

# **Watakyu Group Compliance Handbook**



WATAKYU HOLDINGS

# The Watakyu Group Basic Principles

Returning to our company's founding concept, we always appreciate following points.

- We are given the opportunity to serve our customers.
- We are granted the opportunity to procure from our suppliers.
- We are supported by our partners in collaboration.
- We are favored by the dedication of our employees.

We foster a corporate culture of approaching everything we do with gratitude and humility. We also strive to be a group where everyone is considerate and cooperates with each other, and by doing so, foster a company we can be proud to work for and contribute to.

Based on the above as the cornerstones, we established our corporate motto "kokoro," a Japanese word embodying heart, spirit, gratitude, humility, and respect, and upon this foundation we will build a robust and enduring structure for the Watakyu Group."

## The background to the establishment of the Basic Policy

The Basic Policy was established in 1998 in the era when Mr. Mitsuji Ando, the Chairman of Watakyu Holdings, was the President of Watakyu Seimoa.

The background to that was Mr. Ando's experience when he was General Manager of Sales Headquarters.

One day, during a visit to a branch, he heard an employee in the neighboring sales negotiation booth say "he should be fired" about an employee whose work was slow. Furthermore, because he also heard that a business partner had evaluated the company saying "Watakyu is tyrannous," Mr. Ando had a strong sense of crisis over a change in corporate culture in association with business expansion.

Mr. Kiyotsugu Murata, the first President of Watakyu Seimoa, and his mother, Mrs. Harue Murata, valued the humble attitude of bowing and saying "thank you," not only to employees and suppliers, but also to other business operators who visited the company on small errands.

With the strong feeling that we must not forget the spirit of Mr. Kiyotsugu Murata and his mother Mrs. Harue Murata of "feelings of gratitude" and "a humble attitude," the company formulated the Basic Policy, starting by "returning to our origin at the time of the company's founding." This was to indicate our attitude not only towards customers, but towards all related parties.

# Message from the President



The first thing I want to communicate to you all is that compliance does not mean simply observing the law, and its origins lie in the "sincerity," "honesty" and "fairness" of us all. These characteristics are the foundations that we build trust on as a company and the driving force of our continuing growth in the future. This "Watakyu Group Compliance Handbook" embodies the "Watakyu Group Basic Policy" in the compliance matters. Understanding the content of these compliance matters and putting them into practice in business each day will lead to the sustainable management that we aim for.

On the other hand, in today's society, the environment surrounding the company is changing rapidly due to the progress of technological innovation and globalization, and uncertainties are increasing so we are required to respond to various issues. In such circumstances, it is important that we respond flexibly while observing the law and maintaining our sense of ethics, and continue to take on new challenges. You can use this Compliance Handbook as a guideline to choose the correct action even in situations where you are unsure about your judgment. Please make sure to use it and obtain new insights.

In addition, while SNS and other places for information transmission are diversifying, please be mindful of appropriate methods of use based on the fact that each and every expression and action has an impact on the company's image. Reporting honestly without hiding things that are difficult to say with regard to reports and sharing will lead to our further growth as an organization.

Compliance initiatives should be strict, but we will not build an environment that is any more restricted than necessary. The important thing is to develop a culture within which we can respect and trust each other mutually. The company group values "an environment in which employees can work with peace of mind" and aims to provide a place where all employees can act independently.

The correct behavior of each and every one of us will be the trigger for obtaining trust from society as a whole and be a powerful impetus that allows us to realize the mission of the Watakyu Group. Together with you all, I would like to realize "the creation of value beyond expectations." I hope sincerely for the cooperation of you all from now on.

**Kiyokazu Murata**

Representative Director and President  
Watakyu Holdings Co.,Ltd.

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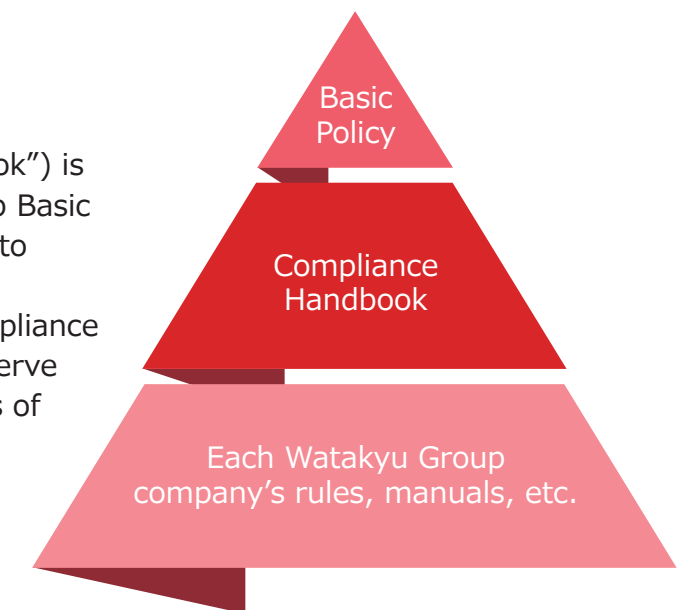
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# About the Watakyu Group Compliance Handbook

This Watakyu Group Compliance Handbook (hereinafter referred to as “Compliance Handbook”) is the guideline for transferring the Watakyu Group Basic Policy (hereinafter referred to as “Basic Policy”) to concrete action.

