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July 21, 2026

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Representative: Yoshiro Takitani, President & CEO
(Securities code: 7607, Prime Market of the Tokyo Stock Exchange, Premier Market of the Nagoya Stock Exchange)
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Notice Concerning Formulation of the Medium-Term Management Plan

Shinwa Co., Ltd. (the "Company") hereby announces that it has formulated and resolved to adopt, at a meeting of the Board of Directors held on July 20, 2026, the "5th Medium-term Management Plan" spanning the three-year period from September 2026 to August 2029, as described below.

1. Period
   September 1, 2026 to August 31, 2029

2. Basic Policies
   (1) Enhance profitability through productivity improvements
   ・Improve operations and consolidate manufacturing and development bases
   (2) Diversify business portfolio
   ・Horizontally deploy knowledge and experience gained in the automotive industry
   (3) Expand into growth markets
   ・Develop Global South market
   ・Advance into semiconductor and electronics industries
   ・Strengthen sales initiatives in the HVAC industry
   (4) Strengthen functions of manufacturing and engineering divisions
   ・Differentiate through the added value of Shinwa's technological capabilities
   ・Increase the sales ratio of in-house products
   (5) Reinforce management foundation
   ・Optimize the allocation and utilization of human, physical, and financial resources
   ・Ensure sustainable growth by reinforcing governance
   ・Proactively engage in sustainability initiatives
   (6) Create values through optimal utilization of resources
   ・Enhance profit returns to stakeholders, such as society, business partners, and employees
   ・Enhance corporate values by improving capital efficiency and boosting shareholder returns

3. Financial Strategies

(1) Management targets for final fiscal year of plan (fiscal year ending August 31, 2029)

Net sales: 100.0 billion yen

Operating profit: 6.0 billion yen

ROE: 10% or more

(2) Shareholder return policy

During the period of the 5th Medium-term Management Plan, the minimum level of the dividend shall be the higher of one calculated at either a payout ratio of 50% or dividend on equity (DOE) of 4%.

For details, refer to the attached materials or information on Shinwa’s website.