different features and functions are easily connected.

The IRISO Electronics Group develops an environmental management system to be applied for its business operations and products/service that are associated with manufacturing of its key products, connectors and pins, and promotes its environmental protection activities as follows.

1 We work towards environmental protection, through target setting for reducing waste and GHG emissions generated in our business operations and by supply chains.

We set the following targets to promote our sustainable efforts.

2 1) Net-zero CO₂ emissions from electricity by the end of FY2025
2) 20% reduction from the FY2021 level in GHG emission intensity of electricity generation by 2030
3) Reaching carbon neutrality by 2050

3 We set environmental goals of the organization as part of improvement activities in regular business operations, monitor and review the implementation status, and continuously improve and maintain the environmental management system to enhance the company’s environmental performance.

4 We comply with environmental legal requirements and agreements that are applied to the company’s business.

5 We commit to reducing and managing both harmful substances in the company’s products, as well as resource consumption from the design stage of manufacturing, promote green procurement in material sourcing, and maximize resource recycling and reuse in the manufacturing process.

6 We educate all employees working at the company about environmental protection and biodiversity, help them take sustainability actions, and collaborate with them in conservation, to improve their understanding and awareness of environmental issues.

This environmental policy is made known to both employees and the public so that it is available to all stakeholders.

<https://www.irisoee.com/en/company/sustainability/environment/policy/>

Environmental Conservation Activities

Our environmental policy was announced under the name of the company CEO both within and outside the company to declare that we are engaged in the following environmental conservation activities.

- Reduction of CO₂ and other greenhouse gas emissions (by promoting energy conservation)
- Effective use of recycled resources
- Running eco-friendly activities (compliance with environmental laws and regulations)

Details of our environmental conservation activities are given below.

Reduction of CO₂ and other greenhouse gas emissions (by promoting energy conservation)

Greenhouse gases mainly include carbon dioxide, methane, dinitrogen monoxide, hydro-fluorocarbons, perfluorocarbons, and sulfur fluoride. We emit greenhouse gases through our production activities, including the use of electricity and automobiles. As greenhouse gases are a cause of global warming, we are conducting the following activities to curb greenhouse gas in order to help prevent global warming.

Measure	Results
Promoting the use of solar power generation	As a means of reducing our purchased electricity consumption, we are installing solar panels at four plants: the Ibaraki Plant, the Shanghai Plant, the Nantong Plant, and the Philippines Plant (installed in December 2024). In FY2024, the solar panels generated 1,825 MWh of electricity, preventing the emission of 1,065 tons of CO ₂ . In January 2025, we began sourcing renewable electricity through an offsite power purchase agreement (PPA) with ReENE Co., Ltd., a TOKYU LAND CORPORATION group company, and switched to a net renewable energy contract. This initiative reduced our CO ₂ emissions by 1,246 tons.
Air-conditioner upgrade	The air conditioners at the headquarters will be replaced between 2023 and 2026. In so doing, we expect to reduce annual electricity consumption at the headquarters by 135 MWh.



Environmental Initiatives 2

Effective Use of Recycled Resources

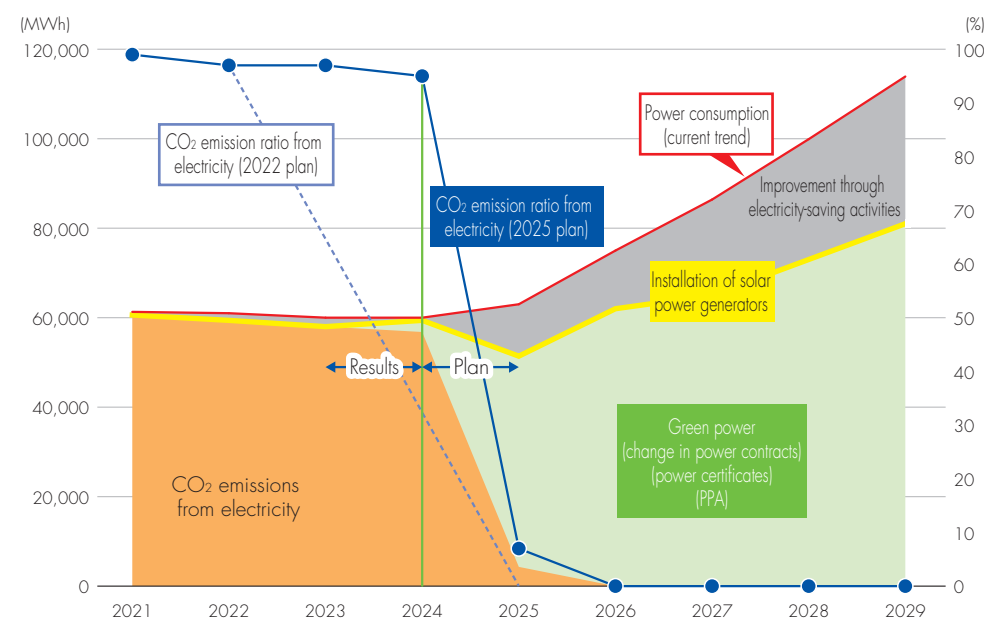
We are promoting the 3Rs (Reuse, Reduce, Recycle) at each of our sites in Japan and overseas. Accordingly, we have achieved the following results.

Measure	Results
Cutting down on gold in connectors and using recycled materials	<p>① We have reduced the amount of gold used by reviewing the specific gravity, film thickness, and processing area of the gold used to plate connector pins.</p> <p>② By using recycled LCP (liquid crystal polymer) in the resin used for connector molds, we have reduced plastic waste.</p>
Separation of waste materials for reusing as valuable resources	<p>Instead of discarding copper scraps, gold plating, waste products, etc., generated at all our domestic and overseas sites, we turn them into valuable materials and put them to effective use. As a result, in FY2024, we achieved a reduction of 19 tons of CO₂ when converted into CO₂ emissions.</p>
3Rs Activities	<p>The headquarters is fully engaged in daily 3Rs activities, the separation, reduction, reuse, and recycling of wastes. Since 2008, we have been recognized by the City of Yokohama as one of the Companies Certified for Their Excellence in 3R Activities for our outstanding waste management practices. We are continuously committed to our 3Rs activities.</p>
CSR Activities	<p>① Neighborhood cleanup To keep the roads around the company area clean, employees clean up the vicinity of the company on a daily basis.</p> <p>② Donation of calendars we do not use At the end of the year, we distribute calendars we receive from our business partners to employees who request them. Instead of disposing of any unused calendars, we donate them to nursing homes.</p>

CO₂ Reduction Targets

1. Achieving zero CO₂ emissions from purchased electricity by the end of FY2025
2. Improving production efficiency to reduce emissions intensity by 20% by FY2030 (vs. FY2021)
3. Reducing Scope 1 and 2 CO₂ emissions by 42% by FY2030 (vs. FY2023)
4. Reducing Scope 3 CO₂ emissions by 25% by FY2030 (vs. FY2023)
5. 2050 carbon neutrality

Roadmap for reducing CO₂ emissions from electricity



Environmental Initiatives 3

Response to Climate Change

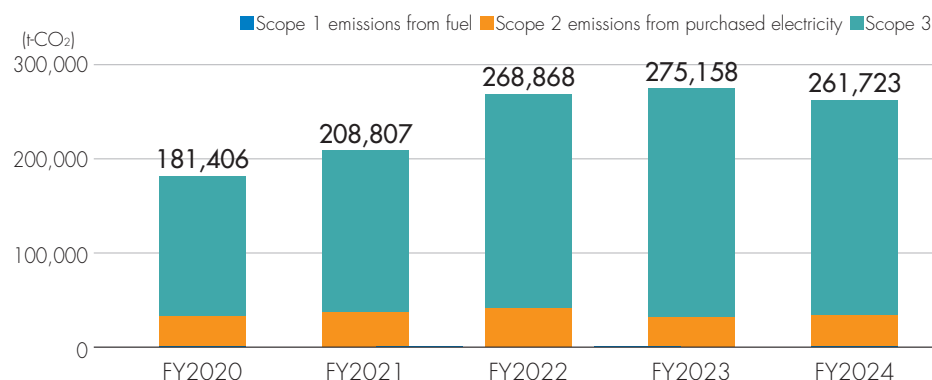
Under our management philosophy, “– Bridging to a brighter tomorrow – we cherish individuality, cultivate values through innovation and creativity, and commit to a positive and smart future,” we have continued to provide products that satisfy and excite our customers. We believe that having all members of the IRISO Electronics Group deeply learn and implement the management philosophy leads to social contributions. Today’s global environment is significantly changing, and countries and companies all recognize the need to control global warming.

Our Group’s GHG emission reduction targets have been approved by the Science Based Targets initiative (SBTi), an international environmental organization. We have set a target to reduce Scope 1 and 2 GHG emissions by 42% by FY2030, using FY2023 as the baseline.



