

Joshin Group Procurement Policy

The Joshin Group aims to contribute broadly to the future of humanity and society based on its management philosophy of “connecting people and society to the future with a smile.”

Based on the Joshin Group Code of Conduct, the Group hopes to build partnerships with suppliers who actively promote safe and secure procurement while addressing various social issues.

1. Co-existence and co-prosperity with suppliers

Under the belief that all suppliers are our partners, we aim for mutual prosperity and continuation by solving problems throughout the entire supply chain and building long-term relationships of trust.

2. Assurance of quality and safety

We aim to provide products and services of value by working together with suppliers to maintain and improve the quality and safety of procured products and services.

3. Fair and equal dealings and compliance with laws and regulations

We will comply with domestic and international laws and regulations, and international guidelines related to procurement activities, and provide all suppliers with equal opportunities through fair and free competition.

4. Consideration for the environment

We aim to conduct eco-friendly procurement activities by working throughout the entire supply chain to provide products and services conscious of the environment.

5. Consideration for human rights and working environments

We respect human rights and will promote procurement activities aimed at improving working environments and ensuring health and safety.

6. Appropriate information management

We will maintain the confidentiality of confidential and personal information obtained in the course of procurement.

7. Co-existence with society

We will coexist with local communities and work together with suppliers to contribute to the

realization of a sustainable society.

8. Scope of application

This Policy shall apply to all suppliers.

(Enacted on: February 3, 2023)

Joshin Denki Co., Ltd.
Representative Director, President and Executive Officer

Joshin Group Procurement Guidelines

In conjunction with the establishment of the Joshin Group Procurement Policy, the Joshin Group has formulated the Joshin Group Procurement Guidelines (hereinafter “these Guidelines”) as a set of guidelines to be observed by the Group and all suppliers involved in the Group’s services and products.

We ask for the cooperation of our suppliers in understanding the purpose and content of these Guidelines and in working toward the realization of a sustainable society.

1. Co-existence and co-prosperity with suppliers

Under the belief that all suppliers are our partners, we aim for mutual prosperity and continuation by solving problems throughout the entire supply chain and building long-term relationships of trust.

- (1) We will take a global approach to developing or searching for optimal procurement partners, work to build fair and equal partnerships, and strive to maintain and improve mutual understanding and trust from a long-term perspective.
- (2) In selecting suppliers, in addition to such aspects as quality, reliability, delivery time, price, administrative stability, technological development capabilities, we will fully assess whether they are fulfilling their social responsibilities regarding the removal of unlawful discrimination, the elimination of child labor and forced labor, and environmental conservation activities.
- (3) We do not accept any personal benefit from procurement partners with respect to their procurement transactions with us.

2. Assurance of quality and safety

We aim to provide products and services of value by working together with suppliers to maintain and improve the quality and safety of procured products and services.

- (1) In regard to product quality and safety, we deal in products that comply with laws, regulations, safety standards, and other requirements related to product safety in consideration of legal compliance as well as the generally-required level of safety.

(2) We establish systems for appropriate actions in the event of product or service accidents or the distribution of defective products; information disclosure required in the event of an accident or defective product, notification to the relevant authorities, product recall, measures for supply destinations, and the like.

3. Fair and equal dealings and compliance with laws and regulations

We will comply with domestic and international laws and regulations, and international guidelines related to procurement activities, and provide all suppliers with equal opportunities through fair and free competition.

- (1) We do not engage in any activities that impede fair, equal, transparent, and free competition.
- (2) We ensure legal compliance by observing the laws and regulations of each region in which we conduct business, and establishing mechanism such as compliance-related policies and management systems, whistleblower systems, and education.
- (3) We respect the rights of holders of trademarks, design rights, patents, and other intellectual property rights, and do not deal in products that infringe on the intellectual property rights of third parties.
- (4) We do not have involvement with anti-social individuals or organizations.
- (5) We do not engage in private monopolization or unfair trade restrictions (e.g., cartels, bid rigging).
- (6) We do not take advantage of our superior position to unilaterally make trading decisions in our favor and to the detriment of our suppliers.

4. Consideration for the environment

We aim to conduct eco-friendly procurement activities by working throughout the entire supply chain to provide products and services conscious of the environment.

- (1) We comply with laws and regulations related to the environment, establish and operate an environmental management system (EMS), and promote environmental conservation activities, while striving for continuous improvement.
- (2) We work to keep track of and reduce greenhouse gas emissions throughout all of our business activities in order to mitigate the impact of climate change.
- (3) We will examine the direct and indirect impact of our business on ecosystems, and work on conservation of biodiversity and sustainable use.
- (4) We will procure products with the lowest possible environmental impact and

promote the 3R activities (Reduce, Reuse, Recycle).

5. Consideration for human rights and working environments

We respect human rights and will promote procurement activities aimed at improving working environments and ensuring health and safety.

- (1) We support and respect internationally recognized human rights. In addition, we do not engage in unlawful discrimination based on race, nationality, ethnicity, skin color, age, gender, sexual orientation, gender identity, religion, creed, disability status, marital status, pregnancy, LGBT, political party affiliation, or union membership in any employment practice, including the determination of wages, promotions, compensation, and retirement.
- (2) We conduct appropriate human rights due diligence in accordance with the social context of the regions in which we conduct business and the characteristics of our business, products and services.
- (3) We work to identify the possibility of human rights violations in advance and establish a system to prevent such violations from occurring. In the event of a violation, we promptly take steps to correct and remedy the situation through appropriate internal and external procedures.
- (4) We comply with all labor-related laws and regulations (Labor Standards Act, Act on the Improvement of Employment of Construction Workers, Industrial Safety and Health Act, and other laws and regulations concerning the use of workers).
- (5) We work to reduce excessive working hours and pay appropriate wages in excess of the minimum wage.
- (6) We support and respect the rights of workers relating to freedom of association and the right to collective bargaining.

6. Appropriate information management

We will maintain the confidentiality of confidential and personal information obtained in the course of procurement.

- (1) We work to appropriately manage personal information based on Joshin Denki's Personal Information Protection Policy, and establish information morals based on respect for human rights and safety in the handling of information.
- (2) We appropriately manage and handle the collection and control of all information relating to our business activities in accordance with laws, regulations, and internal rules.

(3) In order to maintain and develop relationships of trust with the various stakeholders involved with the Group, we disclose information in a highly fair and transparent manner and respond responsibly to stakeholders through dialog and various other communication activities.

7. Co-existence with society

We will coexist with local communities and work together with suppliers to contribute to the realization of a sustainable society.

As the Joshin Group coexists with society, we respect local cultures and voluntarily engage in creative activities that contribute to the development of society in cooperation with local stakeholders.

[Operation of these Guidelines]

(1) We ask that suppliers establish their own policies and management systems to ensure internal understanding, awareness and continuous improvement in order to comply with these Guidelines.

(2) We ask that suppliers immediately report any violation (or potential violation) of these Guidelines to us as soon as it is recognized. We also request that suppliers promptly implement corrective measures and report the status of each correction implemented.

[Verification of compliance]

We may request suppliers to respond to questionnaires so that we can verify their compliance with these Guidelines. Such request applies to subcontractors as well.

Based on the above policy, we build relationships of trust with suppliers through our procurement activities and work to add value to the entire supply chain.

(Enacted on: February 3, 2023)

Joshin Denki Co., Ltd.
Representative Director, President and Executive Officer