

Developing and Utilizing Human Resources

Recognizing that our employees are the Shinko Group's most valuable asset, one of our Corporate Values in the Shinko Way is to support our employees to improve their abilities and expertise with the goal of achieving growth through their own work.

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.

Human Resource Development Policy

In February 2022, the Education Promotion Committee, which includes members from the education implementation divisions and the manufacturing divisions, was established to further enhance education measures and strengthen support for the manufacturing divisions in order to strengthen the human resource base along with the Human Resource Development Policy.

Human Resource Development Policy

Employees are the Shinko Group's most valuable asset. Based on the philosophy encapsulated in the Shinko Way, the Shinko Group supports employees so that they can improve their abilities and expertise to achieve growth through their own work.

Professional

Develop employees who are proud of their work and constantly pursue evolution in their respective fields of expertise

Autonomy and Challenge

Develop employees who continue to take on the challenge of personal growth to create new value

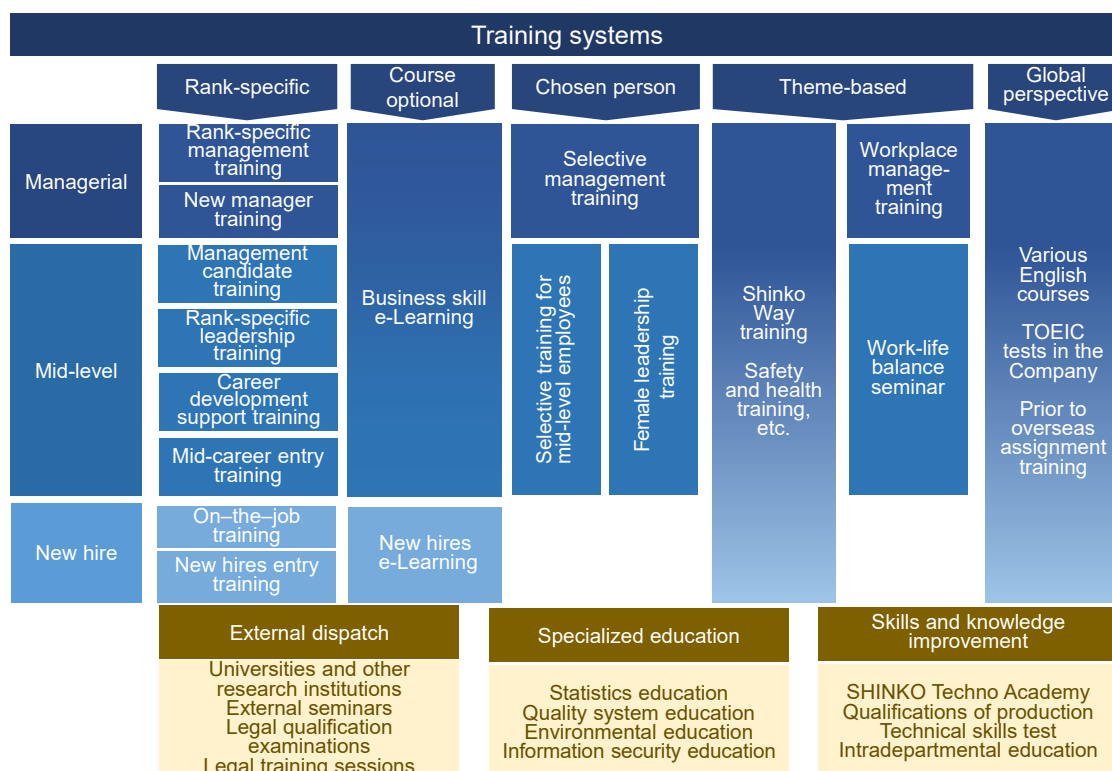
Integrity and Trust

Develop employees who, using sound ethics and integrity, can build relationships of trust with stakeholders

Representative Director of Board, President
SHINKO ELECTRIC INDUSTRIES CO., LTD.

Training System

To further develop human resources, we have established a training system based on our human resource development policy to improve our training programs and individual training. We promote the development of future leaders through systematic training, including rank-specific training and selective training for next-generation leaders, as well as On-the-Job-Training (OJT) at each workplace.



Education and Training Initiatives

■ Initiatives to Cultivate Global Human Resources

Shinko supports the learning of foreign languages by employees, to develop human resources who can take charge of global business. We offer correspondence training courses for foreign languages and English business skills classes, and our company subsidize the fees for these educational initiatives. We have also introduced an online system for taking TOEIC tests in-house and increased opportunities to take the test by holding it every three months.

In FY2023, we expanded our business foreign language courses based on the needs of participants and strengthened the provision of information to make it easier for each person to choose a course. To enhance motivation to learn, we hold a "Seminar on Methods of Learning English" for new employees. We will continue to proactively improve the environment for our employees so that they can gain more global business skills.

■ Conducting Selective Education

We launched business skills courses using online learning (e-learning) with the aim of strengthening business skills according to employees' responsibilities. We offer opportunities for self-directed learning so that many employees can choose the skills and knowledge necessary to perform their jobs from a range of courses.

Examples of selective courses: "Management", "Financial Accounting", "Problem Solving", "Leadership", "Marketing", etc.

■ Education for Manufacturing Sites

SHINKO Techno Academy was established in 2021 as an in-house educational institution to enhance the knowledge and skills of employees working at manufacturing sites. In FY2023, 317 employees, mainly new graduates and mid-career employees, received practical skills training and Hazard Perception Education. In addition, the scope of training for leaders at manufacturing sites was greatly expanded.

Examples of practical skills training programs at SHINKO Techno Academy: "Safety and Health," "Basic Chemicals," "Basic Manufacturing Practice," etc. (14 subjects, 88 hours)

Based on our human resource development policy, we will continue to enhance our education programs and improve individual training sessions in order to develop excellent employees who can meet the requirements of an increasingly sophisticated semiconductor market.

In FY2023, the average education cost per employee was 13.3 thousand yen, and the number of hours of education was 25.7 hours.

	FY2021	FY2022	FY2023
Average education cost per employee (Thousands of yen)	10.5	12.5	13.3
Number of hours of education per employee (Hours)	19.2	22.3	25.7

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 treatment of employees based 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. We provide 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. In addition, based on the principle of equal pay for equal work, as required by law, we confirm the working conditions of employees at different employment levels and does not allow any unreasonable differences in treatment.

Award System for Improving the Manufacturing Process

We introduced an internal award system with the aim of adopting discoveries at manufacturing sites and using them to reduce the risk of defects in products as well as failures and accidents in the manufacturing process. Every month, valuable discoveries made by employees are recognized with a Good Job Award. The details of the discovery that merited the award are shared on our intranet, inspiring other discoveries, based on a heightened awareness of manufacturing, to spread within the company.