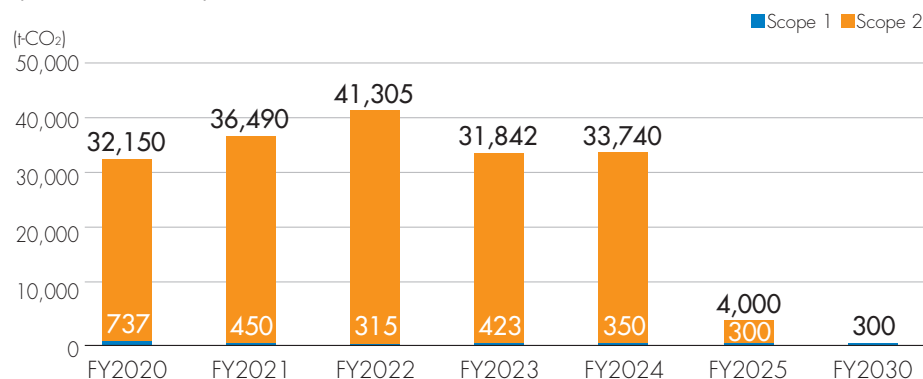
Amount of CO₂ Emissions

Annual CO₂ emissions



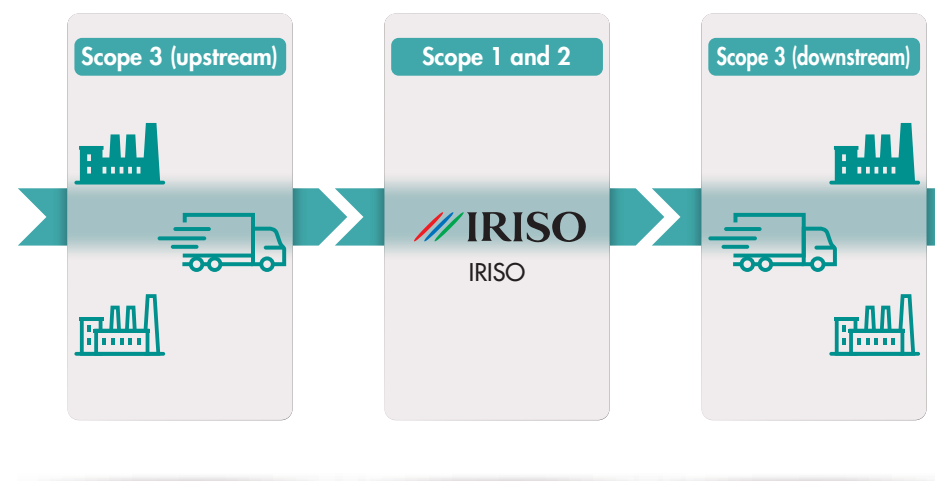
Scope 1 and 2 Reduction Plan

Scope 1 and 2 reduction plan



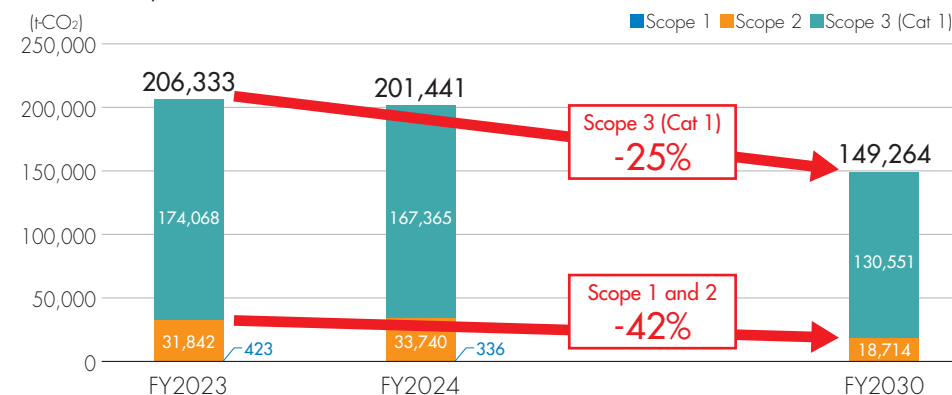
Response to the Supply Chain

At the IRISO Electronics Group, in an aim to prevent contamination of products with hazardous chemicals and minimize the impact on the global environment, we have formulated the Green Procurement Standards that define prohibited and controlled chemicals for the products, parts, and materials we procure, and we are working to reduce the use of hazardous chemicals throughout the supply chain by gaining the understanding and cooperation of our suppliers. We are calling for the reduction of greenhouse gas emissions in our supply chain, and we will continue our efforts to reduce greenhouse gas emissions with the cooperation of our supply chain.



Scope 1, 2 and 3 Reduction Targets

GHG reduction plan



Environmental Initiatives 4

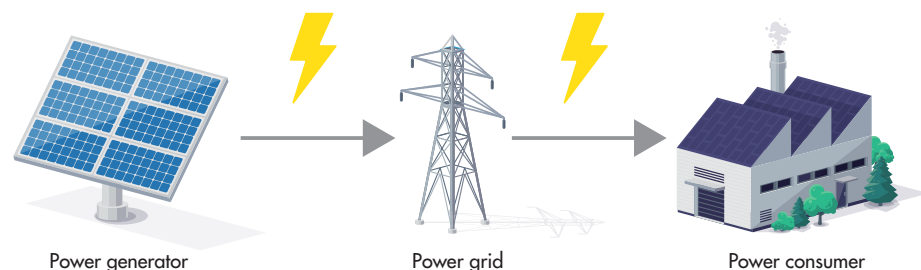
Status of Renewable Energy Use

The IRISO Electronics Group has set a goal to reduce greenhouse gas emissions from purchased electricity to zero by 2025, and it has installed solar panels on the roofs of its three plants—the Ibaraki, Shanghai, and Nantong Plants—and, in December 2024, also at the Philippines Plant to use renewable energy.

In August 2024, IRISO ELECTRONICS CO., LTD., TOKYU LAND CORPORATION, and ReENE Co., Ltd. concluded a Comprehensive Partnership Agreement on Environmental Conservation. As part of this initiative, an offsite corporate power purchase agreement (PPA) was entered into in January 2025, under which the Ibaraki Plant began using 100% renewable electricity.

What is an offsite corporate PPA (Power Purchase Agreement)?

An offsite corporate PPA is a contract between a power generator (including developers and investors) who owns a renewable energy source, and an electricity purchaser (such as a consumer). Under the agreement, the purchaser agrees to buy renewable electricity at a pre-agreed price and for a pre-agreed period. The renewable electricity is generated at a facility located offsite (i.e., away from the point of consumption) and delivered to the purchaser via the general power grid.



As part of introducing renewable energy, we will work to reduce CO₂ emissions from purchased electricity to zero in FY2025 by receiving renewable energy generated on another company's land.

Comprehensive Partnership Agreement on Environmental Conservation —Towards a Holistic Approach to Continuous Improvement of the Environmental Management System



For more details, please visit our corporate website.

<https://www.irisoele.com/en/news/n20241001/>

Installation Status of Solar Power Generators

Plant	Nantong Plant	Ibaraki Plant	Ibaraki Plant D Building
Item			
Operations start	September 2021	August 2021	September 2022
Panel capacity	1,118kW	108kW	60kW
CO ₂ reduction/year t-CO ₂	697.8	75.0	45.9
Electricity consumption ratio	8.5%	1.4%	13.2%
Installation location	Building roof	Building roof	Building roof
Procurement method	Onsite PPA	Company-owned	Company-owned

Plant	Shanghai Plant	Philippines Plant	Ibaraki Plant Offsite PPA
Item			
Operations start	September 2022	December 2024	January 2025
Panel capacity	300kW	357kW	400kW
CO ₂ reduction/year t-CO ₂	188.6	363.2	503.3
Electricity consumption ratio	2.7%	10.0%	9.1%
Installation location	Building roof	Building roof	Land owned by the power generator
Procurement method	Onsite PPA	Onsite PPA	Offsite PPA

External Recognition

- Independent third-party assurance obtained again for greenhouse gas (GHG; Scope 1, 2, and 3) emissions calculations
We obtained third-party assurance for the validity of our CO₂ emissions calculation methods and results for the period from April 2024 to March 2025. This assurance covers CO₂ emissions associated with the IRISO Electronics Group, including its plants and sales offices in Japan and 12 overseas manufacturers and distributors.

- B score received in FY2024 CDP Climate assessment



Environmental Initiatives 5

3Rs Activities

The headquarters is fully engaged in daily 3Rs activities, the separation, reduction, reuse, and recycling of wastes.

Since 2008, we have been recognized by the City of Yokohama as one of the Companies Certified for Their Excellence in 3R Activities for our outstanding waste management practices.

We are continuously committed to our 3Rs activities.

Status of waste

(unit: tons)

Type of waste	Disposal method	FY2020	FY2021	FY2022	FY2023	FY2024
General waste	Incineration	1.5	19.2	19.5	21.0	20.0
	Recycle	13.0	11.3	12.2	11.7	11.2
Industrial waste	Incineration	93.0	99.4	120.7	129.4	76.2
	Recycle	11.0	66.0	67.2	55.2	58.4

Domestic results (Headquarters, Production Technology Development Center, Ibaraki Plant, Hanamaki Factory)

Green Procurement

IRISO promotes green procurement, which specifies chemical substances that are prohibited from using, or managed in the use for procured products, components and parts, and materials, for the purpose of preventing hazardous chemical substances from coming into contact with products and minimizing their impact on the global environment.

To provide guidelines for actions on our sustainable procurement, we have introduced the "Green Procurement Standards" in 2024 and been committed to reducing hazardous chemical substances contained in our products at the supply chain level by asking suppliers for their understanding and cooperation.

Initiatives

We are committed to reducing risks associated with using chemicals, in compliance with environmental laws and policies in countries around the world, such as the EU RoHS Directive and the EU REACH Regulation.

● 100% Ozone Depleting Chemical (ODC) Free Production

We started reducing the ODC substances in 1990 and achieved 100% ODC-free production by 1993. Since then, we have not used any ozone depleting chemicals (ODC) in manufacturing processes or for materials used in manufacturing.

● EU RoHS Compliance

Regarding our response to the EU RoHS Directive, we are already in compliance with RoHS, except for solder plating products, which some customers have requested. We have not had any products that use the four specific phthalates that became subject to RoHS regulations in 2019 since before the regulations came into effect.

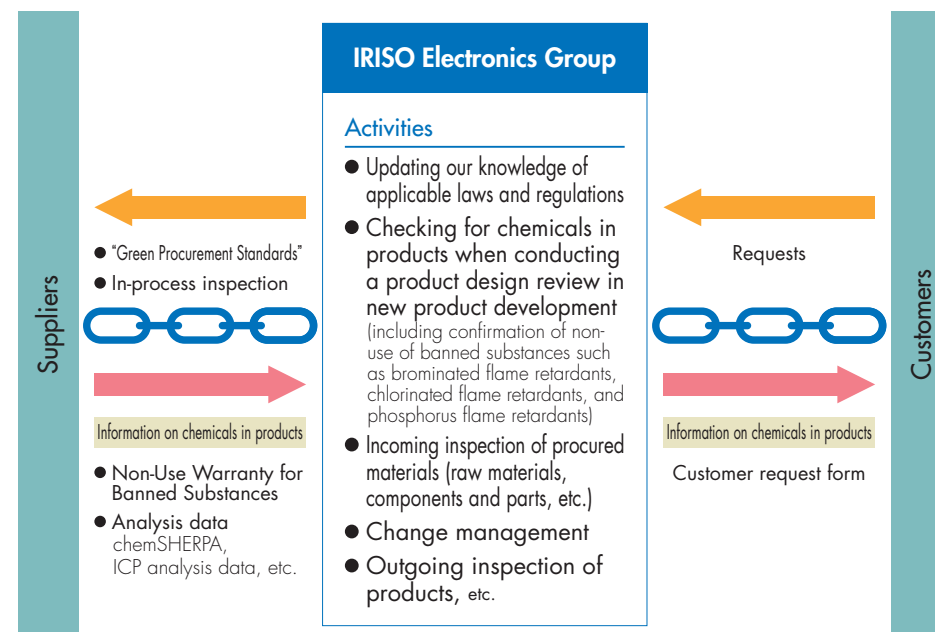
● EU REACH Compliance

Since official REACH SVHC was published in November 2008, we have kept up to date with the latest REACH SVHC, which is updated once or twice a year. We also communicate information on chemicals in our products to customers on their request.

Chemical Substance Initiatives

Basic Approach

IRISO is committed to complying with the environmental laws and regulations of each country, such as the EU RoHS Directive and EU REACH Regulation, as well as to meeting the requirements of our customers. Our product chemicals management is based on practices at the supply chain level, and we have set up our "Green Procurement Standards" to ensure we and our suppliers play a part in sustainable supply chain management. We are dedicated to the production of eco-friendly products by managing the green process from purchasing raw materials, and components and parts through manufacturing and shipping products. We have also installed an array of chemical analyzers and conducted periodic inspections to prevent the inflow and outflow of prohibited substances.



Transition to Lead-Free Products

From 2000, we started manufacturing lead-free products. We were already prepared to supply lead-free alternatives for existing products by 2003 and have gradually shifted to lead-free manufacturing since then. (Excluding products requested by some of our customers.) All new products that have been developed since 2006 are lead-free. In FY2024, 99.9% of the products delivered to our customers were lead-free.



Environmental Initiatives 6

Chemicals Management in Manufacturing

There are no NOx (nitrogen compounds) and SOx (sulfur compounds) used or emitted in manufacturing.

We ensure that all chemicals included in the PRTR (Pollutant Release and Transfer Register) list are properly managed through identifying and aggregating them based on the PRTR system to estimate chemicals handlings, emissions, and transfers, etc. Among chemicals in the PRTR list, nickel compounds contained in nickel sludge and waste solutions, which are produced in the process of plating at the Ibaraki Plant, are subject to legal reporting.

Regarding VOCs (volatile organic compounds), the flux used to improve the solderability of terminals in some products produced at the Shanghai Plant contains isopropyl alcohol, a VOC. The volume of VOCs used increased due to a significant rise in the quantity of the relevant products delivered to customers in FY2024. We will consider reviewing our usage methods in the future.

