



DAIDO METAL GROUP
Code of Conduct

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To Everyone who works for the DAIDO METAL GROUP

These days the environment surrounding business is increasingly harsh, with progress in social and economic globalization, and dealing with climate change issues etc. and the international view of companies in relation to their roles and responsibilities as a global company is becoming ever stricter. Furthermore, amidst successive corporate scandals, we want to establish the corporate ethics of the DAIDO METAL GROUP through compliance management and ensure it is thoroughly implemented.

I have said before that, ***“Companies should undertake ‘ honest management’ towards society in recognition of their role as public institutions”*** but the corporate ethics of the DAIDO METAL GROUP means the collective actions of every single person who works for the DAIDO METAL GROUP so in order to establish corporate ethics we must clearly state our ethics policy so the organization and individuals are moving in the same direction.

Even though our directors and staffs are undertaking corporate activities with a high ethical perspective we have established as policy the ‘Code of Ethics and Values’ . We have made the ‘Code of Conduct’ based on the spirit of the Code of Ethics and Values as something I would like you all to comply with, which makes it easier to understand for example how to act in accordance with rules and regulations and how to have an ethical perspective that stops you doing something illegal.

I would like you to thoroughly read this Code of Ethics and Values and Code of Conduct and try look back on your daily work and actions. Furthermore, please discuss the importance of corporate ethics often in your workplace.

I would like every single one of us, including me, to comply with the Code of Ethics and Values and Code of Conduct with a highly ethical mindset, and let’ s increase our corporate value and further grow our Company by putting them into practice.

Seigo Hanji
Chairman and CEO
DAIDO METAL CO., LTD.

Code of Ethics and Values

Revised in April 2024

1. Development of Sound Corporate Activities

We, the DAIDO METAL GROUP (DAIDO METAL CO., LTD. and its affiliated companies), make every effort to understand and comply with international and regional rules, applicable laws, regulations and corporate rules in the various countries where we conduct business in order to practice our corporate activities in a fair and sound manner. We endeavor to become a company which is trusted by all stakeholders such as customers, shareholders, employees, business partners and the community.

2. Provision of Valued Goods for Customers

We develop and provide valued and safe products for the satisfaction and trust of our customers.

3. Information Disclosure

The DAIDO METAL GROUP actively and fairly discloses corporate information by communicating with shareholders and other stakeholders. We also conduct reliable financial reporting based on proper financial processing.

4. Respect for Human Rights

In accordance with the DAIDO METAL GROUP Human Rights Policy, the DAIDO METAL GROUP will continue to protect and improve the human rights of all stakeholders affected by its business activities and will promote efforts to respect human rights. We will also strive to ensure a safe and comfortable working environment.

5. Protection of the Global Environment

The DAIDO METAL GROUP will proactively work with conviction and technology to protect the global environment, a common asset of humanity, starting with climate change issues.

6. Achieving Symbiosis with Society

The DAIDO METAL GROUP fulfils its responsibility as a "good corporate citizen", actively participates in society and promotes social contribution activities.

7. Fair and Proper Transactions and Procurement Activities

The DAIDO METAL GROUP promotes fair and appropriate transactions and responsible procurement activities to achieve coexistence and mutual prosperity throughout the supply chain.

8. Protection of Confidential Information

The DAIDO METAL GROUP ensures the protection and management of personal information, customer information, and other information held by the Company in order to conduct proper business operations.

Introduction

1. What is the Code of Conduct?

The Code of Conduct is a [practical guideline](#) based on the Code of Ethics and Values for how everyone who works for the DAIDO METAL GROUP can comply with Company regulations and laws. It clearly gives examples of cases where it might be hard to judge what to do, so please use it effectively in everyday activities.

However, this Code only contains examples and cannot cover every eventuality, but the principle is [‘Let’s act in a healthy manner according to social decency’](#).

In other words, to help you decide whether your behavior meets social decency in the eyes of the average person, please consider the following in your conscience based on general moral values.

1. Do you think things such as, “It’s not that big a deal” or “It will be OK if no one finds out” ?
2. Are you using “It’s for the Company…” as an excuse to justify unethical actions?
3. Is it not against the law, work regulations or Company rules?
4. If it were spread on social media would you be able to explain it to the Company or your family?

If you have difficulty judging your own answer to the above examples, [please discuss it with your manager or another colleague](#).

Please understand the ‘Code of Conduct’ , act in a healthy manner according to social decency, and please ensure that you undertake your own work appropriately and in full accordance with company rules.

2. Applicable Range

The ‘Code of Ethics and Values’ and “Code of Conduct’ applies to every person who works at the DAIDO METAL GROUP.

‘The DAIDO METAL GROUP’ means DAIDO METAL CO., LTD.. and its Affiliated Companies, and ‘We’ means everyone who works at the DAIDO METAL GROUP.

