

CSR Basic Policy of Niterrra Group

April 2024

The CSR Basic Policy has been approved by the Board of Directors and covers all processes of the Niterrra Group's businesses, including research and development of product and service, design, production operation, materials procurement, logistics, selection of suppliers, joint ventures and acquisitions.

Risk Management Policy

We adapt from a global viewpoint to changes in the management environment surrounding our group and to the diversification of risks and will foster risk management to reduce or avoid the loss of managerial resources, thereby improving our corporate value.

Action Guidelines

- We identify the risks that might hamper the achievement of our management targets from a global and long-term viewpoint and strive to prevent the actualization of these risks in a planned and organization-based manner.
- In the event that such a risk materializes, we strive to minimize the impact on our stakeholders, maintain their trust and prevent the recurrence of similar incidents.

Compliance Policy

With recognition that our company is a member of society, we enhance corporate ethics and understand the spirit and meaning of laws, company regulations, international rules, and social norms in order to appropriately meet social demand and become a company trusted by the international community.

Action Guidelines

- We not only comply with laws and regulations, but also act in good faith with common sense and responsibility as a member of society.
- We comply with applicable laws and regulations regarding the prevention of corrupt practices, and not engage in any corrupt practices (bribery, conflict of interest, insider trading, anti-competitive practices, money laundering, improper relationship with politics and government, etc.), either directly or indirectly, and conduct our business

activities with integrity.

- We regularly educate and raise the awareness of all our employees to impart a high level of ethics and correct knowledge, with which they can act voluntarily to prevent a violation.
- Should a violation occur, we will promptly investigate the causes and take remedial actions. We will strive to take appropriate countermeasures to prevent recurrence and fulfill our accountability.

Human Rights Policy

We are working to resolve various social issues to realize sustainable societies. We recognize that as a prerequisite for this, it is important to respect human rights of people who are affected by our business activities, and that it is essential to continuously fulfill such responsibilities in truly contributing to the realization of sustainable societies. To this end, we respect human rights set out in the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, and make our best efforts to protect the dignity of these people based on the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.

Action Guidelines

- We comply with the laws and regulations of all countries and regions in which we conduct our business activities. If where national laws and international human rights differ, we seek ways to respect internationally recognized human rights wherever possible.
- We identify negative impacts that we could have on human rights through our business activities, and strive to prevent, mitigate, or eliminate the causes of such impacts.
- We establish a scheme for our employees and suppliers to access or report, and accept consultations and notifications concerning human rights. Upon receiving consultations or notifications, we investigate the facts, and if any problem is identified, we remedy it through appropriate response.
- We disclose efforts and progress promptly on human rights actions and keep updating ones through discussions and dialogues with various internal and external stakeholders.
- This policy applies to all Corporate Officers and employees of the Group. We provide appropriate education and trainings to ensure that all Corporate Officers and employees understand and act with this policy.

- We keep encouraging all of our business partners, including suppliers, to understand the Policy and join our efforts to respect human rights.

<Appendix>

The Policy is top-ranked guideline on human rights actions and had been confirmed by our CSR and Sustainability Committee and approved by Board of Directors' meeting. The Policy shows the Group's approach on human rights and complements our Corporate Philosophy, CSR and Sustainability Charter, and Corporate Code of Conduct.

The Policy will be periodically updated in response to changing social and business environment and human right issues, through discussions and dialogues with stakeholders. We keep adequate management system and reflect updates on relevant business policies and procedures to integrate in entire business activities.

The human rights that the Group respects in its corporate activities include the following:

[Prohibition of forced labor]

We do not tolerate forced labor and human trafficking, and we employ employees on their own volition.

[Prohibition of inhumane treatment]

We do not engage in inhumane treatment such as abuse, corporal punishment, sexual harassment, or power abuse, and we respect the human rights of our employees.

[Prohibition of child labor]

We respect rights of children and do not employ them under the minimum age for employment in the country or region. Workers under the age of 18 shall not perform work that is likely jeopardize the healthy development.

