

Hokkan Holdings Code of Conduct for Officers and Employees

Basic Philosophy

All officers and employees of the Hokkan Holdings Group must be ready to continue to accept new challenges untiringly for growth with a pioneering spirit. They should be deeply conscious of the need for their activities to be sustainable and in harmony with the environment and society, in order to achieve continued growth within the Group's various fields of business and to enhance corporate value in the medium and long term. In addition to adhering strictly to all laws, regulations, and company rules, all officers and employees must conduct themselves responsibly at all times in line with good professional etiquette and social norms.

Rules

- (1) Respect human rights and have no involvement in any discrimination or harassment.
- (2) Adhere strictly to environmental treaties, laws, and regulations, and take the natural environment into consideration in all your professional activities.
- (3) In your business dealings, adhere strictly to all laws and regulations, and make it a principle to act fairly at all times.
- (4) As well as safeguarding Group information appropriately, exercise due care with the proper management of information obtained from outside the company and the handling of third-party intellectual property rights.
- (5) Do not engage in unfair trading in stocks and shares (insider trading).
- (6) Do not carry out any actions that go against the interests of any Group company. Maintain a strict division between public and private affairs.
- (7) Gifts, hospitality, and other forms of entertainment must never infringe laws or other regulations, and should be kept to appropriate limits in line with social conventions.
- (8) Take a firm stand against antisocial elements and do not contribute to their interests in any way.
- (9) In pursuing your business, take responsibility for the quality and safety of our products at all times.
- (10) Take care of your own health and safety and ensure that you do not harm the health and safety of others.
- (11) Do not neglect or turn a blind eye to inappropriate acts or a situation requiring attention. Each individual has a responsibility to act.

Supplementary Provisions

(1) This code of conduct applies to all officers and employees of the Hokkan Holdings Group (including advisors, non-regular staff, and assigned employees), and to those working at any Group company as dispatched workers.

(2) Detailed provisions are appended to this code of conduct.

(3) As with other company rules, disciplinary measures to be taken in response to infringements of this code of conduct will be decided according to the rules of employment, in line with the nature and seriousness of the infringements.

(4) The Compliance Committee (under the control of the Department of General Affairs) will be responsible for operating the Code of Conduct. Any significant changes require the approval of the Board of Directors.

(5) Established and brought into effect: January 1, 2004

Revised: September 29, 2006

September 30, 2009

May 12, 2021

Hokkan Holdings: Code of Conduct for Officers and Employees

Detailed Regulations

(1) Respect human rights and have no involvement in any discrimination or harassment.

1. No discrimination will be tolerated for any reason, including on grounds of race, skin color, faith, religion, gender, sexual orientation, gender identity, nationality, age, place of origin, physical or mental disability, or illness.
2. Do not carry out any act detrimental to the physical or mental wellbeing or dignity of another person, including sexual harassment, power harassment, or any other type of harassment.
3. Work to have a correct understanding and awareness of human rights issues, including issues involving discrimination against persons from certain communities, and do not discriminate on any grounds.
4. Employees must respect the cultures, customs, and languages of different countries and regions and should strive to blend in harmoniously with the international community and local communities.

(2) Adhere strictly to environmental treaties, laws, and regulations, and take the natural environment into consideration in all your professional activities.

1. Adhere to all environmental treaties, laws, and regulations, and work to contribute to environmental protection.
2. The impact on the environment and ecosystems should be taken into consideration in all business activities.
3. Use resources and energy efficiently, reduce waste, and strive for efficient reuse and recycling.
4. As well as understanding and working to achieve the environmental targets of the Group, officers and employees should take a lead on environmental activities in their local communities.

(3) In your business dealings, adhere strictly to all laws and regulations, and make it a principle to act fairly at all times.

1. Adhere strictly to all business laws relating to products and services, and ensure that there are no omissions or oversights with regard to obtaining permissions, submissions of required
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forms, and other procedures.

2. Do not engage in any unfair restraint of trade by carrying out consultations and agreements with other companies in the same industry and within an industry group regarding price, production volume, facilities, and market allocations.
3. Do not collude with other companies in the same industry or within an industry group to refuse or terminate business dealings with a particular business operator (including discount dealers) or new entrants to the market. No collusive bidding or bid rigging will be tolerated.
4. As a general rule, there should be no contact with competitor companies. Where such contact is unavoidable, procedures should be taken in advance in accordance with the company rules.
5. Do not take any inappropriate action injurious to the interests of subcontractors.

(4) As well as safeguarding Group information appropriately, exercise due care with the proper management of information obtained from outside the company and the handling of third-party intellectual property rights.

1. Strictly manage the confidential information of Group companies, prevent leakages, and ensure that this information is not used except for the intended business purposes.
2. If it becomes necessary to disclose confidential information of Group companies to a source outside the company for business reasons, take due care to prevent leakages of this information, such as by signing a non-disclosure agreement in advance and any other steps that may be necessary.
3. Even after leaving employment with the company, no employee may allow confidential information of any Group company to leak, or use such information themselves for any purpose.
4. Any confidential information received from a non-Group third party must be handled with due care to prevent any leakage, and must not be used except for the intended purpose. Be aware of the duty to maintain confidentiality, and handle all information appropriately at all times.
5. In responding to questions from outside the company, do not respond based on your personal judgement, but relay the inquiry to the department designated to handle such inquiries.
6. Do not make unauthorized copies of any computer software or engage in other actions that infringe the intellectual property of third parties.