3. Responsibility of Top Management

In order to realize the ‘Code of Ethics and Values’ top management has created the practical ‘Code of Conduct’ , which as well as applying to the entire DAIDO METAL GROUP, should be thoroughly understood by all employees and not just Directors.

When behavior occurs that goes against the ‘Code of Ethics and Values’ top management should take responsibility to resolve issues, find the cause and prevent recurrence, and take appropriate disciplinary action when needed.

4. Responsibility of Managers and Supervisors

Managers and supervisors play an important role in ensuring compliance. As leaders they must lead by example. When talking as a manager, you should take what your staff says seriously, and then judge whether it is in line with the Code of Conduct and internal regulations, and if there is a problem, as well as giving guidance, you must swiftly report the important details to your own manager or relevant department.

DAIDO METAL GROUP Code of Conduct

Code of Conduct

Revised in April 2024

1. Development of Sound Corporate Activities

(1) Honest Accomplishment of Work Duties

- We act appropriately for our own official rank and authority, perform our duties honestly, study hard and improve our skills.
- We strive to appropriately control and manage Company assets including facilities, equipment, funds, information, intellectual property and software to prevent loss, theft and damage. We do not use them for private nor take them home without permission.
- We draw a line between our work and private lives and strive to maintain and improve order in the workplace.
- We do not engage in public or private activities that may damage the reputation, credibility, brand, or profits of the DAIDO METAL GROUP.
- We cooperate with each other to increase efficiency and to improve the ability of individuals and the Company as a whole.



(2) Compliance with Related Laws and Regulations

- We take care not only to act within the law, but also to act in accordance with social common sense and manners, and to not elicit criticism by society or cause trouble to others.
- We properly understand and comply with the Company's work rules, internal regulations, Company policies and business instructions and orders.

(3) Protection of Intellectual Property Rights

- We will promptly secure, maintain, and utilize our Company's intellectual property rights, and we will take appropriate measures to ensure that our Company's intellectual property rights, which are important assets, are not infringed by third parties through copycat or unauthorized use.
- We do not use intellectual property (patent, copyrighted works, software etc.) belonging to other people or companies without proper authorization.

(4) Prohibition of Conflict of Interest

- We will not engage in business for the benefit of individuals or third parties that competes with the Company or is contrary to the Company's interests.

(5) Global Business Activities

- We strive to acquire sufficient knowledge not only of the laws and regulations of our own country, but also of the laws and regulations of and between local countries. We also strive to understand the points of basic contracts such as joint venture contracts, technical partnership contracts, and service contracts, and to comply with these basic rules.
- In our global business, we not only respect local customs, culture, and values, but we also promote our business activities by giving due consideration to the feelings of citizens and residents, as well as religious events.

2. Provision of Valued Goods for Customers

(1) Understanding and Responding to Expectations and Demands

- We always listen to customer feedback and are responsive to customer demands.
- We respond professionally and honestly to any enquiries or complaints from customers.

(2) Safety and Assurance

- We develop, design, manufacture and sell safe and secure products which contribute to society.

(3) Quality Control

- We manufacture products based on work standards and quality standards.
- We continually strive to prevent defects, reduce defect rates and eradicate customer complaints. When a defect is discovered, we immediately take the appropriate containment measures, find out the root cause and implement permanent corrective actions.

3. Information Disclosure

(1) Disclosure of Corporate Information

- We will establish opportunities for dialogue with shareholders and other stakeholders, proactively communicate with them, enhance transparency of corporate activities, and fulfill our accountability.
- We will proactively and impartially disclose important management and financial information, sustainability information including social and environmental information, and information on corporate governance.

(2) Reliability of Financial Information

- In order to ensure the reliability of financial reporting, we comply with laws and internal regulations, and conduct accounting and inventory processing at each workplace in an appropriate manner and report accurately. We do not conduct illegal accounting.

(3) Prevention of Insider Trading

- We do not engage in insider trading of securities based on confidential information which is not available to the general public.
- We seek prior notification and approval before buying or selling the Company shares.

4. Respect for Human Rights

(1) Respect for Human Rights

- We will promote efforts to respect human rights based on the DAIDO METAL GROUP Human Rights Policy.
- We respect diversity and will not discriminate on the basis of nationality, race, ethnicity, color, age, sex, sexual orientation, gender identity, religion, creed, social status, physical characteristics, physical or mental disabilities, or political opinions.
- We do not tolerate child labor, forced labor, or human trafficking of any kind.

(2) Comfortable and Safe Working Environment

- We strive to maintain a healthy working environment without any industrial accidents and focus on increasing workplace safety standards to ensure health and safety by complying with 5S (Sort, Set in Order, Shine, Standardize, and Sustain) and operating procedures.
- We will not engage in acts that violate human rights through harassment, slander, etc.
- We have a high standard of ethics and social decency. We strive to be considerate to others and to improve the working environment and human relations.

