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1. Hosokawa Micron Group Basic Sustainable Procurement Policy

The Hosokawa Micron Group is dedicated to maintaining the highest ethical standards throughout its procurement and purchasing activities. This policy reflects our commitment to sustainable business practices, prioritizing the environment, safety, human rights, and labor to meet the evolving demands of the international community. This policy is adopted and enforced by Hosokawa Micron Corporation and its subsidiaries.

1.1 (Basic Principles)

Our procurement activities are founded on strict adherence to legal compliance and high ethical standards. We are committed to global environmental conservation, workplace safety, and the protection of human rights and labor standards. We seek to foster relationships of mutual prosperity with all suppliers through transactions that are fair, equitable, and transparent.

1.2 (Key Priorities)

To ensure the integrity of our supply chain and our impact on society, the Hosokawa Micron Group focuses on the following priorities:

- **Equal Partnerships and Value Creation:** All suppliers are viewed as vital partners in value creation. We build equal relationships based on mutual respect and trust.
- **Social Responsibility and Coexistence:** We conduct procurement activities that respond to the demands of society as a whole, including legal compliance, respect for human rights, environmental conservation, and coexistence with local communities.
- **Fair Supplier Evaluation:** We evaluate suppliers fairly based on rational and transparent criteria, including quality, price, delivery time, business stability, supply capacity, and the supplier's commitment to sustainability initiatives.
- **Ethical Transaction Practices:**
 - The group will not engage in **reciprocal transactions** aimed at selling our own products or services as a condition of procurement.
 - The acceptance of **entertainment and gifts** from suppliers must be **within the bounds of common social practice**. It is strictly prohibited for individual purchasing staff to receive such items outside of these limits.
- **Human Rights Prevention and Mitigation:** We strive to identify and prevent the risks of human rights violations throughout the entire supply chain. We are committed to the

prevention and mitigation of negative impacts on human rights, including the prohibition of child labor, forced labor, discrimination, and harassment. We respect the freedom of association and the right to collective bargaining.

- **Environmental Protection and Energy Management:** We actively work to protect the global environment by reducing greenhouse gas emissions, introducing clean energy, and implementing appropriate energy management and continuous improvement strategies across the supply chain.
- **Responsible Raw Material Sourcing:** We endeavor to ensure responsible sourcing, including the avoidance of conflict minerals and materials associated with human rights violations.
- **Supply Chain Communication:**
 - We progressively communicate this policy and these guidelines to our **primary (Tier 1) suppliers**.
 - We encourage these principles to be extended to **secondary (Tier 2) suppliers** and beyond. We perform risk-based verifications for raw materials, regions, and processes identified as having high environmental or human rights risks.

1.3 (Corrective Action and Improvement)

If a serious violation of this policy occurs or concerns become apparent, the Hosokawa Micron Group will collaborate with relevant parties to implement effective corrective measures:

- (1) **Fact-finding and Analysis:** We will investigate the situation to confirm facts and, where necessary, work with the supplier to conduct a root cause analysis.
- (2) **Corrective Action Planning:** We will collaborate with suppliers to formulate corrective action plans and verify the progress of improvements and recurrence prevention measures.
- (3) **Remediation:** In cases of confirmed serious human rights violations, safety risks, or environmental breaches, we will strive to respond appropriately, including providing remedies to victims.

Failure to demonstrate sufficient improvement or the continuation of serious violations may lead the group to revise transaction terms or suspend business relationships.

Representative Director and President Kohei HOSOKAWA

2. Sustainable Procurement Guidelines

2.1 Purpose and Application

The purpose of these guidelines is to build a responsible supply chain and realize a sustainable society through fair and transparent transactions. These guidelines apply to all business partners of Hosokawa Micron Corporation and Hosokawa Custom Processing Corporation in all aspects of their business activities.

While business partners must comply with the laws and regulations of the countries in which they operate, these guidelines encourage advanced social and environmental initiatives based on international standards, including the Ethical Trading Initiative (ETI), the United Nations Global Compact, the Responsible Business Alliance (RBA), and SA8000.

2.2 Specific Guideline Requirements

Legal Compliance and Ethics

- Suppliers must prohibit all forms of bribery, collusion, and conflicts of interest.
- Suppliers must avoid false or misleading advertising and anti-competitive conduct.
- Suppliers must maintain accurate and transparent contract and transaction records.
- Suppliers must comply with all applicable labor, environmental, competition, and export/import control laws.

Labor and Human Rights

- Suppliers must strictly prohibit child labor, forced labor, discrimination, and harassment.
- Suppliers must ensure the appropriate management of employment status for all workers.
- Suppliers must comply with statutory working hours and provide appropriate wages.
- Suppliers must respect workers' rights to form and join labor unions and engage in collective bargaining.

Health and Safety

- Suppliers must ensure the safety and hygiene of all workplaces and provided living facilities.
- Suppliers must manage chemical substance risks and provide necessary protective equipment and safety training.
- Suppliers must foster a "zero accidents" safety culture through continuous education and risk assessment.

Environmental and Chemical Substance Management

- Suppliers must implement measures to reduce environmental impact and prevent pollution.
- Suppliers must comply with environmental laws concerning wastewater, waste, and air pollution.
- Suppliers must manage hazardous chemical substances appropriately and provide Safety Data Sheets (SDS) for all applicable materials.

- Suppliers must practice appropriate energy management to reduce the environmental footprint.

Quality and Supply Stability

- Suppliers must provide products and services that conform strictly to the Company's specifications.
- Suppliers must establish mechanisms for prompt correction in the event of quality defects.
- Suppliers must ensure robust traceability for all products and components provided.

Information Management and Intellectual Property

- Suppliers must comply with Non-Disclosure Agreements (NDAs) and protect confidential information.
- Suppliers must prohibit the infringement of third-party intellectual property rights.
- Suppliers must establish information security systems, including access control and encryption, to prevent data breaches.

Supply Chain Management

- Suppliers must apply these guidelines to their own lower-tier suppliers to ensure compliance throughout the chain.
- Suppliers must prohibit the use of raw materials linked to conflict minerals or human rights violations.

Sustainability and Improvement

- Suppliers must maintain a proactive commitment to the continuous improvement of their sustainability initiatives.

Grievance Mechanism and Whistleblowing System

- Suppliers must establish internal reporting and consultation points for employees and stakeholders to raise concerns.
- Suppliers must strictly prohibit retaliation against whistleblowers or those seeking consultation.

Monitoring, Auditing, and Corrective Action

- Suppliers must submit self-assessment sheets upon the Company's request.
- Suppliers must cooperate with audits and implement remedial and corrective measures as necessary to address identified risks.

3. Revision History and Closing

Note: These guidelines are subject to review and revision in response to the evolving demands of the international community and the changing global business environment. They may not

encompass every specific request the Company might make of its business partners as specific circumstances arise.

Revision History

Edition	Revision Date	Summary of Revision Content
First Edition	August 27, 2026	Establishment of First Edition

Representative Director and President Kohei HOSOKAWA