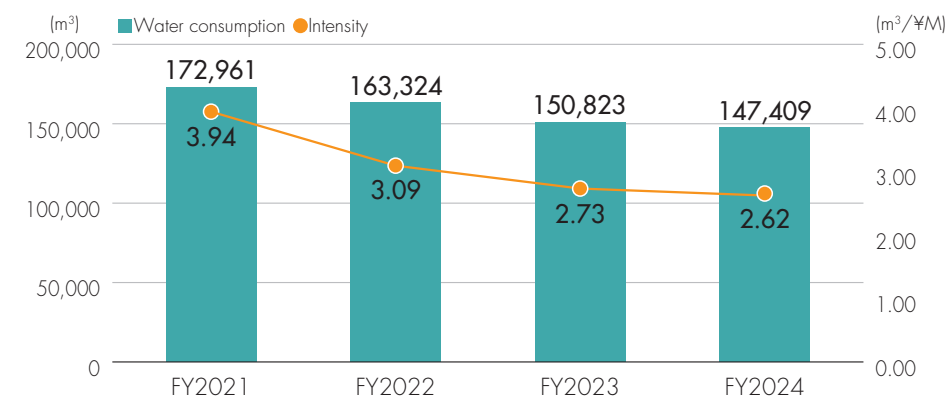
Estimated change in the transfers of PRTR chemicals subject to legal reporting

	Unit	FY2021	FY2022	FY2023	FY2024
Nickel compounds	kg	667.2	796.6	785.0	844.0
VOC	kg	464.1	316.5	256.7	788.1

Protection of the Natural Environment

The IRISO Electronics Group defines its materiality as “working towards secure, safe and livable society that supports people and the environment.” The global environment is changing rapidly, and we are working as a company to preserve the natural environment in order to achieve a safe, secure, and livable society. As part of these efforts, we recognize the importance of water resources and work to conserve them.

Actual water consumption/intensity



Environmental Initiatives 7

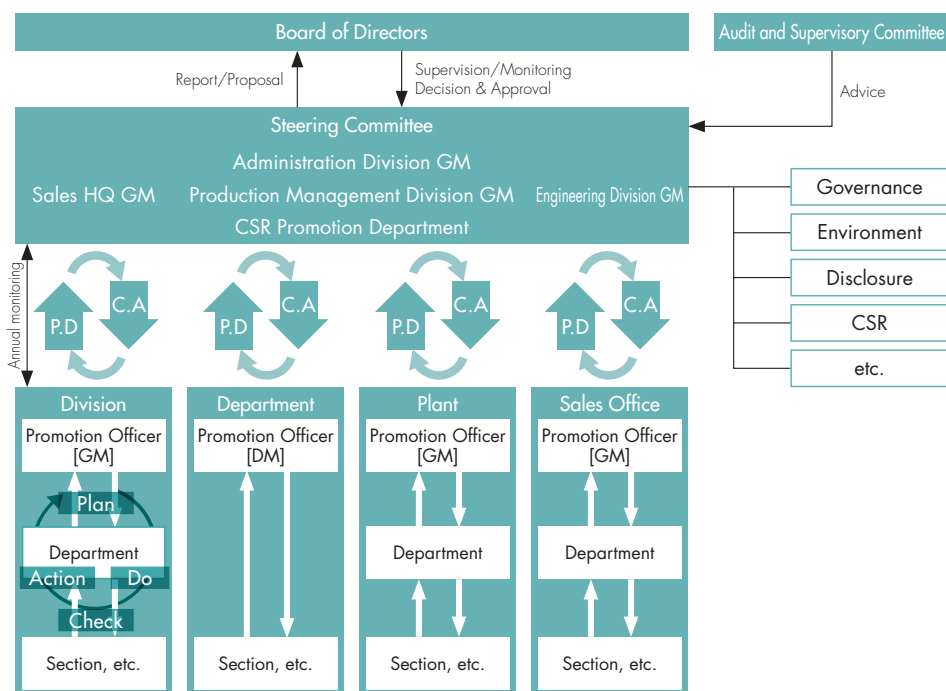
TCFD (Task Force on Climate-related Financial Disclosures) 1

We regard climate change as a management issue, and we disclose information in accordance with the four disclosure items recommended in the TCFD Framework.

Governance

- The Steering Committee is organized under the guidance and supervision of the Board of Directors. The Director and General Manager of the Administration Division serves as the Head of the Committee. The General Managers of the divisions have a key role in overseeing overall risk management policies.
- Four times a year, the General Managers of the divisions examine climate-related risks and opportunities for our business, which arise from mid- to long-term climate change impacts, and take necessary measures in cooperation with the departments involved in the risk management.
- The results are reported to the Steering Committee, and any issues that may have a significant impact are reported to and submitted for discussion at the Board of Directors twice a year.
- The Audit and Supervisory Committee provides advice to the Steering Committee as appropriate.

Governance and Risk Management Structure



Strategy

We have assessed the climate change risks and opportunities for our business. Risks and opportunities include transition risks and opportunities arising from changes in social requirements such as policies and regulations, as well as physical risks resulting from the intensification of extreme weather events. We have identified those risks and opportunities that could affect our profits.

4°C Scenario

The 4°C scenario assumes that, if any actions were not taken to respond to climate change, the average global temperature would increase by approximately 4°C by the end of the 21st century compared to the level of pre-industrial times. Whereas the level of physical climate risks such as worsening extreme weather events and sea level rise would increase, restrictions imposed on future business and consumption activities would be less stringent than they are today.

Looking at the business impact under the 4°C scenario, we assume that climate change, such as warmer temperatures, would lead to increased health risks for employees working in areas where we run our business, and then to higher response costs. Besides, supply-chain disruptions caused by extreme weather events could cause delays or suspension in material procurement, which would make it harder for us to continue our business.

1.5°C Scenario

The 1.5°C scenario assumes that, if global efforts to reach carbon neutrality were accelerated, the average global temperature rise would be limited to about 1.5°C by the end of the 21st century compared to the level of pre-industrial times. While physical climate risks would not increase, restrictions on business and consumption activities would be more tightened by imposing taxation and legal regulations.

When it comes to the business impact under the 1.5°C scenario, we anticipate that additional costs would be generated by rising energy prices, implemented carbon taxes and the expansion of the emissions trading scheme if global activities are intensified to achieve carbon neutrality, as well as that global xEV sales growth would cause the sharp rise in metal prices. Meanwhile, business opportunities for our products would increase as a result of growing demand for low-carbon technologies, including renewable energy and xEVs to build a zero-carbon society.



Environmental Initiatives 8

TCFD (Task Force on Climate-related Financial Disclosures) 2

Impact on gross profit based on FY2021 as the baseline

(Unit: billions of yen)

	4°C Scenario	1.5°C Scenario
Impact on electricity prices	—	-0.29
Impact of gasoline-powered car market decline and xEV market expansion	—	0.41
Impact on raw material cost	—	-1.70
Loss due to worsened extreme weather events and changes in rainfall and weather patterns	-0.67	-0.38
Other	-0.02	-0.03
Total	-0.69	-1.98

Note: FY2025 estimate

Risk Management

Our climate-related risks are identified, evaluated and managed at the Steering Committee.

Based on the results of risk assessments conducted by each division, the need for measures and priorities are considered and reported to the Steering Committee.

As a result of the risk assessments, cases and responses that may have a significant business impact are reported to the Board of Directors, which makes necessary decisions on them after receiving a request for decision.

Each division creates and implements a risk mitigation plan under the instructions and guidance of the Board of Directors as well as the Steering Committee.

The Company has also developed an environmental management system based on ISO 14001. The climate-related risk management includes the monitoring of risks such as compliance risk, which is based on the ISO management system.

Metrics and Targets

As the following targets are set for reducing greenhouse gas emissions, we are working on solar panel installation, plant automation, energy-saving practices through production efficiency improvement by increasing the efficiency of plating lines, and switchover to renewable energy. In the future, we will also respond to carbon pricing.

Reduction targets

- CO₂ emissions from electricity: virtually 100% reduction by 2025
- GHG (Scope 1–3) emissions: achieve carbon neutrality by 2050

Visualizing Electricity Usage

The Group is working to reduce CO₂ emissions by improving productivity and lowering electricity consumption.

To reduce electricity consumption, we have introduced a system that visualizes electricity usage by production process, enabling us to develop more concrete reduction strategies.

This initiative is currently in place at some plants, and is planned for expansion to other plants.



Social Initiatives 1

Business Conduct Policy

Basic Approach

The business challenges companies face today are complex and widespread. To ensure long-term growth, it is crucial to consider both corporate sustainability and the resolution of social issues when making management judgments and business decisions.

In order to clarify what we need to do to continually create the value expected by our customers, investors, local communities, and other stakeholders in the future, we reviewed the Code of Business Conduct in 2024. We ensure that the new code of conduct is ingrained in executives and employees of IRISO and its group companies and utilized as a basis for decision-making.

We promote the adoption of the code of conduct throughout our supply chain, build a sustainable and resilient supply chain, and continue to deliver satisfaction and excitement to our customers.

Code of Business Conduct

1. We aim for sustainable economic growth and the resolution of social issues.

We conduct efficient production and management through the use of DX. We will reduce our environmental impact. We promote technological development, including collaboration with other companies through forms such as supporting the development of companies.

2. We act based on fair business practices.

We engage in fair business in compliance with domestic and international laws and systems. We build fair and equal partnerships, and conduct procurement activities while taking into consideration human rights and labor issues.

3. We implement fair information disclosure and constructive dialogue with stakeholders.

We encourage two-way communication with a wide range of stakeholders, including local communities. We strive for easy-to-understand information disclosure and promote cooperation and empathy by building relationships of trust. We manage important information with the utmost care and prevent insider trading.

4. We respect human rights.

We declare our respect for human rights both internally and externally, and ensure that this respect extends throughout the supply chain. We assess risks of negative impacts and work to prevent such impacts.

5. We value relationships of trust with our customers.

We provide superior quality products with the best technologies in anticipation of customer needs.

6. We enhance the workplace environment to support diverse working styles.

We provide fair and equal employment opportunities, and eliminate discrimination. We will support the development of careers and skills. We create a comfortable workplace that values health and safety.

7. Environmental initiatives

We ensure proper management of chemicals contained in our products, and reduce the use of chemicals during manufacturing. We implement initiatives in response to environmental risks in order to build a low-carbon and circular society. We contribute to the preservation of biodiversity.

8. We strive to actively participate in society.

As a company mainly serving the automotive industry, we actively support traffic safety and security. As a global company, we respect the cultures and customs of various regions around the world, and contribute to the development of local communities through social participation.

9. We ensure thorough crisis management.

We prepare for risks including terrorism, crime, natural disasters, and cyberattacks, and establish a crisis management system for the organization as a whole.

Procurement Initiatives

Basic Approach

IRISO takes the “conflict minerals” that may have risks of human rights abuses and environmental destruction, as well as of financing for bribery and corruption, and terrorism, as critical social issues for supply chain.

We build global partnerships for mutual development and conduct procurement based on fair and impartial evaluations with suppliers, who are indispensable partners in our business activities, while giving consideration to environmental and social responsibility initiatives, including legal compliance.

CSR Procurement

We revised the CSR Procurement Guidelines in 2023 to include initiatives for human rights and labor, health and safety, environment, fair trade and ethics, information security, and business continuity planning.

We requested each supplier to engage in CSR activities based on these guidelines, and confirmed compliance with the policies and standards in writing.

We are considering conducting CSR diagnoses and CSR audits on suppliers in the future.

Responsible Conflict Minerals Initiatives

IRISO uses gold and tin as raw materials for manufacturing plating connectors and terminals. Although the gold plating contains trace amount of cobalt, we do not use other conflict minerals such as tantalum, tungsten, and mica in our products.

