# Human Capital Strategy to Support Growth

## Basic stance

The Sansha Electric Manufacturing Group regards its people as human capital and a source of corporate value creation as it seeks to realize “Happiness and Stability for Employees,” as set forth in its Corporate Philosophy. We believe that creating a virtuous cycle in which the growth of each employee supports the sustainable growth of the Company, and the resulting achievements contribute to the development of society, will lead to the sustainable enhancement of the Group’s corporate value. Based on this belief, we position human capital development and the strengthening of organizational capabilities as important management priorities. In addition to enhancing expertise and developing leaders, we are creating an environment in which diverse talent can fully demonstrate their abilities and promoting work style reforms to improve productivity. We are also building an organization that can respond flexibly to changes in the business environment by recruiting and developing people who have a commitment to continuous learning and a willingness to take on challenges.

**Relationship between Human Capital and Corporate Value Enhancement**

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|---|---|
| Strengthening Human Capital | Support the growth and success of diverse talent and create an organization where everyone can fully demonstrate their abilities |
| Enhancement of Technical Capabilities and Quality | Strengthen R&D, design, and quality assurance capabilities |
| Creation of High-Value-Added Products | Create products and solutions that help solve social issues through power semiconductor and power supply technologies |
| Enhancement of Customer Value | Help solve customer challenges through higher efficiency, energy conservation, stable operation, and other benefits |
| Improved Profitability and ROE | Achieve growth in net sales and profits and improve capital efficiency |
| Enhancement of Corporate Value | Lead to sustainable growth and the enhancement of corporate value over the medium to long term |

## Human Capital Strategy Aligned with CF26

Under the “CF26” Medium-term Management Plan, we are advancing our business strategy, sustainability strategy, and financial strategy in an integrated manner, while strengthening investment in human capital as a foundation for achieving these strategies. Amid significant changes in the business environment, including advances in AI and GX (Green Transformation), the Group is pursuing four priority initiatives: strengthening technical talent, developing leaders and management talent, improving productivity through work style reforms, and creating an environment where diverse talent can thrive. Through these initiatives, we aim to enhance corporate value over the medium to long term.

## Priority Human Capital Initiatives

### 1 Strengthening Technical Talent

To maintain and strengthen our competitive advantages in power semiconductor and power supply technologies, we are developing a structured system of specialized training and promoting talent development linked to our intellectual property strategy.

- Structuring Specialized Training
- Alignment with the Intellectual Property Strategy
- Continuous Enhancement of Technical Capabilities

### 2 Developing Leaders and Executive Talent

To achieve sustainable growth and enhance corporate value over the medium to long term, we regard the development of the next generation of executive talent as an important priority. In FY2025, we conducted a Next-Generation Leader Development Program for 19 employees selected from across the Company. In addition, in response to the transition to a business headquarters structure and changes in the business environment, we are developing talent with both a business perspective and a company-wide perspective through cross-functional assignments and opportunities to gain experience in business management.

- **Next-Generation Leader Development Program**
  (FY2025: 19 participants selected)
- **Cross-Functional Assignments**

### 3 Work Style Reform and Productivity Improvement

We are promoting work style reforms aimed at enhancing employee motivation and operational efficiency so that each employee can fully demonstrate their abilities. By reviewing business processes through operational improvements and the use of digital transformation (DX), and implementing initiatives company-wide to enhance productivity, we aim to improve both employee engagement and corporate value.

- Work Style Reform
- Operational Improvements and Use of DX
- Productivity Improvement

### 4 Creating an Environment Where Diverse Talent Can Thrive

We are creating an environment where diverse talent can fully demonstrate their abilities through initiatives such as promoting the advancement of women, strengthening mid-career recruitment, appointing younger and mid-level employees to key positions, cross-functional assignments, and the introduction of flexible work arrangements. We are also working to foster an organizational culture that encourages employees to take on challenges autonomously through dialogue-based management and by strengthening managers’ capabilities to develop their team members.

- Advancement of Women
- Strengthening Mid-Career Recruitment
- Appointment of Younger and Mid-Level Employees to Key Positions
- Cross-Functional Assignments
- Flexible Work Arrangements

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## Building an Organization Where Diverse Talent Drives Value Creation

The Sansha Electric Manufacturing Group identifies “Promoting Diversity and Developing Talent” as one of its key material issues and is building an organization where diverse talent can fully demonstrate their abilities.

As the business environment changes at an accelerating pace, we believe that achieving sustainable growth requires us to embrace diverse perspectives—including differences in gender, age, nationality, experience, and values—and translate them into new value creation. In particular, as we expand our global business and respond to technological innovation, we recognize that fostering an organizational culture where diverse talent can thrive is an important foundation for strengthening our competitiveness.

