Risk Management

Basic stance

The Sansha Electric Manufacturing Group identifies the risks involved in its businesses and has established a management system to prevent risks from materializing and minimize their impact. When any risk materializes, we respond swiftly under the leadership of top management.

We have established the Internal Control Committee, chaired by the Representative Director, President, to oversee the management of and response to major risks and report to the Board of Directors as necessary. The Committee works together with individual departments and Group companies to identify and assess risks and implement measures to address them.

We have also established the Company-wide Quality Conference, Environmental Management Implementation Committee, Export Control Committee, Information Security Committee, Safety and Health Committee, and Personnel Development Committee to manage risks in their respective fields. Through these initiatives, we seek to ensure business continuity and steadily enhance corporate value.

Risk Management System
https://www.sansha.co.jp/eng/csr/risk-management.html

Business Risks
https://www.sansha.co.jp/eng/ir/business-risks.html

Compliance

Basic stance

The Group regards fostering a corporate culture that emphasizes compliance as a foundation for enhancing corporate value. We have established the Sansha Electric Manufacturing Group Behavioral Charter, which all officers and employees are expected to observe in their day-to-day work, while also developing various policies and regulations and ensuring that they are thoroughly communicated throughout the Group.

Through these initiatives, we seek to ensure sound business operations and maintain the trust of society.

Behavioral Charter
https://www.sansha.co.jp/eng/company/philosophy.html#CHARTER

Training and awareness-raising

The Group positions compliance as a foundation of management and continuously provides education and awareness-raising activities. We provide all employees with group training, e-learning programs, and training tailored to different employee levels and specific themes, while also responding to changes in laws and regulations and evolving societal expectations.

Number of employees who participated in training in FY2025 (total number)

Compliance	1,043	Insider trading regulations	907
Business and human rights	927	Quality management	871
Specialized Training (Export Control, Copyright, etc.)	685		

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

Anti-bribery initiatives

As our global business expands, we recognize bribery and other forms of corruption as serious risks that could undermine corporate trust. The Group has established the Basic Policy on the Prevention of Bribery and Other Corrupt Practices and works to ensure that all officers and employees in Japan and overseas are fully aware of and comply with the policy.

The Sansha Electric Group Basic Policy on Prevention of Bribery and Other Corrupt Practices
https://www.sansha.co.jp/eng/csr/compliance.html

Whistleblowing system

The Group has established internal and external compliance helpdesks (whistleblowing contacts) in accordance with the Whistleblower Protection Act. An external law firm helpdesk, which provides services in English and Chinese, is also available. We publicize these contacts and provide training to ensure that employees can easily access the system, while fully protecting whistleblowers from any disadvantageous treatment.

In FY2025, the number of reports and inquiries increased from the previous fiscal year as awareness and understanding of the system improved. Fact-finding surveys were conducted for the matters reported or raised, and they were handled appropriately.

Number of reports and inquiries received via our internal helpdesks

FY2023: 6 / FY2024: 6 / FY2025: 16

* Including reports and inquiries for which investigations were not conducted and reports and inquiries which were found to be not problematic

Security export control

The Group has established an export control system under which the Representative Director, President has ultimate responsibility, with the Export Control Committee overseeing policy decisions and their implementation. Led by a dedicated department, we collect and disseminate information on relevant laws and regulations within the Group, conduct transaction examinations, manage export permits, and provide employee training.

We standardize transaction examinations and pre-shipping checks using checklists to ensure transparency. In addition, we work to prevent violations through regular training and e-learning programs, while continuing to strengthen our export control system in response to changes in the international situation.

- Internal audit (once a year)
- Target organizations: Power Supply System Business Division, Semiconductor Business Division, Sales Division, SUWA SANSHA ELECTRIC CO., LTD.
- Training for officers, new graduate recruits, mid-career recruits, employees and subsidiaries in Japan (e-learning)
- Improvement of the examination for transactions and technology management in view of the security situation (Providing Direct Guidance to Exporters (Including via Web Meetings))