Regarding conflict minerals, our CSR Procurement Guidelines clarify our policy that “we shall fulfill our obligations to prevent directly or indirectly supporting illegal armed conflict, human rights violations, environmental harm, or activities that pose hidden risks to health and safety, and shall take reasonable steps to use minerals of known provenance.” For this reason, we regularly conduct smelter/refinery surveys using the EMRT (Extended Minerals Reporting Template) in addition to the CMRT (Conflict Minerals Reporting Template) issued by the Responsible Minerals Initiative (RMI) going back through our supply chains.

■ Survey results (FY2024)

Suppliers surveyed: 92 companies Response rate: CMRT 100%, EMRT 92%

Identified smelters: 210 companies (EMRT 69 companies, CMRT 141 companies)

There is no evidence of the use of conflict minerals that serve as a source of funding for armed groups.

Communication with Suppliers

Since 2017, we have been holding business plan briefing sessions for major suppliers every year in order to help them understand the IRISO Electronics Group's business policies and procurement policies, deepen relationships of trust with suppliers, and promote communication (some sessions have been canceled due to the impact of COVID-19).

In these briefings, we explain our approach to business continuity planning (BCP), CSR procurement guidelines, conflict minerals management, green procurement criteria, and climate change adaptation. We also ask our suppliers for their cooperation in such sustainability practices.



Social Initiatives 2

Quality Initiatives

Basic Approach

IRISO connectors are indispensable for operating various types of equipment. In particular, the automobile industry, which is the main application area for our products, requires vehicles to be able to run under harsh conditions, such as extreme heat and severe cold. For this reason, we ensure quality with consideration for various use environments.

Quality Policy

ZERO defects to ensure security, safety and trust

Since our founding, when we were manufacturing pins, we have been committed to producing quality products. We were also one of the first companies in the connector industry to focus on improving our testing facilities and to carry out prototype product evaluation by recreating a variety of usage environments. We continue to value our "commitment to quality" so that our customers can use safe products with peace of mind, and work on quality assurance so that we can continue to connect with society and our customers through trust.

System



Initiatives for Certification and Accreditation

We acquired international standard ISO 9001 of the quality management system in 1996. Thereafter, acquired QS that is the standard of the American automotive industry and acquired ISO/TS16949 in 2007, which is an international unification standard, and updated to IATF16949 in 2018, conducting continuous effort for the quality in various markets. In addition, from 2000, we acquired the certification of environmental management system ISO 14001, conducting our operation in the viewpoint of environmental conservation.

We actively make efforts to save energy and resources, and conduct recycling activities throughout our operations.

To provide further high satisfaction to customers, we will not only ensure product quality but also contribute to the realization of recycling society from manufacturing.

Industry-Academia Collaboration

IRISO aims to create new social value through joint research with universities.

Partner universities

University	Keio University	Shibaura Institute of Technology	Tokyo University of Science	Nagoya Institute of Technology	Yokohama National University
Research themes	Material technology	Vibration resistance technology	Mounting technology	Performance evaluation	Assembly processes

Cooperation with Local Communities and Sponsorship

Sponsorship of Yokohama F. Marinos

To continue to connect with society and our customers through trust, we have signed an official sponsorship agreement with the prestigious J. League club Yokohama F. Marinos since 2019. As a company headquartered in Shinyokohama, IRISO strongly identifies with the activities of Yokohama F. Marinos as a fellow corporate citizen and wishes to contribute to society together. We have also signed a sustainable official sponsorship agreement with the General Incorporated Association F. Marinos Sports Club, and we are supporting electric wheelchair soccer tournaments and parent-child soccer classes as part of our social contribution activities.



Sponsorship of VfB Stuttgart

In Stuttgart, Germany, where IRISO's European distributor is located, we have been sponsoring the Bundesliga club VfB Stuttgart since 2018 as a contribution to the local community.



Sponsorship of SAZANKA Robotics, an international robotics competition team for junior and senior high school students

SAZANKA Robotics is an international, cross-school robotics competition team formed in 2020, and competes in the FIRST® Robotics Competition (FRC), the world's largest robotics competition for junior and senior high school students, held annually.

IRISO shares the philosophy of SAZANKA Robotics, which aims to create a community that will bring about change in society through manufacturing technology. Believing that supporting the young people who will lead the next generation will lead to the development of human resources who will support the future, we have been supporting the organization since 2024.



SAZANKA Robotics



Social Initiatives 3

Workplace Safety

Basic Approach

IRISO has established a basic policy that prioritizes the safety of employees in order to continue to provide a safe and secure working environment for everyone who works for IRISO.

Workplace Safety Basic Policy

IRISO gives top priority to prevention of workplace injuries and illnesses and to protection of the safety and health of all people who work at the company so that they can live a more fulfilling, peaceful and cultural life.

We create a lively and pleasant work environment, where all people can work with enthusiasm and maximize their potential, through facilitating open discussions which allow everyone to freely express their thoughts and ideas.

Workplace Safety Activities

We identify sources of hazards and high-risk operations in our workplaces and eliminate them in advance.

We comply with workplace safety and health laws and regulations in each country and region, as well as internal standards.

We work to prevent common workplace accidents.

We conduct a safety diagnosis on equipment during design, ordering, completion, and acceptance.

We leverage digital technologies (IoT) to improve occupational safety and health.

We develop our health management system and increase workplace flexibility.

We promote the formation of an open workplace culture that fosters positive communication.

We regularly conduct fire equipment inspections, evacuation drills, and first aid training.

We are implementing the above with an aim to achieve zero workplace accidents, zero traffic accidents, and zero fire accidents.

Status of Workplace Safety Activities

Contents	Status
Number of occupational accidents (FY2024)	2 resulting in time off work, 4 not resulting in time off work, 6 in total (including overseas plants)
Overall frequency rate	0.36
ISO 45001 certification status	Domestic sites at the headquarters, Ibaraki, Kawasaki, and Hanamaki, and overseas production sites in Shanghai, the Philippines, Vietnam, and Nantong have obtained ISO 45001 certification. The Akita Plant in Japan, which began operations in April 2025, is scheduled for certification in FY2025.

Employee Health and Wellbeing

Basic Approach

We are committed to promoting all employees' health and wellbeing in the workplace. We ensure our wellbeing initiatives support employees' mental and physical health, even as they age.

Employee Health and Wellbeing Policy

Taking care of all employees' wellbeing leads to increased employee motivation and engagement in the workplace. Consequently, they are more productive and engaged, who have fewer workplace accidents. Therefore, we develop our strategies for managing workplace health and wellbeing, and create a supportive work environment to ensure all employees stay happy and healthy at work.

Employee Health and Wellbeing Activities

We were certified as a KENKO Investment for Health Outstanding Organization again this year, in March 2025, in recognition of our health and wellbeing activities in FY2024. Examples of these activities in FY2024 are as follows.

- **Walking event**

We organized an event open to permanent, temporary, part-time, and casual workers. Participants used a smartphone app to compete for the highest daily step count over a period of at least one month. In addition to individual competitions, we introduced inter-departmental awards, encouraging employees to address a lack of regular exercise and relieve stress.

- **Background music (BGM) in the workplace**

We play background music in the office for about 30 minutes each in the morning, afternoon, and evening to help employees focus, reduce stress, and relax. The music selection varies by time of day to avoid monotony.

- **In-house counseling sessions**

To prepare for potential mental health issues among employees, monthly in-house counseling sessions are offered by an external clinical psychologist to those who wish to participate. These sessions address work-related and personal matters, and are available to all employees.

In addition to workplace safety and health initiatives, we promote employee health and wellbeing activities to create an even more comfortable working environment and enhance employee engagement. Through these activities, we aim to achieve continuous productivity improvement and zero occupational injuries, and to maintain certification as a KENKO Investment for Health Outstanding Organization.



Human Capital Management Initiatives 1

Basic Approach

Based on our management philosophy, “we cherish individuality, cultivate values through innovation and creativity, and commit to a positive and smart future,” we are implementing three reforms: HR system reform, work style reform, and human capital development reform, to enable management with the participation of all employees while fostering an inclusive workplace environment that values the mutual human rights and dignity of all employees.

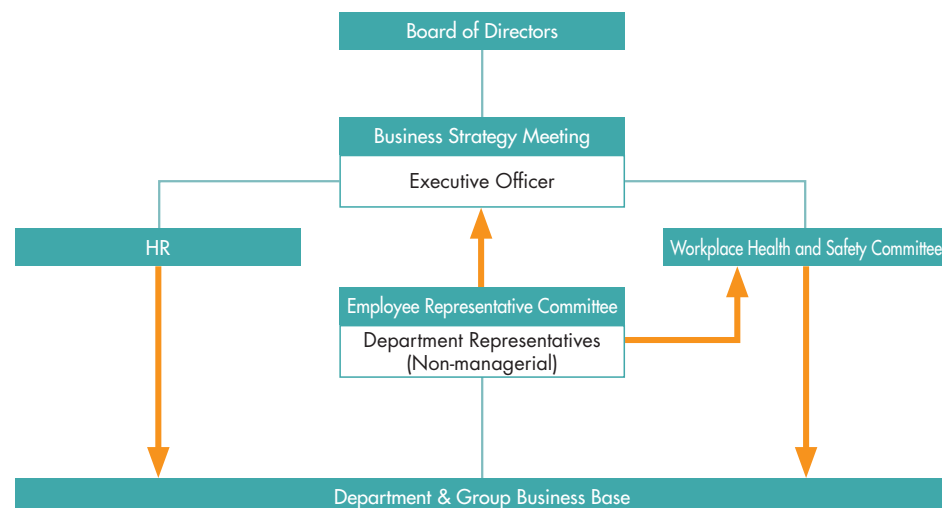
We foster innovation, improve employee satisfaction and work environment, and make a positive impact on talent acquisition and retention by encouraging diverse perspectives and experiences in the workplace.

Implementation Structure

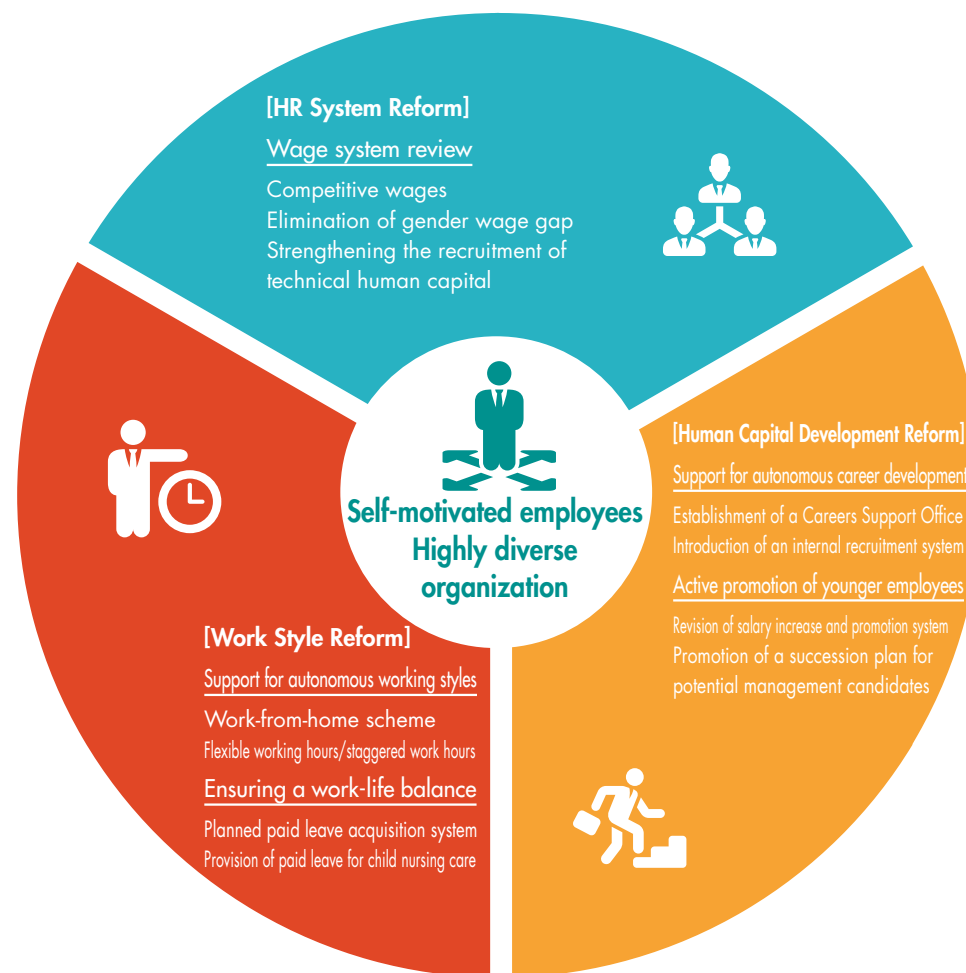
We promote human capital development and the improvement of our internal environment under the following structure.

