

Ryoyo Ryosan Group Code of Conduct

Chapter 1. Overview

The Ryoyo Ryosan Group (Ryoyo Ryosan Holdings, Inc. and its subsidiaries; hereinafter “the Group,” “we,” “our,” or “us”) has established this Ryoyo Ryosan Group Code of Conduct (hereinafter “the Code”) to outline its duty to fulfill its social responsibilities and maintain a management system that ensures that the Group lives up to these principles, in accordance with Ryoyo Ryosan Vision “be a Company that serves customers’ needs and is essential to society.”

The Code applies to all officers and employees of the Group. It aims to ensure that the Group’s activities contribute to the building of a more sustainable and prosperous society based on our Guidelines for Action of “Contribution, Collaboration and Praise.” The Code also encourages all of the Group’s business partners to uphold its content and put it into practice.

Chapter 2. Basic Policies

1. Basic Sustainability Policy

The Ryoyo Ryosan Group is committed to tackling diverse social issues that include sustainable economic growth and global-scale environmental problems. Aiming to be a company that creates peace of mind and the best for society, we will actively communicate with our customers and other stakeholders based on the principles of “Contribution, Collaboration and Praise” to build a sustainable future for the entire supply chain.

2. Human Rights Policy

(1) Compliance with International Norms

The Group understands and respects the human rights stipulated in the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. We also support such international norms concerning human rights as the United Nations Guiding Principles on Business and Human Rights and the Ten Principles of the United Nations Global Compact and conduct our business activities according to them.

(2) Prohibition of Forced Labor

The Group does not permit any form of forced labor. We similarly do not allow modern slavery in any form, including bonded labor and human trafficking. We do not force people to work in any way, and we protect workers’ right to leave and terminate their jobs. We explain the main terms and conditions of employment in writing and verbally to persons who wish to be employed for work, and we conclude labor contracts governing that employment. We do not store original identity documents such as workers’ passports or driver’s licenses.

(3) Prohibition of Child Labor; Consideration for Young Workers

The Group does not permit child labor and adheres to the minimum working age required by law. Further, it does not allow young workers under the age of 18 to engage in work that may be detrimental to their health or safety, such as night or overtime work. Interns are paid more than the legally required wage.

(4) Work Hours

The Group properly manages workers' work hours, holidays, and vacations in accordance with applicable laws and regulations in the countries and regions in which it does business.

(5) Wages and Benefits

The Group properly manages workers' wages and benefits in accordance with applicable laws and regulations in the countries and regions in which it does business. In addition, in order to ensure payment of wages sufficient to cover living necessities (a living wage), the Group will not use deductions from wages as a disciplinary measure. When paying wages, appropriate withholding shall be performed, a salary certificate shall be issued, and the salary deductions such as taxes and insurance shall be checked.

(6) Prohibition of Inhumane Treatment

The Group does not tolerate any conduct, whether physical or mental, that threatens individual dignity, including workplace bullying, sexual harassment, pregnancy discrimination, and harassment related to childcare or family care leave.

(7) Prohibition of Discrimination

The Group does not tolerate any form of discrimination on the basis of race, religion, sex, sexual orientation/gender identity, age, disability, nationality, place of origin, social origin, or background in hiring and evaluation. In addition, we give due consideration to the wishes of our workers related to religious practices.

(8) Freedom of Association/Collective Bargaining Rights

The Group respects the right of workers to associate collectively as a means of implementing labor-management consultations on matters such as the labor environment and wage standards in accordance with local laws and regulations, and, based on this respect, ensures equal treatment to all workers.

(9) Respect for Privacy

The Group respects individual privacy. We comply with relevant laws, regulations, and internal rules when handling personal information. In addition, we do not restrict or limit the activities of workers outside of work hours.

(10) Promotion of Diversity and Inclusion

The Group strives to create a workplace where members with diverse attributes, values, and experiences can coexist and be accepted by each other, and where each individual can work with peace of mind while experiencing growth and self-actualization. Moreover, we maintain a personnel system that enables workers to make the most of their abilities. We develop schemes supporting career and skills development with respect for workers' individuality and offering flexible workstyles that allow workers to balance work with child-rearing, nursing care, and treatment.

3. Health and Safety Policy

(1) Occupational Safety

The Group identifies and assesses risks regarding occupational safety and maintains safety by practicing proper design and technical/engineering controls. In addition, we strive to eliminate or reduce risks by providing workers with ongoing education and training on occupational health and safety and providing appropriate personal protective equipment. In particular, we offer reasonable considerations,

including reassignment, to women during the period of maternity and to mothers during the nursing period.

(2) Emergency Preparedness

The Group prepares emergency response plans to minimize the damage caused by disasters and accidents that may impair physical and personal safety and conducts emergency drills once a year or as required by local law, whichever is more stringent.

(3) Occupational Injury and Illness

The Group takes appropriate precautions and corrective actions, including identifying, assessing, recording and reporting the status of occupational injuries and illnesses; providing emergency supplies with clear first aid protocols; and providing resting rooms and facilities.