[Prohibition of discrimination]

We prohibit discrimination of any kind, irrespective of race, color, age, gender, sexual orientation, gender identity, ethnicity, nationality, disability, pregnancy, religion, union membership, protected genetic information, or marital status.

[Working conditions and equal opportunities]

We comply with the laws and regulations of each country and region, such as minimum wages, overtime wages, equal pay for equal work, working hours, etc., offer working conditions for a better life for our employees, and do not unreasonably reduce wages.

We also ensure equal opportunities and equity in hiring, promotion, and compensation.

[Freedom of association and collective bargaining]

We respect freedom of association and the right to collective bargaining in accordance with the laws and regulations of each country and region.

[Responsible procurement of resources and materials]

We promote responsible procurement of resources and materials, taking into consideration human rights issues, including those relating to conflict minerals. If any use of such minerals is found, we will take appropriate measures.

[Respect for privacy]

We respect and do not infringe on the privacy of individuals.

[Comfortable workplace environment]

We comply with the laws and regulations concerning safety, hygiene and health in each country and region, strive to reduce long working hours and create a safe, healthy and comfortable workplace environment.

[Engagement with local communities]

To prevent negative impacts on the safety and health of local communities, we prevent environmental destruction and contamination, and conduct our business activities in consideration of the rights of local residents.

[Respect for the rights of indigenous peoples]

In business activities in areas where indigenous peoples reside, we recognize that indigenous peoples have their own unique cultures and histories, and we respect the rights of indigenous peoples as stipulated in international agreements.

Quality Policy

We continue to cocreate value with customers and contribute to society in accordance with basic traits of "Quality Product" & "Involvement by all".

Action Guidelines

- We constantly consider what we should do to please our customers with our products and services, with a view to increasing our organizational capability.
- We are engaged in quality improvement activities across the company and encourage our employees to achieve higher goals by making the best use of their individual abilities and creativity and uniting their wisdom to address problems and challenging issues.

Information Security Policy

We regard all of our own information assets as one of our management resources. Through the proper protection and effective use of our information assets, we pursue healthy maintenance and development of our business.

Action Guidelines

- We establish rules that clearly define the system and responsibilities for the protection and management of all the information assets including the information we keep for our customers, the know-how and intellectual properties owned by our group, and personal information.
- We comply with laws, ordinances, and regulations regarding information security.
- We educate all executives and employees who handle information assets about the importance of information security, and about specific items to be observed.
- We continuously update the information infrastructure for the maintenance and improvement of the confidentiality, integrity, and availability of all the information assets.
- We promote measures to prevent accidents in order to address the risks of information leakage associated with the continuous advancement and sophistication of information technology. Should an accident occur, we will strive to minimize the damage and take preventive measures against recurrence.

Procurement Policy

We aim to realize globally optimal procurement based on our quality products principle. To this end, we focus on strengthening cooperation with suppliers and promoting our CSR and sustainability efforts throughout our supply chain system, while at the same time striving to carry out proper purchasing transactions when procuring materials and parts, based on the following guidelines:

Action Guidelines

- We conduct transactions at appropriate prices based on fair, transparent, open competition and rationality.
- We comply with procurement-related laws and regulations and foster responsible procurement. We select suppliers based on comprehensive assessment of product quality, technology, prices, deliveries, CSR and sustainability initiatives, and efforts to continuously make improvements.
- Aiming to procure more eco-friendly products, we strive to promote our green supplier system.
- We enhance mutual trust with our suppliers, who are good partners for us, and strive to realize mutual development.

Information Disclosure Policy

Aiming to become an enterprise capable of receiving great support and popularity from people around the world, we strive to conduct transparent business operations and fair information disclosure.

Action Guidelines

- We disclose any corporate information required to be disclosed by the Financial Instruments and Exchange Act and other laws and regulations, in an accurate and timely manner.
- We actively disclose our corporate information, which is not subject to laws and regulations however deemed to be important for stakeholders, through our daily actions, such as issuance of press releases and updates of our website.
- We focus on enhancing communication with our shareholders, investors, and other stakeholders to further promote mutual understanding with them.