- Human resources strategies for the sustainable growth of our business, such as organizational restructuring, key personnel appointments, the development of management executives and global human resources, diversity, are reviewed and deployed by management executives including executive officers at the Business Strategy Meeting.
- Besides, the Workplace Safety and Health Committee, which is made up of representatives from each department, plays a role in improving holistic employee engagement and promoting workplace health management.
- We review such personnel development efforts to ensure that they are actually effective, based on opinions and views raised at the “Employee Representative Committee,” which is operated by employees themselves, as well as on face-to-face conversations between staff members and management executives during their onsite visits to group business bases.

Governance and Risk Management Structure



Key Initiatives



Human Capital Management Initiatives 2

HR System Reform

In order to become a 100-year company that creates customer value as a sustainable company, our Medium-Term Management Plan calls for establishing a second pillar of our business after the mobility market, strengthening our technological development capabilities, and improving quality and cost competitiveness, production efficiency, and production capacity. We are also transitioning to a competitive wage structure, including base salary increases, and better motivating employees, while also strengthening the hiring of design personnel with an aim to enhance our technical strength and organizational competitiveness.

In addition to securing the necessary personnel (recruitment, retention, and training), we also recognize the importance of creating an organizational structure and workplace environment where global human capital with diverse values can actively participate through diversity initiatives, while ensuring a safe and secure work environment. In order to eliminate the gender gap, we have abolished the general position classification that was primarily held by female employees to further promote the active participation of women and rectify the disparity in the wage system.

Wage gap between men and women, with men's wages set at 100%

Regarding disparities among permanent employees, while the pay gap for non-managerial employees continues to narrow, when it comes to those holding managerial positions, including an increasing number of women who have been promoted in recent years, the average tenure of female managers is still less than one-third of male managers' tenure. For this reason, there is room for growth in female wages compared to male wages within the salary range of the same positions.

Disparities among non-permanent employees largely stem from their employment arrangements: many of the men in non-permanent employment are contract employees who have retired from permanent positions, whereas many women work part-time to remain eligible for spousal dependent status.

Category	FY2022	FY2023	FY2024
All employees	60.8%	68.3%	68.1%
Permanent employees	70.3%	71.1%	78.7%
Managers	98.9%	93.6%	71.1%
Non-managers	87.0%	89.4%	95.7%
Non-permanent employees	53.6%	61.9%	64.1%

Human Capital Development Reform

We encourage employees' independent career development and fostering a positive work environment through following activities to ensure that those with various backgrounds and values, including women, foreigners, and experienced hires, as well as technical and administrative staff, etc., can achieve better outcomes and enhance performance through leveraging their individual strengths and characteristics.

- Redefining roles and responsibilities required for different job levels and reviewing the personnel training system.
- Visualizing career paths by creating job descriptions and skill maps.
- Offering training opportunities for employees to develop necessary work skills to carry out their duties.
- Promoting a succession plan for potential management candidates and strengthening the development of young core talent.
- Running training programs tailored to the needs of employees in different career stages, mid-level employees, leaders, newly appointed managers, etc.
- Providing training opportunities to all employees for increasing their basic knowledge of diversity and inclusion, harassment prevention, and others.
- Strengthening the support system through the training of career counselors and the establishment of a Career Support Office.
- Introducing an LMS (learning management system) to increase opportunities for skill acquisition and maximize career potential.

We have also revised our evaluation system and promotion standards to actively promote younger employees.

Human Capital Development Indicators (Japan)

	FY2022	FY2023	FY2024	FY2025 Target
Annual training participation rate	23.1%	30.5%	24.0%	35.0%
Annual education and training expenses	¥40,683/person	¥44,895/person	¥35,512/person	¥50,000/person

2024 Topics

Revision of starting salaries for new graduates

Since FY2022, we have revised starting salaries for new graduates each year to better attract candidates we consider future core employees. In particular, we implemented a significant increase of up to ¥25,200 in FY2024.

Starting salary for new graduates	FY2023 hires	FY2024 hires	FY2025 hires
Master's degree holders	¥232,800	¥244,800	¥270,000
Bachelor's degree holders	¥216,000	¥228,000	¥250,000
High school graduates	¥165,000	¥170,000	¥184,000



Human Capital Management Initiatives 3

Work Style Reform

By establishing support systems that allow employees to balance work with various life events such as childcare, nursing care, or illness, we are working to create a work environment in which all employees can continue to work comfortably. We believe that supporting the autonomous working styles of employees will contribute to improved productivity and engagement.

Measures	Description
Work-from-home scheme	Allows employees to work from home, which enables flexible and efficient working styles that accommodate family circumstances.
Flexible working hours scheme	Allows employees to set their own working hours and arrival and departure times, which ensures a work-life balance and allows flexibility in scheduling meetings with overseas business partners and adjusting to a fluctuating work schedule.
Staggered working hours system	Allows staggered work hours for childcare and nursing care purposes for employees working shifts at production sites.
Accumulated leave system	Unused annual paid leave can be accumulated as special leave for purposes such as childcare, nursing care, infertility treatment, regular medical appointments for treatment of illness or injury, and volunteer activities.
Provision of paid leave for child nursing care	By making child nursing care a paid leave, employees are allowed to take it on an hourly basis to encourage employees to acquire this leave.
Planned paid leave acquisition	Employees submit five planned days of annual paid leave in advance, and the workplaces support the use of the leave as planned.
Prevention of long overtime work	By renewing the attendance management system, overtime hours are visualized for employees and their subordinates.
Introduction of GLTD insurance	We enhance financial support for long-term leave due to personal injury or illness.

Work style reform indicators

	FY2022	FY2023	FY2024	FY2025 Target
Average monthly overtime	23.5 hours	22.1 hours	23.9 hours	20.0 hours
Annual paid leave acquisition rate	70.1%	72.9%	67.1%	80.0%
Child nursing care leave acquisition rate	33.5%	58.2%	56.6%	100.0%
Male childcare leave acquisition rate	40.0%	80.0%	71.4%	100.0%

2024 Topics

What employees find attractive about IRISO

As we work to strengthen labor-management communication to improve engagement, we heard from many employees about what makes IRISO appealing through their eyes.

Career and education

- With 5% of permanent employees currently working overseas, young employees have opportunities to take on international roles.
- The company provides generous support for language learning, including optional online English conversation programs and a language allowance.
- New graduates undergo a seven-month training program after joining the company, during which they learn about the operations of various internal departments prior to their official placement and participate in internships at overseas plants.
- In their second year, new graduates are paired with mentors from different departments to seek advice on workplace concerns.
- An internal recruitment system allows employees to pursue opportunities in their preferred departments or functions.

Corporate culture

- We have a culture that encourages face-to-face interaction across departmental boundaries.
- Both company-sponsored and employee-organized internal events offer opportunities to interact with colleagues from other departments and with management.
- Employees frequently engage with colleagues from overseas locations, such as at global award ceremonies.
- A variety of family-friendly events are held, including Family Day (family workplace visit days), parent-child soccer events, and a Christmas cake giveaway.

Work style and benefits

- Annual holidays are generous (FY2024: 128 days).
- Systems such as the planned paid leave acquisition system make it easier for employees to take time off, even in busy departments.
- Programs such as flexible working hours, reduced working hours, and work-from-home arrangements support work-life balance and facilitate a smooth return from childcare leave.
- Male employees find it easy to take extended childcare leave (FY2024 average: two months).
- The housing program covers nearly 80% of housing costs during the first ten years of employment.



New employee welcome party



IRISO GLOBAL AWARD



Parent-child soccer event



Family workplace visit day



Corporate Governance 1

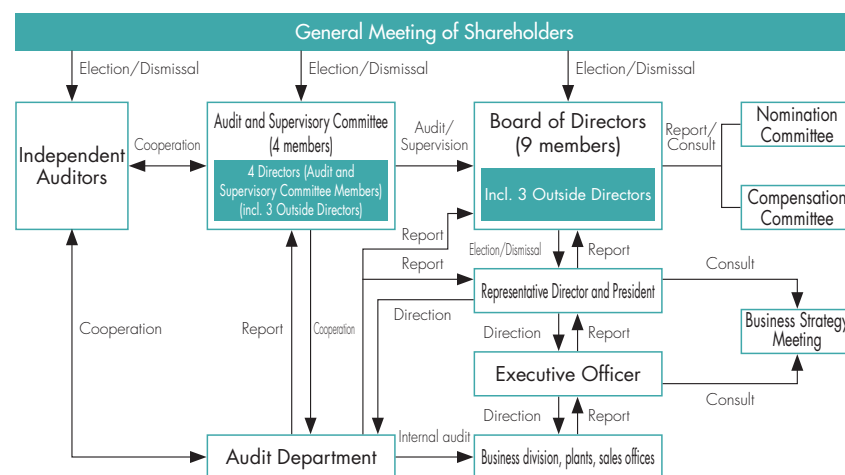
Basic Approach

As a global corporation, the Group secures its relevant profits, as well as being committed to sustainable development. IRISO also recognizes the importance of earning the trust of all stakeholders including investors, business partners, employees and local communities for aiming at the continuous growth of IRISO and increasing its business value. Based on this recognition, one of the key Management issues of the Group is to improve corporate governance for ensuring the transparency and accountability in management. IRISO aims to demonstrate social responsibility to all stakeholders.