(4) Industrial Hygiene

The Group identifies and assesses the risks that workers may be exposed to hazardous biological, chemical, and physical impacts in their workplaces, and appropriately manages these risks by obtaining the required licenses and approvals.

(5) Physically Demanding Work

The Group identifies and evaluates physically demanding tasks, including work using computers and monitoring cameras (VDT work), and appropriately manages them so that this kind of work does not cause occupational injuries or illnesses.

(6) Machine Safeguarding

The Group evaluates whether there are any safety risks related to the machinery and equipment used by workers in their operations, obtains the necessary licenses and approvals, and implements appropriate safety measures.

(7) Health and Safety of Facilities

The Group ensures that the health and safety of facilities for living (dormitories, cafeterias, toilets, etc.) provided to workers are adequate. We also ensure that these facilities have the capacity to store personal property and valuable items, as well as an amply sized personal space that can be entered and exited properly.

(8) Health and Safety Communication

The Group provides appropriate health and safety educational and training, using languages and methods that workers can understand, about the various occupational hazards that workers may face. We also maintain a system for receiving feedback and safety-related opinions from workers.

4. Environmental Policy

(1) Environmental Permits and Reporting

For all of its business activities, the Group obtains and keeps up-to-date all necessary permits and approvals for business in accordance with the laws and regulations of the locations where it has business sites, and complies with operation and reporting requirements thereof.

(2) Pollution Prevention and Resource Reduction

The Group minimizes or removes pollutant emissions. We also work to reduce the use of natural resources, such as water, fossil fuels, minerals, and virgin forest products.

(3) Hazardous Chemical Management

The Group complies with laws and regulations and identifies, labels, and manages chemicals and other substances that pose hazards to the human body or the environment. It manages them to ensure that safe handling, movement, storage, use, recycling or reuse, and disposal are implemented.

(4) Effective Utilization of Resources and Waste Management

The Group promotes reduction, reuse, and recycling by complying with laws and regulations and conducting appropriate control, and strives to effectively utilize resources and minimize the generation of waste that requires disposal.

(5) Air Emissions and Noise Management

The Group complies with relevant laws and regulations and implements appropriate measures to reduce the release of hazardous materials into the atmosphere and reduce noise.

(6) Management of the Chemical Substances Contained in Products

The Group complies with all applicable laws, regulations and customer requirements relating to the prohibition or limitation of use of certain chemical substances in its products.

(7) Water Management

The Group monitors its use and emission of water in compliance with laws and regulations and works to save water. Similarly, we identify the properties of waste water and monitor, control, and process waste water prior to its discharge or disposal, as appropriate. We also identify the sources of contamination that may cause water contamination and manage them properly.

(8) Reduction of Energy Consumption and Greenhouse Gas Emissions

The Group strives to improve energy efficiency and contributes to the realization of a carbon-free society by setting reduction targets for energy consumption and greenhouse gas emissions and continuously working to make reductions.

(9) Preservation of Biodiversity

The Group recognizes the need to address climate change and other global environmental issues and are concerned about the impact of these issues on the ecosystem. We cooperate and coordinate with various stakeholders to preserve biodiversity.

5. Ethical Policy

(1) Prevention of Corruption

As a public entity of society, the Group strives to be ethical in all aspects of its corporate activities. The Group does not allow any form of bribery, corruption, extortion, or embezzlement.

(2) Prohibition of Inappropriate Provision or Receipt of Improper Benefits

The Group prohibits bribes and other means of obtaining undue or improper advantage by promising, offering, permitting, providing or receiving improper benefits, whether directly or indirectly, and conducts regular monitoring to ensure this does not occur.

(3) Disclosure of Information

In accordance with applicable laws and regulations as well as industry practices, the Group actively discloses information on labor, health and safety, environmental

practices, business activities, organizational structure, financial situation, and performance and engages in dialogue with stakeholders. Falsification of records and disclosure of false information is prohibited.

(4) Respect for Intellectual Property

The Group respects intellectual property rights and ensures that transfers of technology and expertise are performed in a manner that guarantees the protection of intellectual property. We also protect the intellectual property of customers, suppliers, and other third parties.

(5) Fair Business Practices, Appropriate Export Controls, Advertising and Competition

The Group conducts fair business practices and carries out appropriate export controls, advertising, and competition.

(6) Protection of and Prohibition of Retaliation Against Whistleblowers

The Group maintains a system to ensure the confidentiality, anonymity, and protection of whistleblowers who report internal violations, irregularities, or problems and ensures there is no retaliation against persons making such reports.

(7) Responsible Sourcing of Minerals

The Group conducts due diligence to ensure that the tantalum, tin, tungsten, gold, and other minerals contained in the commodities it handles are not procured in a manner related to or responsible for serious human rights violations, environmental destruction, corruption, or conflicts in conflict areas and high-risk areas.