5. Protection of the Global Environment

- We work to develop and design products that contribute to the protection of the global environment, as well as products that are safe and environmentally friendly. We also strive to protect biodiversity and the environment by taking measures against air pollution, water pollution, soil pollution, noise, vibration, land subsidence, and bad odors. In addition, we strive to conserve resources and energy, actively introduce renewable energy, and work to reduce CO2 emissions in stages with the aim of achieving carbon neutrality by 2050.
- We are conscious of the concept of '*Mottainai*' (*What a waste!*) and practice 3R (Reduce, Reuse, and Recycle), and we aim to reduce waste by not buying unnecessary items, by using items again and again, and by promoting the sorting of waste for the purpose of efficient recycling.



6. Achieving Symbiosis with Society

(1) Contribution to Society

- In our business activities, we strive to contribute to the resolution of social issues through our business in order to realize a sustainable society.
- We support and contribute to the local communities where our facilities are located. We strive to act in a timely and appropriate manner in order to fulfill our role as good corporate citizens.

(2) Observation of Traffic Rules

- We do not only participate in road safety campaigns but also observe traffic rules and manners, and drive carefully.



(3) Attitude towards Criminal Forces and Organizations

- We do not associate with individuals or groups who threaten to obstruct social order and healthy corporate activity.
- We firmly reject unfair demands and malicious business practices from criminal groups.

7. Fair and Proper Transactions and Procurement Activities

(1) Fair Competition and Transactions

- We comply with competition laws of each country and do not collude with competitors to fix sales prices or shares which hinder free market competition.
- We exchange legitimate contracts with our customers and business partners and adhere to those contracts.

(2) Appropriate Purchasing and Procurement with Suppliers

- We create fair and transparent relationships with our business partners in good faith.
- We are interested in the compliance, ethics, quality, human rights, labor arrangements, health and safety, environmental protection and IT security of our business partners. In addition, we arrange for the appropriate action to take place by suppliers.
- We will not take advantage of our dominant position to impose specific conditions or disadvantages on our business partners, nor will we attempt to treat them unfairly or exclude specific suppliers.
- We will conduct procurement activities that take into consideration the adverse effects of local conflicts, human rights violations, and environmental damage on local communities, and if we are concerned about such risks, we will strive to avoid it by changing suppliers.

(3) Presentation of Gifts and Entertainment

- We do not accept or demand gifts or entertainment that goes beyond what is socially acceptable, nor do we take advantage of our role for personal gain.
- When we are invited to or are hosting entertainment we ask our supervisors' permission, or ask them to attend.

(4) Anti-Corruption (Relationship with Public Institutions)

- We do not bribe government employees, or act in a way that may be interpreted as bribery.
- We will not provide gifts or entertainment to any public officials or persons equivalent to public officials with whom we have an interest, whether inside or outside the country.

8. Protection of Confidential Information

(1) Information Management

- We manage business information (including information on research and development, technology, management, information about customers or business partners, quality data and other internal information) appropriately in accordance with the degree of confidentiality required to avoid loss and unauthorized disclosure.
- We do not use the internet and email for personal matters nor for imprudent manner. We do not disclose confidential information to third parties including competitors even after employment ends.
- We do not use illegal methods such as wiretapping or bribery to gather information from competitors including retired members of staff or any other source.

(2) Protection of Personal Information

- In accordance with laws and regulations of each country, we maintain a data management system that stores personal information appropriately and prevents disclosure to external bodies.

Conclusion

1. Disciplinary Action when Codes are Violated

In accordance with the Disciplinary Procedure, if an employee violates the Code of Conduct, the employee themselves, and potentially their manager also will be subject to disciplinary action. Furthermore, in the case of employee malice or gross misconduct resulting in financial harm to the Company damages may be sought from the employee.

When there is a violation of the Code of Conduct by a Director, in view of the importance of their responsibilities, it will be dealt with in accordance with the various laws and regulations such as the Companies Act.

2. Whistleblower System

When there is a violation of the 'Code of Conduct' or you have fears of a violation you must report it immediately through your Company's internal reporting system or Whistleblowing Desk. Whether it is a Director or normal employee you must not turn a blind eye. Whatever the violation, or what you believe the violation to be, Directors and employees all have the responsibility to report it to the internal reporting system or Whistleblowing Desk.

When contacting the internal reporting system or Whistleblowing Desk by email, phone or letter as a general rule you should give your name (if you wish to report anonymously that is permitted). Whistleblowing is kept in strictest confidence and there is no disadvantageous treatment towards whistleblowers. Furthermore, the Company does not tolerate retaliation against whistleblowers.

3. Establishment, Amendment and Abolition

The Corporate Ethics Committee is responsible for establishing and revising the 'Code of Ethics and Values' and 'Code of Conduct', and the Board of Directors will pass them by resolution.