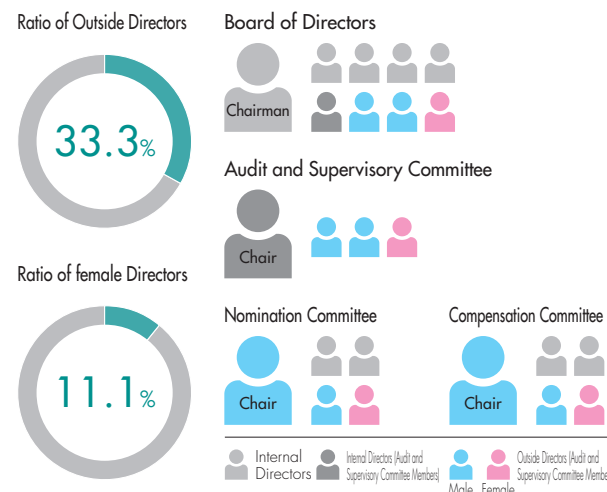
Corporate Governance Initiatives

		2007	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Chairman of the Board of Directors	Representative Director and Chairman				From 2016, Representative Director and President									
President	To 2007, Sadao Sato	From 2007, Toshiyuki Imazu		From 2015, Ikuo Yuki						From 2021, Hitoshi Suzuki				
Organizational design	To 2018, Company with Board of Corporate Auditors							From 2018, Company with Audit and Supervisory Committee						
Separation of oversight and execution	From 2001, Introduction of executive officer system													
Outside Directors			From 2014, 1 Director			From 2017, 2 Directors	From 2018, 3 Directors				From 2022, 4 Directors		From 2025, 3 Directors	
Outside Auditors	1995 to 2018, 2 auditors													
Audit and Supervisory Committee								From 2018, 4 members				From 2022, 5 members		From 2025, 4 members
Advisory committees								Nomination Committee, Compensation Committee						

Corporate Governance System (as of September 2025)



Structure of the Board of Directors and each advisory committee (as of September 2025)



Evaluation of the Effectiveness of the Board of Directors

Implementation method

Target: All Directors

Response method: Anonymous

Evaluation method:

Multiple-choice and free response column

Main evaluation items:

Structure, operation, agenda, and supporting system, etc., of the Board of Directors

Results

The Board of Directors discussed the results of this questionnaire, and it was confirmed that the Board of Directors is effectively fulfilling its roles and responsibilities. On the other hand, it was confirmed that the Board of Directors needs further discussions of management policies and business strategies from a medium- and long-term perspective, and for promoting diversity among Directors.



Corporate Governance 2

Directors Compensation

Basic Approach

IRISO Directors Compensation Policy is a pay structure designed to further motivate directors to improve company performance and to enhance business value in the medium-and long-term, through emphasizing the link between pay and business performance, as well as ensuring high transparency and objectivity in deciding compensation. These policies are resolved by the Board of Directors after consultation with the Compensation Committee.

Compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)

In addition to base compensation based on position, we have introduced performance-linked bonus that aim to clarify the degree of contribution to the improvement of business performance by setting KPIs that lead to an improvement in corporate performance and corporate value and reflecting the performance evaluation of individuals and departments under management. Performance-linked compensation is paid each fiscal year based on the achievement level against target values for key performance indicators, including consolidated net sales, consolidated operating profit margin, and ROKA (Operating Profit/[Working Capital + Non-current Assets]). The policy on determining payment ratio of fixed compensation and performance-linked compensation is designed to establish an optimal payment ratio, with the proportion of performance-linked compensation increasing for higher-ranking positions, in order to share the interests of shareholders and management and contribute to the sustainable enhancement of corporate value.

Total amount of compensation by officer category, total amount by type of compensation, and number of eligible officers (FY2024)

Officer category	Total amount (million yen)	Total amount by type (million yen)		Number of officers eligible
		Fixed compensation	Performance-linked compensation	
Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	103	62	41	6
Audit and Supervisory Committee Members (excluding Outside Directors)	13	13	—	1
Outside Directors	36	36	—	6

Compliance

Basic Approach

To develop and improve the compliance system, we have established the Compliance Committee. At the Compliance Committee meetings, a compliance framework is developed as a compliance program and applied to general business activities (a compliance program). The Compliance Committee ensures the program is well understood and is run across the company, as well as following up on the program progress. Reports and recommendations are made to the Board of Directors, as necessary. A compliance officer is appointed in each department to ensure the compliance program is run effectively at the department level.

Response to Anti-social Forces and Groups

IRISO does not tolerate any relationship, including business partnerships, with antisocial forces or groups. Their unreasonable demands are rejected firmly and in accordance with applicable laws and regulations, as well as with the company rules and regulations.

Whistleblowing System

We have established the Whistleblower Protection Regulations as a whistleblowing system that is part of our compliance program.

This system is available to all executives and employees of IRISO Electronics Group (including temporary employees), as well as workers employed by business partners. If any violation of laws and regulations, harassment, leakage of confidential information, or any other act that may violate laws and regulations is discovered, an employee may report or receive advice from the point of contact within or outside the company, either by disclosing his or her real name or by remaining anonymous. The point of contact outside the company is a lawyer for whistleblowers in Japan and dedicated reporting desk (multilingual service, available 24 hours a day, 365 days a year) operated by an external company for whistleblowers outside Japan. These contact points and reporting/consultation procedures are posted on the intranet and on posters and so forth.

Internal Control

The Audit Department performs regular internal audit, reports the results to the management and the Audit and Supervisory Committee and provides feedback to the audited departments.

Risk Management

We assign risk owners throughout the company according to the inherent risks, and regularly identify, analyze, and evaluate these risks, while the Risk Management Office in the Administration Division selects major risks and reports them to the Business Strategy Meeting, where appropriate countermeasures are discussed and implemented.



Corporate Governance 3

Company Directors



Directors

- 1 Masahisa Shibata**
Chairman & Director
Nomination Committee Member
- 2 Hitoshi Suzuki**
President & Representative Director
Nomination Committee Member
Compensation Committee Member
- 3 Keiji Takeda**
Director,
Senior Managing Executive Officer,
Assistant to President, responsible for
Production Management Division,
Engineering Division, and Quality
Assurance Division
- 4 Akihiko Ohira**
Director, Executive Officer,
General Manager of Sales Headquarters
- 5 Shinichiro Oura**
Director, Executive Officer,
General Manager of Administration Division
Department Manager of CSR Promotion
Department
Compensation Committee Member
- 6 Toshihiko Miyauchi**
Director
Chair of Audit and Supervisory
Committee
- 7 Koji Fujita**
Outside Director
Audit and Supervisory Committee
Member
Chair of Nomination Committee
Compensation Committee Member
- 8 Noboru Sato**
Outside Director
Audit and Supervisory Committee
Member
Nomination Committee Member
Chair of Compensation Committee
- 9 Akemi Uchida**
Outside Director
Audit and Supervisory Committee
Member
Nomination Committee Member
Compensation Committee Member

Skills Matrix

		Independent Outside Director	Nomination Committee	Compensation Committee	Concurrently serving as Executive Officer	Gender	Management in general	Industry experience	International experience	Sales/ marketing	Manufacturing in general	Legal affairs/ risk management	Finance/ accounting
Directors	1 Masahisa Shibata		○			M	○	○	○	○	○		
	2 Hitoshi Suzuki (Chairman of the Board of Directors)		○	○	○	M	○	○	○	○	○		
	3 Keiji Takeda				○	M	○	○	○		○		
	4 Akihiko Ohira				○	M	○	○	○	○			
	5 Shinichiro Oura			○	○	M	○	○	○			○	○
Director (Audit and Supervisory Committee Member)	6 Toshihiko Miyauchi (Chair of Audit and Supervisory Committee)					M	○	○	○				○
	7 Koji Fujita (Chair of Nomination Committee)	○	○	○		M						○	
	8 Noboru Sato (Chair of Compensation Committee)	○	○	○		M	○	○	○		○		
	9 Akemi Uchida	○	○	○		F	○						○



Roundtable with Outside Directors

Governance that overcomes challenges and promotes growth

How can we leverage outside perspectives to support IRISO Electronics as it establishes the foundations for growth and takes a new leap forward under the 2026 Medium-Term Management Plan? We invited our three current Outside Directors and Chairman Shibata, who served as an Outside Director in FY2024, to discuss this question.



Masahisa Shibata
Chairman & Director
(Outside Director and Audit and Supervisory Committee Member until June 24, 2025)

Noboru Sato
Outside Director
Audit and Supervisory Committee Member

Akemi Uchida
Outside Director
Audit and Supervisory Committee Member

Koji Fujita
Outside Director
Audit and Supervisory Committee Member

Monitoring of the Medium-Term Management Plan

— What is your assessment of FY2024, the first year of the Medium-Term Management Plan? Could you describe what points that you, as an Outside Director, paid particular attention to and what issues you identified?

Sato The Medium-Term Management Plan has attracted the attention of shareholders, investors, and many others, and there are expectations for its achievement. However, a year after the start of the Plan, we cannot deny that the outlook remains challenging. In FY2024, the Company achieved record-high net sales, as well as positive results from various initiatives, including strong sales of the mainstay product “Z-Move” in the mobility market and a successful entry into the energy management market of the industrial market. However, we were unable to achieve sales growth in terms of actual value that excludes exchange rate effects, and earnings were lower than we anticipated at the beginning of the fiscal year.

Shibata I believe that management should have enough leeway to allow for achieving plans ahead of schedule. I also believe that plans should be formulated more carefully based on reliable information to avoid placing undue strain on management. While we do need to discuss how to achieve our plans by maintaining a balance between development, manufacturing, and sales, BtoB enterprises must also carefully anticipate future trends in their customers’ industries, as they are highly susceptible to changes in customer policies and deterioration in performance. In this respect, I feel that the current Medium-Term Management Plan may be a little too ambitious.

Fujita For this fiscal year (FY2025), the second year of the Plan, a net sales target of 55 billion yen has been set. With a final-year target of 65 billion yen, the aim for the second year was to ideally achieve around 60 billion yen. However, to avoid setting an overly ambitious target only to fall short, 55 billion yen was set as the committed net sales target. I felt that this reflected the company’s clear intent to establish a firm footing.

Uchida After all, what is important is commitment, and as Mr. Fujita said, I think we are seeing a change in the company's approach. If we clearly commit to what needs to be done under the current plan, what kind of business results should be achieved, and what kind of structure should be established, and work on realizing those goals, I believe that net sales of 55 billion yen is an attainable target.

Sato Our most pressing challenge is to increase net sales in actual value terms, without relying on exchange rate effects. Achieving this will require strengthening our core business by leveraging the competitive advantages of our products. This means product development strengthening its capabilities to build an advantage over our competitors, while working in tandem with marketing and sales to promote those capabilities to the market and accelerate these efforts. However, the development department currently has limited capacity, so this is an area that needs to be expanded. While the marketing and sales departments are working hard, we need to further strengthen our approaches to the people in charge and executives of our customer companies and establish a framework that will enable our own executives to have direct discussions with the decision-makers at our customers, namely their management and executive teams.

Shibata Another challenge is to improve earning power. There are only three areas in which manufacturers can improve profits: internally, customers, and suppliers. While efforts are being made to improve operational efficiency and reduce costs internally, I feel that efforts to share with our customers and suppliers the burden of profit pressures caused by the impact of foreign exchange rates and

soaring raw material prices are still somewhat lacking. The question is whether we are negotiating with customers for reasonable prices and with suppliers on purchase terms with true conviction. I hope to advance discussions on that point.

Fujita It is the mission of a manufacturer to provide products that are useful to society, and financial performance is the outcome of fulfilling that mission. Having said that, customers buy products precisely because they find them useful, which is why the real challenge lies in how we pursue that value. Our mainstay product, "Z-Move," is an example of our success in anticipating customers' unrecognized needs and providing them in advance. What is important is not just short-term financial results, but the ability to develop innovative products that look several years ahead. I want all of our employees to remember that our company possesses the energy that gave birth to "Z-Move" and to keep working hard to achieve similar outcomes.

Uchida If we look at the Company's challenges from both long-term and short-term perspectives, its long-term challenge is to increase sales by steadily enhancing its technological and product development capabilities. I do believe that a certain level of progress is being made in this area. The problem lies in the short term. For example, when sales targets are not met, the root causes and measures to address them going forward remain unclear, which appears to be a concern. It is important to sincerely acknowledge the results, analyze them, and take appropriate measures; in other words, to carry out properly something that should be standard practice. Of course, reports from the executive side contain explanations of performance factors. However, there has been insufficient in-depth analysis of the specific details of what happened and where, and follow-through to connect that analysis to action has also been lacking. As an Outside Director, I will seek improvements in these areas.

