

Compliance

Corporate ethics and legal compliance

Code of Conduct and Manual of Behavioral Standards

As fundamental guidelines for the correct behavior for all officers and employees, whether in Japan or overseas, to act as exemplary citizens, the Group has established the "Toagosei Group Code of Conduct" and the "Toagosei Group Manual of Behavioral Standards."

By including these in the Compliance Handbook, which is distributed to all members of the Group, we are striving to ensure their widespread awareness and thorough implementation.

Compliance Committee

The Company has established the Compliance Committee that includes outside legal counsel. The Committee periodically monitors and reviews compliance practices across all Group companies, including overseas subsidiaries, and issues improvement recommendations. The Compliance Committee met two times in 2025, and members discussed the implementation status of compliance within the Group. For matters requiring improvement, we provide recommendations and support for the implementation of corrective measures, striving to maintain the Group's compliance system.

2026 Compliance Committee

- Chairperson: General Manager, Group Corporate Strategy and Administration Division
- Vice Chairperson: General Manager, Group Supply Chain Management Division
General Manager, Technology & Production Administrative Division and General Manager, Research & Development Administrative Division
- Members: Chairperson of the Compliance Committee of Aronkasei Co., Ltd.; General Manager, Corporate Strategy Department; internal legal counsel; and outside legal counsel
- Secretariat: General Affairs & Legal Department

*Observers may participate depending on the agenda items.

Functions of the Committee

- (1) Support for the maintenance, improvement, and promotion of management that emphasizes compliance
- (2) Supervision and investigation of the status of implementation of compliance measures and recommendations for improvement
- (3) Support for the implementation of continuous education and awareness-raising activities to ensure thorough compliance
- (4) Implementation of corrective measures, etc., as stipulated in the "Regulations on whistleblowing"
- (5) Recommendations to the President on response measures, such as investigations by establishing a third-party committee, when a potential major compliance issue is recognized and its impact inside and outside the Company is significant

Compliance regarding business activities

In the Group, we update our internal policies and conduct employee training on an ongoing basis in response to legislative and regulatory changes.

For example, when revising product prices, we submit the changes for review by the Antimonopoly Act Compliance Committee to prevent violations before they occur. In 2025, we revised our Antimonopoly Act Compliance Manual to reflect the upcoming January 2026 amendments to the Subcontractor Act, and conducted webinar-based training for relevant Group personnel.

Compliance education

To instill awareness of compliance, we are implementing education in various forms tailored to workplaces and careers.

We distribute the compliance handbook, which includes the Toagosei Group Manual of Behavioral Standards and laws and regulations relevant to the Group's business, to all employees and conduct regular reading sessions at each workplace. Additionally, as part of education tailored to each employee's career, we conduct harassment prevention training for new employees and promoted employees. In 2025, focusing on divisions with frequent contact with public officials and quasi-public officials, we held briefing sessions regarding prohibited acts in such interactions, which served as an opportunity to deepen understanding.

Such education is conducted continuously in response to amendments to laws and regulations and issues at each workplace. In 2025, it was reported that more than 700 sessions were held across the Group for compliance-related matters alone. We will continue to aim for the further strengthening the Group's compliance system through various educational initiatives.



Compliance education

Whistleblowing system

The Group has both in-house and external "Corporate Ethics Helplines," which is a system for early detection and resolution of compliance and human rights issues. The Helpline is available via dedicated telephone line or email. It has also established a dedicated helpdesk for sexual harassment, etc., in an effort to provide a better work environment regardless of gender. In addition, it appropriately receives, investigates, and provides feedback in line with the whistleblowing flow established under the "Regulations on whistleblowing" aimed at improving the effectiveness of the whistleblowing system and provide whistleblowers with the protection of anonymous reporting. In conjunction with efforts to strengthen the compliance system, employees are also informed about the number of reports and a summary of their content, within a scope that does not infringe on whistleblower privacy.

