

Message

Greetings and thank you for your continued support.

We acquired Responsible Jewellery Council (RJC) Certification in 2020, and have been striving each day to be a responsible corporate member of the global community. Through efforts including the use of recycled bullion and paperless initiatives, each employee is becoming more aware of our corporate social responsibility (CSR). In our role as one of the pioneers in Japan, we have also been working to raise domestic awareness of RJC certification through efforts such as promoting RJC certification within the country and supporting other firms in earning certification. We aim to become a “100-year company”, and as an RJC-certified company we plan to enhance our CSR activities.

February 2022

Takeyuki Nakagawa

CSR initiatives

1. Basic policy

We will fulfill our corporate social responsibility (CSR) by conforming to the Company Motto, Basic Guidelines, and Behavior Standards in our Code of Conduct.

2. Compliance

We will address compliance as the most important issue in corporate social responsibility (CSR). In our risk management process, we will identify the risks of potential legal and regulatory violations in our business operations and eliminate any issues that could lead to such violations. Our responses will especially focus on the areas of employment relations, the Know Your Customer (KYC) process, and corruption prevention. Risk assessment for 2021 will be subject to a management review in January 2022.

3. Relations with trading partners

As difficult conditions continue for trading partners due to the COVID-19 pandemic, we strive to meet partner needs by leveraging our strength in adaptability.

4. Relations with shareholders

We have started business restructuring with the aim of ensuring returns to shareholders from a long-term perspective. The content of this business restructuring began in earnest in 2021, and as the first step, we

have been promoting the reduction of capital to a level appropriate to the company's size and the consolidation of minority shareholders. We will strive to become a lean and strong enterprise with the aim of becoming a "100-year company".

5. Contributing to the community

As activities were constrained at each facility in 2021, as in 2020, due to COVID-19, we implemented activities that included the following:

Kitakami Plant:

- ✧ Sponsored cleanup activities in the plant vicinity four times
- ✧ Raised money for the Green Fund
- ✧ Donated to support club activities at Iwate Prefectural Kuroswajiri Technical High School, adjacent to the plant

Tsukuba Plant:

- ✧ Raised funds for the Japanese Red Cross Society and donated to the Ami Town Council of Welfare
- ✧ Participated in cleanup activities inside the industrial park
- ✧ Participated in patrols to check for illegal parking inside the industrial park

Okachimachi Branch:

- ✧ Participated in community crime-prevention patrols
- ✧ Implemented crime-prevention drills in cooperation with Ueno Police Station and cooperated in efforts to strengthen crime-prevention structures within the community

Ise Office:

- ✧ Participated in monthly community fire brigade activities
- ✧ Conducted cleanup activities at waste collection areas four times
- ✧ Participated in fundraising activities for the Central Community Chest of Japan

Kofu Branch:

- ✧ Donated to the local Asama Shrine

[Headquarters]

- ✧ Many employees participated in seminars organized by the Tokyo metropolitan government to enhance women's career opportunities
- ✧ Member of the Yanagibashi neighborhood association, supporting neighborhood association activities on a regular basis
- ✧ Donated to the local Suga Shrine

6. Relations with employees

As a company aiming to become a "100-year company", we have improved our personnel system with the cooperation of outside experts. We largely completed a new payroll structure in 2021, and finished laying the foundation for launching a new equitable personnel system in 2022. These efforts were intended to thoroughly revise the existing seniority-based personnel system and build an equitable system where employees are rewarded for their efforts. We expect to launch the new payroll system and a new personnel evaluation system in 2022, which will enable personnel management based on assigning the right people

to the right jobs under an equitable personnel system.

7. Global environmental protection

At the Kitakami plant and the Tsukuba plant, we continually monitor wastewater to make sure that it does not violate local wastewater standards and outsource periodic wastewater inspections to an outside subcontractor. In addition, we are making progress on the adoption of clean energy and have decided to install solar-power equipment at the Kitakami plant.

8. Responsible minerals management

We purchase gold and other bullion from suppliers who conform to the Organisation for Economic Co-operation and Development (OECD) guidelines.

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