— What was discussed in Board of Directors meetings regarding the implementation of structural reforms? Also, what are your views on the monitoring of the implementation of the Medium-Term Management Plan in the future?

Shibata In the discussion on structural reforms, rather than considering the extent of the effects of reviewing the functions of the Ibaraki Plant or of optimizing staff numbers in Japan, views on the changes necessary to make the company

stronger were expressed. We also shared the recognition that the Group's business will not be able to survive unless the reforms are carried out with unwavering determination. The Board of Directors meetings provided an opportunity to confirm management's strong conviction, as exemplified by President Suzuki declaring through the Compensation Committee that he would personally take a pay cut. Following these structural reforms, the real challenge for the future will be whether management and employees can truly come together as one. That, I think, is what will be put to the test going forward.

Fujita The review of the functions of the Ibaraki Plant is part and parcel with the future enhancement of the functions of the new Akita Plant. For this reason, rather than short-term effects, I view it from the perspective of laying the foundation for medium- to long-term growth. In terms of optimizing staff numbers in Japan, even though sales are not increasing as much as expected and profits are falling, the Company is not actually in the red, so in that respect, the current situation is not that serious. Nevertheless, I believe that President Suzuki has recognized the need to take preemptive action, which is why he implemented the optimization with a sense of responsibility, as well as volunteering to reduce his own salary.

Uchida When it comes to structural reforms, people tend to focus on the recording of losses and cost reductions, but it was originally about how to make the company better, and the Board of Directors discussed it as a means of creating a structure for the future. In that respect, it could probably be said that we were able to streamline the company as a whole and prepare for future growth.

Sato On the other hand, with regard to monitoring during the remaining two years of the Medium-Term Management Plan, we should first hold more in-depth discussion about how to make up for the gap between the current situation and our goals, before narrowing down the key points from an external perspective. There is also a need to clarify the roles and responsibilities of directors and executive officers for the achievement of the Plan, and to ensure that they are aware of their respective roles and responsibilities.

Shibata As Ms. Uchida pointed out earlier, I feel that in-depth deliberations of performance factors and responses by the executive side regarding the Medium-Term Management Plan have been insufficient. I personally believe that, in light of the new model development cycle in the automotive industry, if we want to make serious inroads into the market



from the design stage, rather than a three-year medium-term management plan, it would be better to develop plans that assume a five-year span. In any event, without reflection and in-depth deliberations, we will find ourselves in a situation where we continue to miss our targets, and we will not be able to draw up a longer-term vision.

Uchida At present, there is a tendency for discussions in Board of Directors meetings to focus on management figures, and I feel that not enough discussion is being devoted to the finer details of sales, strategies, and sowing of the seeds for the medium to long term. I believe that we should change the way meeting agendas are set so that we can discuss more forward-looking themes, such as medium-term strategies, while also doing what needs to be done, namely in-depth deliberations of performance factors and responses.

Fujita I agree. Our role as Outside Directors is to firmly convey our recognition of these issues and our recommendations to the company and the executive side for the improvement of future performance. At the same time, I hope to contribute to the creation of a company where Group employees can find joy and satisfaction in their work. Employees who are proud to manufacture products that are useful to society and energetically play an active role are the precise element that will raise the corporate value of IRISO Electronics. I think it is most important to keep the company alive as a workplace where each and every one of those employees can have dreams and aspirations.



Changes and challenges facing the Board of Directors from an outside perspective

— Have you noticed any changes in the past year in terms of revitalizing and improving the effectiveness of the Board of Directors?

Sato At the roundtable discussion with Outside Directors last year, I pointed out that, while Outside Directors actively speak up at board meetings, there is an uneven distribution of people who provide opinions from within the company, and the Executive Officers tend not to speak up much. These days, there has been a change in that atmosphere, and things are changing in a positive direction, such as allowing for more exchanges of opinions. While those opinions still lack depth in some respects, this could be improved by asking for more thorough responses by the next meeting and encouraging close communication.

Shibata A corporate culture has been established in which Outside Directors always ask questions or make suggestions and proposals from external perspectives after receiving explanations from the executive side. I highly value this culture in terms of effectiveness, and governance appears to be functioning well. In addition, internal Directors and Executive Officers have become more active in speaking up at meetings, so I take it as a positive sign that the Board of Directors will become even more energetic in the future.

Sato Conscious of the need to revitalize the Board of Directors, President Suzuki has also been making efforts to create a conducive atmosphere by, for example, encouraging people to speak up.

Fujita Former Chairman Sato, who resigned at the end of his term, often made comments from an external standpoint at board meetings. Because Chairman Sato has led the company as its founder for so many years, previously, people within the Company and executive side were somewhat reluctant to speak up in response to former Chairman Sato. With Mr. Sato's resignation, I think that this tendency has changed, and President Suzuki is aware of the need for stronger leadership.

Shibata Another area that needs to be improved is the provision of more information to Outside Directors and the early sharing of meeting agendas. There have been times when I wanted the information to be provided earlier.

Uchida The documents provided by the executive side as information are quite detailed, but to be honest, their contents



could not be described as having been sufficiently analyzed, and I think that a great deal of time is being spent on the collection of data and other tasks. Also, when presentations are made at board meetings, I would like the executive side to show a sense of ownership in their approach, such as anticipating questions in advance and clarifying the points that they want to explain. Nevertheless, as the others have said, I have also noticed a change in the Board of Directors recently, and I expect that their awareness of responding with a sense of ownership will improve in the future.

Fujita In terms of providing and sharing information, in addition to the meetings of the Board of Directors, internal Directors and Executive Officers are invited to attend the Audit and Supervisory Committee where we Outside Directors gather, to give explanations on business operations and measures and to exchange opinions on a regular basis.

Sato I have talked with the Chair of the Audit and Supervisory Committee, Mr. Miyauchi, and he responds to our requests to confirm the details of certain matters or to exchange opinions with the executive side. President Suzuki also participates in these meetings as needed, and this is the place where we can discuss various issues most enthusiastically.

— At last year's roundtable discussion, someone pointed out the need to monitor the situation at overseas subsidiaries. How do you view the situation since then?

Uchida At last year's interview, I expressed concern about the management structures of our overseas subsidiaries. As an opportunity for direct communication between the management team and employees of the Group companies,





town hall meetings were held for subsidiaries as well. Mr. Shibata participated also in town hall meetings at overseas subsidiaries. However, I myself have not had direct dialogue with the management of overseas subsidiaries, so I hope to have some kind of dialogue in the future.

Fujita While it is difficult for us to make direct contact frequently with overseas subsidiaries, we do have opportunities to receive information from them with the cooperation of the Audit Department. In addition to those kinds of interviews, another option would be to visit overseas subsidiaries directly through participation in town hall meetings.

Shibata I would also like to see the Outside Directors attending town hall meetings. When it comes to monitoring, on the other hand, as Mr. Fujita just said, I believe the Outside Directors' approach is to check information that has been provided by the Audit Department. There is also a global cooperative structure with the audit firm. As our audit firm has local staff who are well versed with overseas business, it would be beneficial to actively ask for audits of our overseas subsidiaries and to check the information gained from those audits.

— Mr. Shibata, you have been newly appointed as Chairman, and you are no longer in the position of Outside Director. Will your new role involve promoting within the company the things that you have seen from an outside perspective?

Shibata My role from now on will be less focused on internal activities, including governance aspects, and more focused on external sales activities. I will approach

customers by making use of my experience and knowledge in the automotive market. In the automotive industry, IRISO Electronics is a Tier 2 supplier whose customers are Tier 1 suppliers that deliver components directly to finished vehicle manufacturers. As we have no direct dealings with the manufacturers of finished vehicles, we are not able to obtain information regarding the development of new models and similar topics. Also, inquiries from new projects will not lead to orders for our products unless the Tier 1 suppliers that are our customers are involved in those projects. To change this situation, we must establish contact points with finished vehicle manufacturers and, at the same time, expand business relationships with multiple Tier 1 suppliers. As Chairman, I will be primarily responsible for these customer-facing external activities. I will also work in tandem with President Suzuki, who will demonstrate his leadership internally, to further develop our group business.

Expectations of potential and the roles of Outside Directors

— Finally, what are your expectations of IRISO Electronics and how would you like to contribute to the company?

Sato Let me tell you my expectations from the business portfolio front. Currently, the mobility market accounts for about 85% of total net sales, so the question will be how we can expand other segments, including the industrial market. I think that the significant growth potential in this area shows strong prospects for the future, and as demonstrated by our successful entry into the energy management market, I believe that there is a great deal of potential within the company. I look forward to seeing the further expansion of value provision. Of course, the mobility market will continue to see tailwinds for our Group businesses, such as the progress of electrification and autonomous driving, as well as the software defined vehicles (SDV) that are attracting attention as a new trend. I would like to see the Company create more "IRISO fans" through various means, such as opening up tours of the new Akita Plant, which has started operations as an advanced smart factory, to the public. I hope to actively support such initiatives myself in my capacity as an Outside Director.

Fujita This may overlap with Mr. Sato's comment just now, but I hope the Company will firmly establish a second

business pillar to follow on from the mobility market. While the Company has plenty of potential in this regard, I think it needs to devote resources more seriously and expand its business by investing more energy and costs into initiatives. Something else that I hope for is, as I mentioned earlier, the realization of company where employees take pride in working at IRISO Electronics and where they can participate actively and energetically. The appeal of the Group lies not in its scale as a large corporation, but in the way the employees band together in close-knit relationships to produce results. I will work alongside them, thinking together about how to best demonstrate that strength.

Uchida I feel that, with the resignation of the previous and founder, there is a growing momentum within the Company to transform itself into a new corporate group and evolve. I hope that these changes will be put to good use to lead to future growth, and as an Outside Director, I will extend my support as much as possible. Until now, it seemed that the Company had a tendency to charge forward with its focus solely on immediate goals. From now on, I hope to encourage the implementation of investments needed to improve our technological capabilities from longer-term perspectives, and I will continue to watch over IRISO Electronics as it achieves significant growth.

Shibata The fact is that many of my acquaintances who work in the automobile industry have never heard of the company name IRISO Electronics, so I feel that we need to make a greater effort to raise the Company's profile more. I will firmly pursue my own mission so that we are able to create a positive spiral in which business growth is achieved by greatly expanding the circle of value creation and provision, including innovations in product development, taking up new business development challenges, and collaborating with external parties, and the increased recognition resulting from that business growth attracts new demand.



