

## Initiatives Aimed at Social Issues

# Health and Safety at Work, and Labor

In line with the Corporate Values of the Shinko Way, the Shinko Group provides environments where employees can work safely and comfortably, and strives to ensure employee safety. Shinko has put in place a company-wide safety and health plus fire and disaster prevention promotion system. We have adopted a management system approach to pursue continual improvements in the level of health, safety, and disaster prevention. As part of this, all employees participate actively in health, safety, and disaster prevention initiatives. Shinko also supports employees as they enhance their skills and expertise in the course of work and achieve personal growth through the challenge of pursuing goals.

## Creating Safe and Comfortable Working Environments

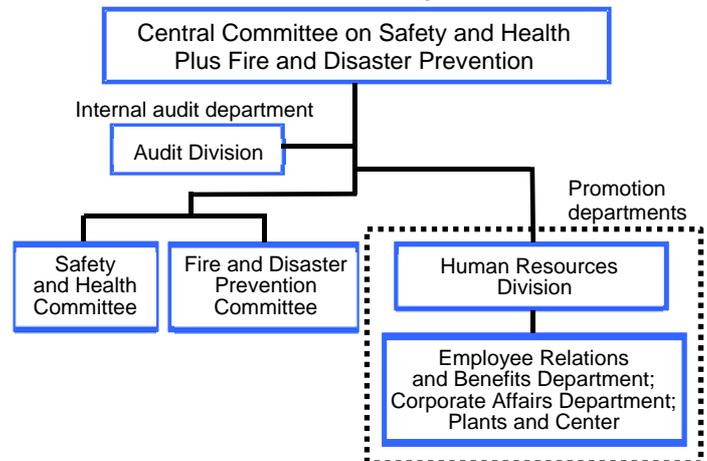


### Shinko Electric Industries Co., Ltd. Company-Wide Basic Policy on Safety and Health Plus Fire and Disaster Prevention

Ensuring employee safety and health is a top-priority issue for us, and we put the protection of safety as well as mental and physical health first in all our business operations. In accordance with the following policy, we will make concerted, company-wide efforts to participate actively in safety and health initiatives as well as fire and disaster prevention initiatives, to create accident-free, safe, and comfortable working environments.

1. We will promote safety and health initiatives as well as fire and disaster prevention initiatives in accordance with laws, regulations, and requirements related to safety and health as well as fire and disaster prevention.
2. To create workplaces with a high sensitivity to safety, we will raise the safety awareness of each and every employee and also push and strengthen our 5S program of workplace optimization (sort, set in order, shine, standardize, and sustain), which is the foundation of safety and health.
3. In addition to identifying and assessing dangers and causes of harm in the workplace and continuously striving to strengthen and promote risk reduction activities, we will seek to take preventive measures against disaster and to fundamentally improve safety by actively promoting the visualization of residual risk.
4. We will strive to create comfortable working environments and maintain and promote health, to relieve employees' fatigue and stress and prevent lifestyle-related diseases.
5. We have established a fire and disaster prevention system based on "Company-wide Disaster Prevention Guidelines" and we provide necessary and sufficient education and training to employees on an ongoing basis, with the aim of minimizing casualties in the event of a disaster.

## Safety and Health Plus Fire and Disaster Prevention Promotion System

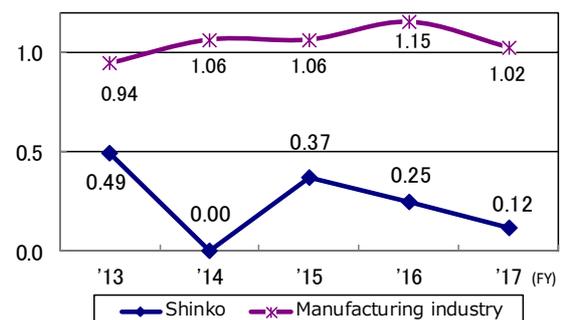


### ◆ Initiatives to Raise Employee Awareness of Safety and Health

In addition to providing everyday safety guidance in the manufacturing workplace, Shinko conducts safety and health training for all employees once a year as well as periodic emergency drills, based on a yearly plan.

In conjunction with nationwide activities such as the national Safety Week in July and Occupational Health Week in October, we encourage all employees to participate in initiatives such as the solicitation of safety and health slogans. Through such initiatives, we are striving to boost the safety and health awareness of all employees.

### Frequency Rate of Industrial Accidents\* (Shinko)



\*Number of accidents requiring off-time from work ÷ Total working hours × 1,000,000

### ◆ Autonomous Safety Initiatives in the Manufacturing Workplace

Based on our safety and health system and fire and disaster prevention management system, Shinko has established goals for the entire company and each plant, and we are working to create safe, secure, and comfortable working environments.

In particular, in addition to safety patrols conducted at each manufacturing site, workers use risk identification sheets to document risks, reveal and assess potential risks, and carry out efforts to rectify dangerous points.

リスク抽出表			
従業員No.	氏名	所属	
工程・装置名	場所	種	種
作業内容	頻度		
リスク内容	危険性のある作業について、具体的には記入していただき、(〇〇なめ)で〇〇になる、〇〇な時に〇〇になる等)		
リスク低減対策案	リスクを軽減するための対策について、具体的な記入していただき。		
			所属長

Risk identification sheet used to document risks in the manufacturing workplace

### ◆ Hygiene Management, Health Management, and Health Promotion Initiatives

Shinko is committed to creating workplaces where employees can work safely and comfortably. Accordingly, in addition to regular monitoring of the work environment (noise, luminance, and heatstroke indicators), we have industrial doctors and nurses (public health nurses or registered nurses) perform the following actions.