(5) Do not engage in unfair trading in stocks and shares (insider trading).

1. If you learn of important information concerning any Group company that is likely to have a significant impact on investment decisions, you must not buy or sell shares in that Group
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company before the information is made public.

2. If you learn of important information concerning any supplier or business partner that is likely to have a significant impact on investment decisions, you must not buy or sell shares in that company before the information is made public.
3. If you learn of important information concerning a group company or business partner that is likely to have a significant impact on investment decisions, you must not transmit this information to any other party until the facts are made public, and must not advise anyone to buy or sell shares in that company.
4. If you are considering buying or selling shares in a group company, ensure you take all the necessary steps in advance based on company rules.

(6) Do not carry out any actions that go against the interests of any group company. Maintain a strict division between public and private affairs.

1. Do not make inappropriate use of the tangible or intangible assets of any Group company.
2. Do not use the property or expenses of any Group company for personal reasons.
3. Do not use any Group information system inappropriately.
4. Do not engage in outside work without the permission of the company.
5. Return all Group company property on termination of employment.
6. Do not carry out political or religious activities or any other personal activities unrelated to company business while in the workplace.

(7) Gifts, hospitality, and other forms of entertainment must never infringe laws or other regulations, and should be kept to appropriate limits in line with social conventions.

1. No bribe may be offered, promised, or given, either directly or indirectly, nor may any bribe be demanded or accepted.
 2. No entertainment or other economic benefits shall be given to public officials or persons in an equivalent position, either in Japan or overseas. Any exception to this rule must be made in line with social mores and within the bounds of accepted conventions. All necessary approval procedures should be taken in advance, and confirmation obtained after the event.
 3. If you learn that any part of a Group company's payment to agents and consultants will be or may be misused in an attempt to gain inappropriate influence with public officials or persons in an equivalent position, do not proceed with the payment.
 4. Do not give extravagant gifts or lavish entertainment to client companies or their executives. Corporate entertainment should be carried out within appropriate limits and in line with social conventions.
 5. Officers and employees must not personally receive rebates, benefits, or other economic
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advantages from business partners and client companies in the performance of their duties. Nor shall they accept excessive entertainment or gifts that exceed the bounds of social propriety. In accordance with company rules, approval must be obtained for all corporate entertainment received by officers and employees.

(8) Take a firm stand against antisocial elements and do not contribute to their interests in any way.

1. If you receive an unreasonable demand from an antisocial (criminal) organization, you should consult your supervisor immediately and deal with the situation on a company level. Never attempt to deal with such a situation alone, and do not attempt to find an easy solution with money or similar means.
2. Care should be taken at all times to guard against approaches by antisocial (criminal) organizations, who can be expected to attempt to gain ground through conventional business approaches.

(9) In pursuing your business, take responsibility for the quality and safety of our products at all times.

1. Take steps to maintain and improve quality and ensure product safety at all times. In addition to complying with all laws, regulations, and company rules, this includes strict adherence to the standards, procedures and work protocols established within each workplace.
2. Do not do or cause other people to do anything that is injurious to product quality and safety. Take care at all times to ensure that situations damaging to quality and safety do not arise as a result of defects or flaws in the workplace. If you become aware of any such deficiencies, consult your supervisor immediately.

(10) Take care of your own health and safety and ensure that you do not harm the health and safety of others.

1. Remember that your health and safety are the number one priority for the company. Take care of your own health at all times, and take care not to harm the health and safety of any officer, employee, dispatch worker, contractor, or any other person.
 2. In carrying out your professional duties, follow the procedures stipulated by the laws and regulations relating to safety and hygiene in the workplace and company rules and manuals.
 3. Play an active part in creating a workplace with an open atmosphere conducive to good
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communication, and strive to maintain and promote physical and mental health.

4. If you discover a dangerous situation in the course of your duties, do not ignore it. Inform a manager or supervisor immediately and take steps to prevent workplace accidents and incidents before they occur.
5. Do not consume alcohol or smoke in a way that might adversely affect health and safety.

(11) Do not neglect or turn a blind eye to inappropriate acts or a situation requiring attention. Each individual has a responsibility to act.

1. If you discover any violation of this code, or are inadvertently responsible for a violation yourself, you must promptly report this to the internal reporting system and seek advice.
 2. Officers and employees of all Group companies must cooperate as necessary to enable the company to confirm the facts and take appropriate action, including measures to prevent recurrence.
 3. A member of the internal reporting system who receives a report or request for advice from an employee must not reveal the name of the employee without that person's consent, and must ensure that the person does not suffer any disadvantage as a result of coming forward.
 4. The Compliance Committee must be notified immediately if any disadvantage results to an employee or other individual for reporting a violation. The Committee will investigate and confirm the facts and take immediate action as necessary.
 5. Reports of any possible infringements of this code should be carried out in line with the procedures indicated on the hotline information card.
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