Key Financial Data Over 10 years

(Unit: millions of yen)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Business Performance										
Net sales	38,209	37,547	42,248	42,834	39,614	36,520	43,863	52,903	55,271	56,332
Operating profit	6,568	6,661	8,426	6,084	4,628	2,900	4,520	6,940	5,936	5,307
Ordinary profit	6,602	6,750	7,872	6,325	4,668	2,970	4,838	7,661	7,189	5,504
Profit attributable to owners of parent	4,045	4,875	5,456	3,722	3,287	2,141	3,913	5,541	5,593	2,662
EBITDA*1	9,747	10,064	12,148	10,200	9,163	7,690	9,877	13,109	12,263	12,400
Consolidated Balance Sheets										
Total assets	47,556	52,363	60,083	61,471	60,638	63,941	73,153	82,491	96,856	91,370
Net assets	39,296	44,692	49,283	51,329	51,519	54,731	61,776	68,019	77,016	71,196
Equity	39,132	44,452	49,013	51,014	51,202	54,348	61,337	67,418	76,233	70,621
Interest bearing debt	676	596	576	501	424	398	410	2,493	6,825	9,322
Consolidated Statements of Cash Flows										
Cash flows from operating activities	8,598	6,604	9,707	6,695	6,830	6,234	6,691	11,613	12,934	12,043
Cash flows from investing activities	(5,370)	(5,406)	(6,727)	(6,687)	(6,482)	(4,881)	(6,248)	(8,179)	(9,089)	(8,778)
Cash flows from financing activities	(744)	1,260	(777)	(1,950)	(1,664)	(1,379)	(1,611)	516	2,313	(5,495)
Cash and cash equivalents at end of period	13,051	15,242	17,352	15,456	13,819	14,260	14,066	18,640	26,692	24,314
Per Share Information										
Net assets per share (yen)	1,709.48	1,877.72	2,070.36	2,164.68	2,172.66	2,306.16	2,607.59	2,865.97	3,240.40	3,291.67
Basic earnings per share (yen)	176.03	207.16	230.47	157.70	139.49	90.89	166.22	235.58	237.75	118.25
Dividend per share (yen)	60.00	80.00	50.00	60.00	50.00	50.00	60.00	80.00	90.00	100.00
Financial Indicators										
ROA (Return on assets) (%)	8.7	9.8	9.7	6.1	5.4	3.4	5.7	7.1	6.2	2.8
ROE (Return on equity) (%)	10.5	11.7	11.7	7.4	6.4	4.1	6.8	8.6	7.8	3.6
ROIC (Return on invested capital) (%)*2	10.3	11.4	11.5	7.3	6.3	4.0	6.6	8.3	7.3	3.2
Equity ratio (%)	82.3	84.9	81.6	83.0	84.4	85.0	83.8	81.7	78.7	77.3

*1 EBITDA = Operating profit + depreciation

*2 ROIC = Profit after tax/invested capital x 100



E (Environment)

		Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Greenhouse gas (GHG) emissions status	CO ₂ emissions	Tons	32,887	36,940	41,620	33,980	33,740
	Energy consumption	thousand GJ	191	217	213	210	215
	Electricity energy intensity	MWh/¥M	1.46	1.40	1.15	1.08	1.03
	Total GHG emissions	tons-CO ₂	181,406	208,807	268,868	275,158	261,723
	Scope 1	tons-CO ₂	737	450	315	423	336
	Scope 2	tons-CO ₂	32,150	36,490	41,305	31,842	33,740
	Scope 3	tons-CO ₂	148,519	171,867	227,248	242,893	227,647
Water resource management	Water consumption	Tons	151,738	173,030	163,324	150,823	147,409
Waste management	Total emission	Tons	—	—	1,228	1,341	1,055
Chemical substance management	VOC (Volatile Organic Compounds) emissions	Tons	—	0.5	0.3	0.3	0.8
	NO _x (Nitrogen oxides) emissions	Tons	—	0	0	0	0
	SO _x (Sulphur oxides) emissions	Tons	—	0	0	0	0
ISO 14001 acquisition	Acquisition ratio	%	100	100	100	87.5	88.9

S (Social)

		Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Diversity & Inclusion	Number of employees	Person	3,277	3,137	3,104	3,037	2,936
	Share of women in total employment	%	60.2	58.7	56.7	51.8	49.0
	Share of non-Japanese employees in total employment	%	—	—	83.6	79.2	81.2
	Share of women in management	%	—	—	25.1	27.2	24.9
	Share of non-Japanese employees in management	%	—	—	52.1	53.9	50.2
	Share of local global key position	%	45.4	45.4	41.7	41.7	36.4
Human capital attraction and development	Annual education and training costs per employee	Yen	8,077	8,763	10,025	9,352	8,106
Workplace safety and health	Frequency rate of workplace accidents resulting in lost workdays		0.98	0.81	0.53	0.88	0.36
	Number of serious accidents	Cases	0	0	0	0	0
	Number of workplace accidents resulting in lost workdays	Cases	6	5	3	5	2
	ISO 45001 certification acquisition ratio	%	40	60	100	87.5	88.9



G (Governance)

		Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Board of Directors	Chairman of the Board of Directors		Ikuo Yuki Representative Director and President	Hitoshi Suzuki Representative Director and President	Hitoshi Suzuki Representative Director and President	Hitoshi Suzuki Representative Director and President	Hitoshi Suzuki Representative Director and President
	Number of Directors	Person	9	11	10	10	10
	Number of Outside Directors	Person	3	4	4	4	4
	Number of Outside Directors designated as Independent Directors	Person	3	4	4	4	4
	Ratio of Outside Directors	%	33.3	36.4	40.0	40.0	40.0
	Number of female Directors	Person	1	1	1	1	1
	Ratio of female Directors	%	11.1	9.1	10.0	10.0	10.0
Audit and Supervisory Committee	Chair of Audit and Supervisory Committee		Kenichi Ooe (Director)	Kenichi Ooe (Director)	Toshihiko Miyauchi (Director)	Toshihiko Miyauchi (Director)	Toshihiko Miyauchi (Director)
	Number of Audit and Supervisory Committee Members	Person	4	4	5	5	5
	Number of Outside Directors	Person	3	3	4	4	4
Nomination Committee	Chair of Nomination Committee		Makoto Ebata (Independent Outside Director)	Makoto Ebata (Independent Outside Director)	Makoto Ebata (Independent Outside Director)	Makoto Ebata (Independent Outside Director)	Koji Fujita (Independent Outside Director)
	Number of Nomination Committee Members	Person	5	5	5	5	5
	Number of Outside Directors	Person	3	3	3	3	3
Compensation Committee	Chair of Compensation Committee		Shimako Yamamoto (Independent Outside Director)	Shimako Yamamoto (Independent Outside Director)	Shimako Yamamoto (Independent Outside Director)	Shimako Yamamoto (Independent Outside Director)	Noboru Sato (Independent Outside Director)
	Number of Compensation Committee Members	Person	5	5	5	5	5
	Number of Outside Directors	Person	3	3	3	3	3



Corporate Information (as of March 31, 2025)

Company Profile

Corporate name	IRISO ELECTRONICS CO., LTD.
Headquarters	222-0033 2-13-8, Shinyokohama, Kohoku-ku, Yokohama, Kanagawa, Japan
Established	December 1966
Capital	5,640.05 million yen
Employees	Non-consolidated: 594 Consolidated: 2,936
Number of locations	Japan: 4 Overseas: 14
Number of development and production facilities	Japan: 5 Overseas: 5

Domestic locations

Headquarters
(IRISO Technology Park)
East Japan Sales Office
Kansai Area Sales Office
Chubu Area Sales Office

Development and production sites in Japan

Headquarters
(IRISO Technology Park)
Production Technology
Development Center
Ibaraki Plant
Akita Plant
Hanamaki Factory

Overseas locations

[Asia]

IRS (S) PTE LTD.
IRISO ELECTRONICS INDIA PVT. LTD.
IRISO ELECTRONICS (THAILAND) LTD.
IRISO (SHANGHAI) TRADING CO., LTD.
IRISO (SHANGHAI) TRADING CO., LTD SUZHOU OFFICE
IRISO (SHANGHAI) TRADING CO., LTD DALIAN OFFICE
IRISO (SHANGHAI) TRADING CO., LTD. TIANJIN OFFICE
IRISO (SHANGHAI) TRADING CO., LTD. CHONGQING OFFICE
IRISO (SHANGHAI) TRADING CO., LTD. SHENZHEN OFFICE
IRISO ELECTRONICS (HONG KONG) LIMITED
IRISO ELECTRONICS (HK) LTD. TAIWAN REPRESENTATIVE OFFICE
IRISO ELECTRONICS (HK) LTD. KOREA BRANCH

[USA]

IRISO U.S.A., INC.

[EU]

IRISO ELECTRONICS EUROPE GmbH

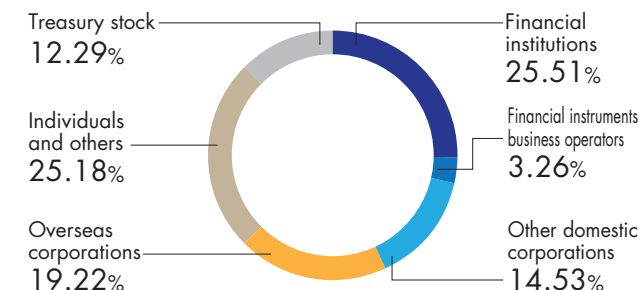
Global development and production facilities

IRISO (SHANGHAI) R&D CENTER CO., LTD.
IRISO ELECTRONICS PHILIPPINES, INC.
IRISO ELECTRONICS VIETNAM CO., LTD.
SHANGHAI IRISO ELECTRONICS CO., LTD
NANTONG IRISO ELECTRONICS CO., LTD.

Stock and Shareholder Information

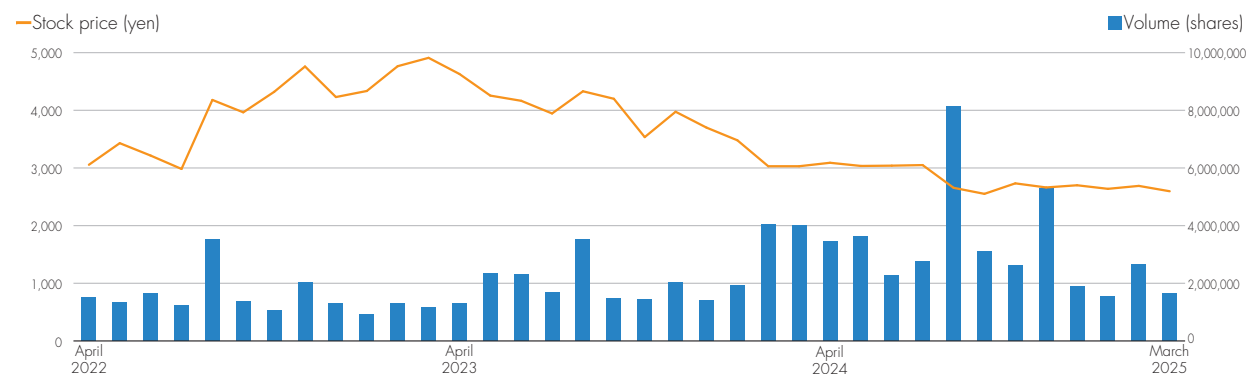
Details of shares to be issued	Common shares
Total number of authorized shares	70,000,000
Total number of issued shares	24,460,879
Number of shareholders	6,295

Distribution of shares by shareholder



Name of shareholder	Number of shares held	Shareholding ratio
The Master Trust Bank of Japan, Ltd. (trust account)	3,025,000	14.10%
S.F.C. Co., Ltd.	2,379,000	11.09%
Custody Bank of Japan, Ltd. (trust account)	1,850,000	8.62%
Sadao Sato	1,792,000	8.35%
City Index Eleventh Co., Ltd.	827,000	3.38%
Custody Bank of Japan, Ltd. (trust account 4)	448,000	2.09%
THE BANK OF NEW YORK MELLON 140044	364,000	1.69%
NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15PCT TREATY ACCOUNT	360,000	1.67%
JP JPMSE LUX RE BARCLAYS CAPITAL SEC LTD EQ CO	278,000	1.29%
Morgan Stanley MUFG Securities Co., Ltd.	276,000	1.28%

Stock price and trading volume



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IRISO ELECTRONICS CO.,LTD.

222-0033

2-13-8, Shinyokohama, Kohoku-ku, Yokohama, Kanagawa, Japan

<https://www.irisoele.com/en/>