- In addition to statutory general and special health examinations, we provide health examinations focused on lifestyle-related diseases according to age (with a 100% examination rate) in an effort to detect and treat diseases early. Industrial doctors and nurses provide health advice as needed to persons whose exam results indicate findings, to manage employee health.
- We issue a regular Health Room Newsletter based on analyses of health examination results and provide information related to health promotion to foster self-care awareness among each and every employee.
- We have established a Health Measurement Corner in rest areas. The Health Measurement Corner lends out pedometers and tape measures and offers health measurement devices such as body composition analyzers,

blood pressure gauges, and Smokerlyzers that employees are free to use.

Our employee cafeterias also offer low-salt, low-fat, healthy, balanced meals in an effort to help employees maintain and increase their health.



Health Measurement Corner

### ◆ Mental Health Care

Industrial doctors and nurses consult with employees about mental health care at the Health Room in each plant.

Also, mental health education with the goal of raising awareness of mental-health issues is implemented according to rank, such as managerial, mid-career and new-hire employees. We work on preventive measures for mental illness among employees while promoting both self-care and managerial care to detect and treat issues at an early stage.

In addition, we conduct annual stress checks with the aim of preventing (primary prevention) poor mental health and we provide general managers of divisions with feedback on group analysis results. We also promote active efforts to improve the workplace environment, including through skills development training for all managers.



Skills development training for improving the workplace environment

## Developing and Utilizing Human Resources

Shinko has adopted personnel systems based on a fair and open compensation structure for job responsibilities, with each person's duties and the weight of their responsibilities clearly defined, regardless of academic background, age, years of service, or gender.

Moreover, we actively promote the development and utilization of valuable human resources by improving training programs and various measures, to maximize the abilities of each and every employee.

### ◆ Personnel Systems Based on Fair Evaluation and Fair Pay

We believe that true fairness means appropriately evaluating and rewarding outcomes when an employee maximizes his or her abilities, embraces the challenge of pursuing goals, and contributes to our objectives and performance. Shinko enforces the personnel system of basing treatment of employees on job responsibilities and the outcomes of work, not on personal factors such as continued service and academic background.

In addition, we encourage the pursuit of more challenging goals through management-by-objectives and objectives interview programs. We regard these as opportunities for the development of subordinates through communication between subordinates and their supervisors based on feedback from supervisors about the content of evaluations.

In FY2017, we provided evaluator training to persons in line for promotion to management in an effort to ensure fair evaluations and the appropriate administration of the management-by-objectives and objectives interview programs.

### ◆ Supporting the Active Participation of Elderly Workers

In 1992, ahead of relevant legislation, Shinko introduced a post-retirement rehiring system, to make use of the knowledge, techniques, and skills cultivated by employees over many years. Since April 2006, when the Act on Stabilization of Employment of Elderly Persons was amended, we have expanded the original system to provide opportunities for active participation to retirees who wish to continue working after reaching the mandatory retirement age of 60 and who have a great drive to exercise their abilities. Thus far, a total of 351 employees have made use of this system.

### ◆ Supporting the Learning of English

Shinko supports the learning of English by employees, to develop human resources who can take charge of global business.

In addition to correspondence training courses for English and in-house business English conversation classes, we provide English business skills classes and subsidize the fees for these educational initiatives.

In FY2017, in light of trainees' needs, we increased the locations where English business skills classes are held and decided that the Company would cover all the fees for the classes as part of our efforts to provide a learning environment that facilitates the improvement of trainees' skills.

We will continue enhancing our programs to strengthen employees' global business skills.

### ◆ Supporting Abilities Development

Shinko provides general training and specialized training, including on-the-job training in the workplace to help employees improve their abilities and expertise and support their personal growth. We will strive to continually enhance our educational programs and improve each training session.

Furthermore, in FY2017 the average annual study time per employee was 10.0 hours. (However, this excludes on-the-job training and education in the workplace.)

#### ■ General Training

- This includes rank-specific training (new employees, mid-career employees, managers)
- Training delivered to outside educational institutions, etc.
- Internationalization training (English conversation classes, dispatching to outside classes, etc.)
- Promotion of self-development, etc.

#### ■ Specialized Training

- This includes group training to acquire specialized knowledge and skills needed in specific departments and jobs
- On-the-job training
- Statistics and quality systems training
- Environmental education, etc.

## Labor Relations

Since Shinko has adopted a union shop system, all ordinary employees are members of SHINKO ELECTRIC WORKERS UNION. The union participation rate is 90.8%.\* Based on labor-management agreements with the labor union, labor and management representatives hold the Labor Council on a periodic basis (or whenever needed) to explain management policies and business conditions and hold discussions about various employment conditions.

We have also established the collective bargaining rights of the union and work with the union to resolve various issues.

In FY2017, we issued a joint labor-management declaration for Transforming Work Styles and worked at balancing corporate development and growth with fulfilling, healthy lives for all employees by regularly sharing information about challenges to reduce overtime and encourage the taking of leave. Going forward, we will keep making sustained initiatives jointly to push forward with Transforming Work Styles.

Moreover, in each business location, a Safety and Health Committee formed from representatives from labor and management meets once a month to report on and discuss workplace issues in an effort to create a safe and pleasant workplace.

We will continue working together to create pleasant workplaces based on healthy labor-management relations, with the aim of "progress without limits."

See Special Feature 2, "Providing a Pleasant Workplace Environment: Transforming Work Styles," on pages 7 to 8 for more about our Transforming Work Styles initiatives.

\* Union participation rate: The percentage of ordinary employees out of all regular employees (including managers)