Environmental Policy

As a globally developing core manufacturing corporation, we aim to promote environmental conservation activities linked with corporate management maintaining a good balance with corporate growth, based on the participation of all of our employees, in order to contribute to the construction of a sustainable society.

Action Guidelines

- Through all of our business activities, we make particular efforts to reduce CO₂ emissions and improve energy efficiency, toward the realization of a decarbonized society, conserve water resources, manage waste, and develop, offer and expand environmentally friendly products.
- We prevent environmental pollution through the control of chemical substances that place a burden on the environment.
- We promote resource circulation by working to ensure sustainable use of resources and reduce environmental impact during and after product use.
- We recognize the benefits derived from ecosystem services and strive to conserve biodiversity.
- We strive to raise environmental awareness among our employees to ensure that they all positively participate in activities.
- We observe the laws, ordinances, and agreements concerning environmental conservation.
- We aim to substantiate information disclosure to stakeholders and communication activities, and also conduct activities for coexistence with the regional community.
- In order to achieve these targets, we will continuously improve our environmental management system and strive to reduce our environmental impact.
- We keep encouraging all of our business partners, including suppliers, to understand the Policy and join our efforts to promote environmental conservation.

Human Resource Policy

We acknowledge that our employees are our most important management resource. In light of this, we respect the diversity and individuality of our employees and strive to develop the group as a whole by ensuring that these self-leading and innovative human resources can fully demonstrate their capabilities.

Action Guidelines

- We foster aspiring human resources who can act to bring about changes and also change themselves (self-leading and innovative human resources) and establish an environment where they can perform to the best of their abilities.
- We strive to nurture a corporate culture where human resources with different qualities can fully realize their own capabilities and ensure that the right human resources are assigned to the right posts.

Occupational Health and Safety Policy

With high respect to humanity, we act on occupational health and safety as the company's starting point.

Action Guidelines

- To prevent health damage, injuries at work, and illnesses of employees, we will provide healthy and safety working environment and act to improve physical and mental health.
- We will comply with laws and voluntary regulations regarding Occupational Health and Safety.
- We will continuously improve occupational health and safety management system and health and safety performance.
- We will eradicate injury at work by eliminating hazards for occupational health and safety and by reducing risks.
- We will promote ability and awareness at occupational health and safety through education and enlightenment.
- We will inform all employees about this policy and engage in health and safety activities with the participation of all employees, based on the action plan agreed with the employee representatives.

*This policy applies to all persons involved in our business activities, including employees, temporary employees, contractors, suppliers, construction workers and visitors.

Social Contribution Policy

As a good corporate citizen, we aim to contribute to society through the effective use of management resources.

Action Guidelines

- We focus on the following activities:
 - Activities closely related to our business fields
 - Activities that respect the cultures of individual countries and local communities, as well as activities that contribute to society such as traffic safety education programs
 - Activities that contribute to the future of society, focusing on environmental conservation, science, and education (in particular the development of next-generation human resources), as well as cultures to be bequeathed to the next generation, etc.
- We strive to create a corporate culture that encourages executives and employees to participate together in social contribution activities as social citizens. We also respect and support their active involvement in society.

Tax Policy

By understanding the spirit and purpose of taxation laws and regulations, we respond appropriately to the demands of society and aim to become a company trusted by the international community.

Action Guidelines

- We fulfill our social responsibilities by observing laws on corporate taxation and other tax laws in every country, as well as international taxation standards including the OECD Transfer Pricing Guidelines, the Action Plan on Base Erosion and Profit Shifting, and the arm's length principle of transfer pricing.
- In order to ensure compliance with taxation laws and regulations, we work toward improving our knowledge and gaining a proper understanding of taxation and adopt an attitude of sincerity toward tax authorities to enhance our reliability and transparency.
- We properly manage taxation risks by working toward appropriate declaration and payment of taxes in each country, thereby enhancing shareholder value.
- We never engage in profit shifting to tax havens and other low-tax countries or implement other measures for the purpose of tax avoidance.