

## Compliance

### Basic stance

We are convinced that the Group's corporate value will be increased by developing a corporate culture that values compliance and by building sound business foundations as a company winning trust from society. We have also established the Sansha Electric Manufacturing Group Behavioral Charter for the review of our business activities with a view toward the realization of our corporate philosophy. We strive to ensure that every employee will comply with this charter in their activities every day. We also establish policies and regulations on individual priority initiatives and keep employees thoroughly informed of them.

The Sansha Electric Manufacturing Group Behavioral Charter is published on our website.

Sansha Electric Manufacturing Group  
Behavioral Charter  
<https://www.sansha.co.jp/eng/company/philosophy.html#CHARTER>



### Anti-bribery Initiatives

Amid our progress in the global expansion of our business, we regard the changes in the laws and regulations of different countries that are making them stricter, the improvement of authorities' detection of misconduct and other changes in external conditions as significant risk factors. We understand that bribery and other forms of misconduct are a serious threat to the reputation of corporations and their continuous growth. We understand that we must continue to strengthen our activities to prevent it.

Based on this idea, the Group established the Sansha Electric Group Basic Policy on Prevention of Bribery and Corruption. We work to ensure that all of our officers and employees in Japan and overseas fully understand and strictly observe this policy.

Sansha Electric Manufacturing Group Basic  
Policy for Prevention of Bribery and Corruption  
<https://www.sansha.co.jp/eng/csr/compliance.html>



### Security export control

The Group has set up an Export Control Committee to establish a framework for compliance and proper export control. The President is ultimately responsible for these matters and serves as the committee member in charge of export control. Appointed by the President, the export control representative works with the personnel who are responsible for the relevant departments to determine export control policies and oversee the implementation of the policies.

In addition, we established a dedicated organization to perform functions including the collection of information about related laws, regulations and restrictions, the dissemination of this information within the Group, the examination for transactions, the management of export permits and employee training. We standardize the examination for transactions and pre-shipment checks using checklists to achieve a highly transparent control structure.

We also increase employees' awareness of compliance through regular training and e-learning programs to prevent the violation of laws. We will continue to establish a more advanced export control system and step up its operation in response to changes in the international security situation.

- Internal audit (once a year)  
Target organizations:  
Power Supply System Manufacturing Division,  
Semiconductor Manufacturing Division,  
Sales Division and Suwa Sansha Electric Co., Ltd.
- Training for officers, new graduate recruits, mid-career recruits, employees and subsidiaries in Japan
- Improvement of the examination for transactions and technology management in view of the security situation

### Training and awareness-raising

The Group focuses its efforts on continued training and awareness-raising activities to make sure that every employee follows the laws and regulations and acts based on a high ethical standard. We understand that compliance is the foundation of the management of a business and that everyday activities to increase awareness of and systematic learning about compliance are an indispensable part of ensuring that compliance becomes entrenched throughout the Group. Therefore, we organize group training and online learning (e-learning) programs for all of our employees to develop their compliance-oriented mindset. We will revise the content of our educational programs in a timely manner to ensure that they reflect the revision of laws and the changes in the demands of society. We provide job-class-specific training to a range of employees from new recruits to personnel in management positions, and also training on specific subjects, such as the prevention of harassment and information security, on a regular basis.

#### Number of employees who participated in compliance training in FY2023 (total number)

Compliance	598
Business and human rights	796
Training on specialized subjects such as export control and copyright laws and regulations	685
Insider trading regulations	907
Quality management	871

### Whistleblowing system

The Group has established a compliance helpdesk (a whistleblowing contact) in accordance with the Whistleblower Protection Act. In addition to internal contacts, an external law firm helpdesk is available. It provides services in English and Chinese languages. We publicize these contacts to all employees using cards that employees carry with them, groupware and training. We fully protect whistleblowers from any disadvantageous treatment. Through these activities, we are working to increase our reliability and maintain a proper whistleblowing system.

In FY2024, six reports and inquiries were received via the helpdesk system. Fact-finding surveys were conducted for all of them, and they were handled appropriately.

#### Number of reports and inquiries received via our internal helpdesks

FY2022	FY2023	FY2024
6	6	6

#### Whistleblowing process flow