(8) Prevention of Insider Trading

The Group prohibits the trading of securities such as shares of Group companies or other companies based on insider information obtained in the course of work duties prior to the public disclosure of such information. In addition, we prohibit the disclosure of such information to any third party other than those deemed necessary for business purposes.

(9) Policy on Organized Criminal Groups and Other Anti-Social Forces

The Group takes a firm stance against organized criminal groups and other antisocial forces that threaten the order and safety of civil society and hinder economic activities and accepts no demands from such groups and forces.

6. Quality Policy

(1) Product Safety

The Group complies with the applicable laws, regulations, and business practices of all countries concerned to provide products of the standard demanded by its customers in a stable manner. We also fulfill our responsibilities as a supplier by engaging in design, manufacture, and sales that ensures that the products we handle contribute to sustainable economic growth and the resolution of global environmental issues.

(2) Quality Management

The Group complies with all applicable laws and regulations as well as its own quality standards and customer requirements with respect to the quality of its products. Our own quality standards and agreed customer requirements are documented, recorded and stored in contracts, customer requirements specifications, etc.

(3) Provision of Accurate Information about Products

The Group practices thorough compliance with respect to its products and services. We also disclose accurate and appropriate information concerning the quality and safety of our products and services.

7. Information Security Policy

(1) Defense from Cyber-Attacks

The Group takes defensive measures against threats from cyber-attacks, etc., to information obtained through its business activities and manage this risk so that such attacks do not cause damage to the Group or others.

(2) Protection of Personal Information

The Group manages and protects all personal information, including that of suppliers, subcontractors, customers, consumers, shareholders and employees, in compliance with applicable laws and regulations and by practicing appropriate acquisition, transfer, use, storage and disposal of such information.

(3) Prevention of Confidential Information Leaks

The Group properly manages and protects not only its own confidential information but also that received from customers and third parties.

(4) Response to Emergencies

In the event of an information security-related incident, the Group will respond promptly in accordance with the procedures provided in the "Information Security Management Regulations," work to minimize the damage, and take measures to prevent recurrence.

8. Basic Policy for Business Continuity

The Group prepares for disasters, accidents, pandemics, and other emergencies that may impair physical and personal safety by identifying the potential for such situations to occur and the extent of their damage. Accordingly, we prepare action procedures to follow in emergencies that will minimize harm to workers and damage to the property, set up the facilities needed to continue business, and formulate business continuity plans (BCP) and conduct regular education/training and facility inspections to ensure that proper actions can be taken in the event of a disaster, etc.

9. Procurement Policy

The Group communicates requirements based on the Code to all suppliers and subcontractors, strives to assess risks and communicate them, and carefully manages the supply chain.

Chapter 3. Management System

The Group maintains a management system with respect to the content of the Code and facilitates continual improvement by ensuring that the provisions of the Code are compliant with business- and product-related laws and regulations as well as customer requirements, by ensuring the Group's compliance with the Code, and by identifying and mitigating operational risks related to the Code.

The abovementioned management system includes the following items.

- Leadership, Commitment, Policy
- Organizational Roles, Responsibilities and Authority
- Legal and Customer Requirements
- Risk and Opportunity Initiatives
- Goals and Planning
- Education and Training
- Communication
- Audits and Assessments
- Corrective Action Process
- Documentation and Records

Chapter 4. Implementation of This Code of Conduct

1. Scope of Application

This Code of Conduct is established by the Board of Directors of Ryoyo Ryosan Holdings, Inc. (“the Company”), shall come into effect pursuant to a resolution of the Board of Directors of each Group company, and shall apply to the officers, fulltime employees, limited-term employees, part-time employees, temporary employees, and other workers of the Group. Reports of and consultations regarding conduct that is in violation of this Code of Conduct (including violations of laws and regulations) should be made to the Ryoyo Ryosan Group Compliance Hotline (the general manager of the Administration Division, the general manager of the CSR Division, and an outside hotline designated by the Company) established by the Company. Group companies may, with the Company’s prior approval, revise this Code of Conduct for their use, according to the laws and regulations, business practices, business formats, etc., of their respective countries or regions, but only to an extent not contrary to its purposes or fundamental principles.

2. Rigorous Measures in the Event of Violation

In the event that a violation of the Code is confirmed, personnel shall be subject to strict discipline pursuant to laws and regulations including Japan’s Companies Act in the case of officers, the employment rules of each Group company in the case of fulltime employees and limited-term employees, and individual employment agreements in the case of part-time employees, temporary employees and other employees. Details of violations of the Code within the Group and the disciplinary or corrective actions taken to address those violations shall be reported to the Board of Directors of the Company, and steps shall be taken to prevent recurrence.

3. Revision and Abolition

This Code of Conduct may be revised or abolished in accordance with the same procedures for its establishment if revision or abolition becomes necessary in light of changes in social circumstances, etc.

Supplementary Provisions

This Code of Conduct shall take effect on April 1, 2024.