To promote the advancement of women, we are developing female candidates for management positions, supporting their career development, and providing job rotation opportunities to increase diversity in decision-making positions and expand opportunities for women to thrive. We are also working to foster an organizational culture that respects diverse values through training for managers and the promotion of dialogue-based management. Going forward, we plan to provide unconscious bias training for department heads and highlight female managers as role models, thereby raising employees’ career awareness and promoting a broader change in mindset across the organization.

We are also promoting the employment of people with disabilities by designing jobs suited to individual characteristics and collaborating with employment support organizations to create a workplace where they can work with confidence. Through initiatives such as plant tours and workplace training, we are working to create an environment where diverse talent can continue to thrive.

Going forward, we will continue to build an organization where diverse talent can proactively take on challenges and thrive, thereby contributing to the enhancement of corporate value.

## Key Initiatives to Support Diversity

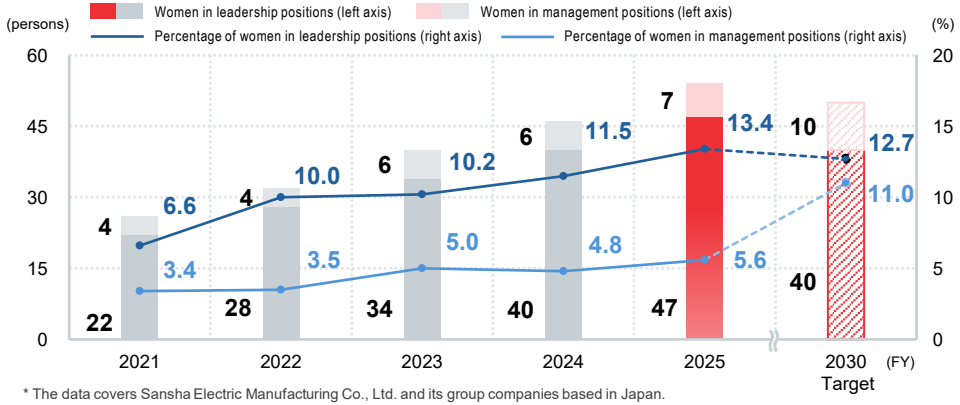
To promote the appointment of women to management positions, we provide skills development training and job rotation opportunities, while developing a pipeline of candidates for management positions. We are also expanding opportunities for people with diverse perspectives and experience to thrive through mid-career recruitment and the appointment of international talent.

In addition, we have obtained “Eruboshi” and “Kurumin” certification and are creating an environment where diverse talent can continue to thrive by supporting employees in balancing work with childcare and caregiving, introducing flexible work arrangements, and encouraging male employees to take childcare leave.

## Promoting Health and Productivity Management and Creating a Supportive Work Environment

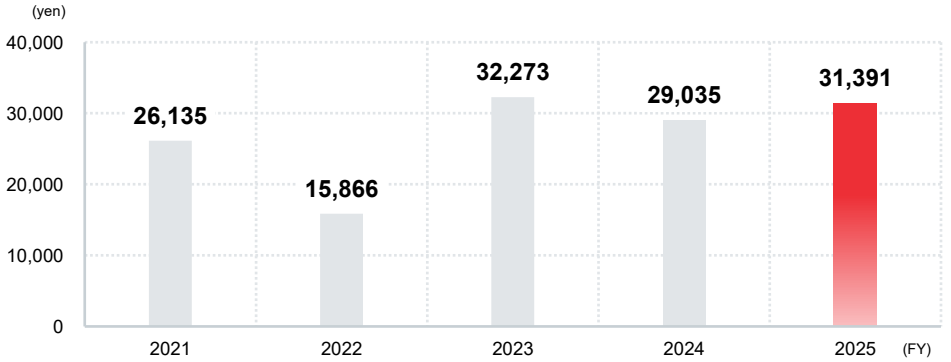
The Sansha Electric Manufacturing Group promotes health and productivity management based on the belief that employee health is the foundation for sustainable growth. We maintain a 100% participation rate in regular health checkups and work to support employees’ physical and mental health and improve the workplace environment through stress checks, collaboration with occupational physicians, and external consultation services. We also promote a safe and supportive work environment by preventing excessive working hours, conducting occupational safety and health activities, and carrying out workplace patrols. In addition, initiatives led by the “Iki-Iki Committee” at the Okayama Plant and the “Work Style Reform Project” at Head Office focus on enhancing workplace communication and supporting employees in balancing work with childcare and caregiving responsibilities. Going forward, we will further strengthen the use of health data and collaboration with external specialists to create a workplace where all employees can work with confidence and vitality.

### Women in Management and Leadership Positions




* The data covers Sansha Electric Manufacturing Co., Ltd. and its group companies based in Japan.
* We achieved our FY2030 target for women in leadership positions ahead of schedule and will consider revising the target going forward.

### Training Expenses per Employee




* The data covers Sansha Electric Manufacturing Co., Ltd. and its group companies based in Japan.