

Conflict Minerals Control Policy

Tokuriki Honten endeavors to conduct sound business recognizing the importance of corporate social responsibility in obedient to our Charter of Corporate Behavior.

In the procurement of materials containing Gold, Tantalum, Tin, Tungsten, Silver, Platinum and Palladium used for our production processes, we perform risk management to avoid procuring conflict minerals from Conflict-Affected and High Risk Areas. Any transaction found to be involved in such areas shall be stopped immediately by performing due diligence.

In this context, we are committed to perform "Conflict Minerals Control" by the following six steps below, taking ESG(environment, society, and corporate governance) into account in accordance with "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas", "LBMA Responsible Gold/Silver Guidance", "LPPM Responsible Platinum/Palladium Guidance" and other corresponding guidance of allied business organizations.

1. Establish strong company management system

Internal management system to perform Conflict Mineral Control shall be established and implemented under the supervision of Compliance Officer appointed by Senior Management.

2. Avoid sourcing Gold, Tantalum, Tin, Tungsten, Silver, Platinum and Palladium with the following risks

- Human rights violations(mass murder, ethnic cleansing, violence, abuse, torture, enslavement, human trafficking, child labor, forced labor etc.)
- Terrorist activities, Money laundering
- Environment pollution(unauthorized release of mercury into the atmosphere, soil, water, etc.)
- Procurement from conflict-affected areas and high-risk areas where fraudulent transactions are rampant.
- Direct or indirect assistance to illegal, non-state armed groups or public or private security forces
- Bribery and fraudulent misrepresentation of the origin of gold.
- Non-compliance with taxes, fees and royalties due to governments related to mineral extraction, trade and export from Conflict-Affected and High-Risk Areas (CAHRAs)
- Contribution to conflict

3. Perform due diligence for supply chain

Due diligence for supply chain of the materials shall be performed, and any transaction found to be involved in conflict- affected and high risk areas shall be stopped immediately.

4. Perform training for Conflict Minerals Control

Education and training for Conflict Minerals Control shall be performed for the personnel involved in the implementation of our management system.

5. Monitor all transaction and control safekeeping of their records

All the materials to be received shall be monitored by checking with transaction documents.

Transaction documents and receipt records shall be under control of safekeeping for prescribed period.

6. Arrange for independent third-party audits and report the result

Our management system for Conflict Minerals Control and practices shall be audited periodically by independent third party, and the practices shall be reported.