

# 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 and 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.

**Human Resource Development Policy**

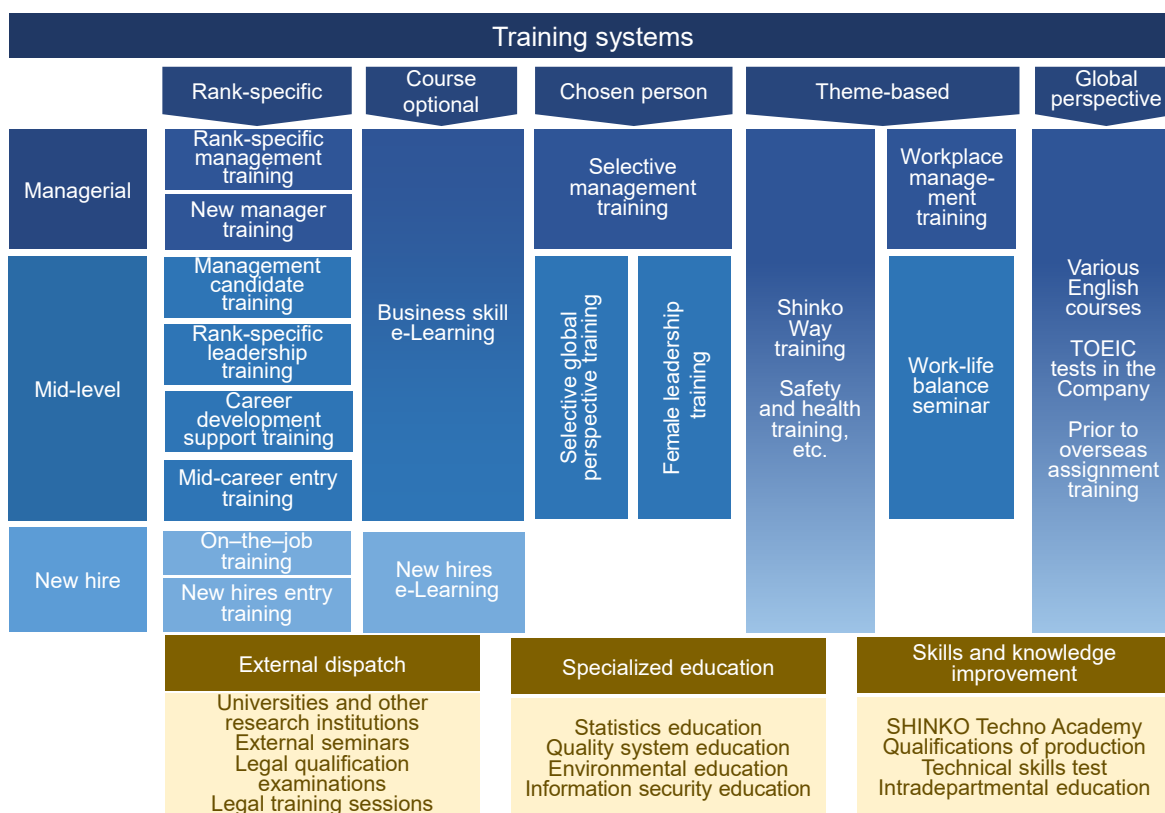
Employees are the Shinko Group's most valuable asset. Based on the philosophy encapsulated in the Shinko Way, the Shinko Group supports employees so that they can improve their abilities and expertise to achieve growth through their own work.

**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.



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. We promote the development of human resources who will lead the future with On-the-Job-Training in the workplace and Training System. 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.

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 FY2022, 342 employees, mainly new graduates and mid-career employees, received practical skills training and hazard perception training. In addition, the scope of training for leaders at manufacturing sites was greatly expanded, and the training program itself was expanded. Also, we established an educational portal site on our internal intranet to facilitate access to educational systems and training materials.

In FY2022, the average education cost per employee was 12,500 yen, and the number of hours of education was 22.3 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.

## 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 FY2022, 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.

## 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.