The Compliance Handbook explains sixteen compliance matters that we would like all employees to observe for the Watakyu Group to meet the expectations of society and fulfill its responsibilities.



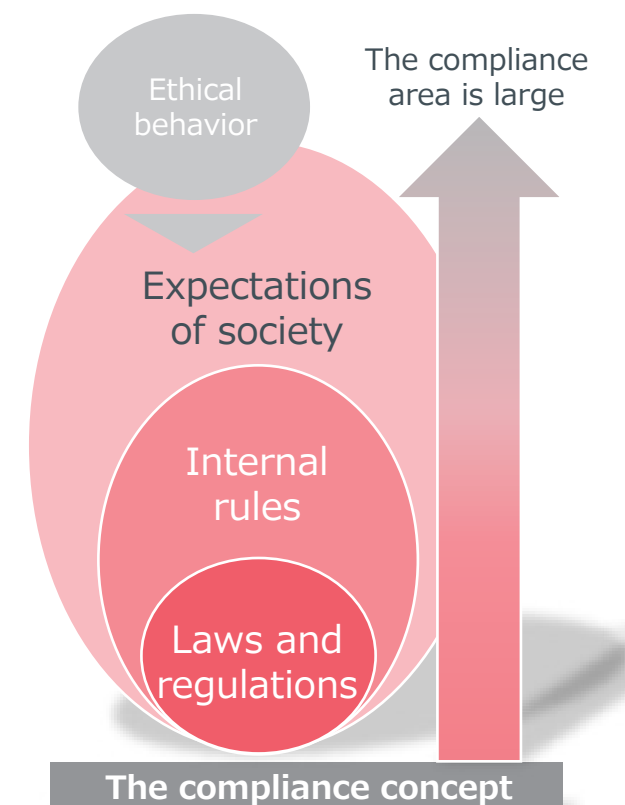
## Scope of application

The products and services that the Watakyu Group handles, and the industries it works in are wide-ranging, so we assume that manuals, etc., equivalent to or complementing this Compliance Handbook will be prepared as required at each respective group company.

## What is compliance?

In general, compliance means “observation of the law,” but at the Watakyu Group, we do not limit compliance merely to “observation of the law,” but take it to also mean meeting the expectations of customers and society through ethical behavior.

By establishing and observing internal rules at the Watakyu Group, we obey the law in all situations in our business activities. Moreover, facing the expectations of customers and society sincerely and committing ourselves to conscientious and responsible behavior leads to the realization of true compliance.



# The links between the Watakyu Group Basic Policy and compliance matters

What kinds of things should you do to put the Basic Policy into practice?

In this Compliance Handbook, we have established compliance action guidelines for customers, suppliers, cooperating companies and all employees based on the Basic Policy, and given shape to a further sixteen compliance matters.

Consequently, putting into practice the actions explained here will lead to the thorough implementation of the Basic Policy.

Basic Policy stakeholders

Customers

Suppliers

Cooperating companies

Employees

## The Watakyu Group’s stakeholders

Stakeholders means interested parties who are impacted by the company’s activities. The Watakyu Group is supported by the various stakeholders shown below, including the “customers,” “suppliers,” “cooperating companies” and “employees” stated explicitly in the Basic Policy.

✓ Customers

✓ Business partners (suppliers, cooperating companies)

✓ Employees

✓ Shareholders

✓ Industry

✓ Government

✓ Local society

✓ General society

Basic Policy stakeholders	Compliance action guidelines	Compliance matters	Major message
<div><div></div><div></div><div></div><div></div></div>	We face customers sincerely at all times.	01. Safe, high quality products and services	We provide safe and high quality products and services as a corporate group that supports medical care, nursing and welfare.
<div><div></div><div></div><div></div><div></div></div>	We observe related laws and regulations and engage in transparent, free and fair transactions.	02. Prohibition of unfair competition 03. Observance of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade 04. Mutual development with transaction partners 05. Prohibition of insider trading 06. Prohibition of bribery and inappropriate entertainment and gifts	We do not engage in activities such as gathering the trade secrets or other information of other companies by unfair means or that would damage the credibility of other companies. We observe the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade and engage in free, sound and transparent competition at all times. We build good relationships with suppliers and cooperating companies, who are our important partners, at all times and aim for the maximization of the profits of both sides. We do not engage in acts that would violate insider trading restrictions or acts that would invite suspicions of insider trading. We refrain strictly from the giving and receiving of inappropriate entertainment and gifts with public servants, business partners, etc., and uphold sound relationships.
<div><div></div><div></div><div></div><div></div></div>	We strive to create workplaces where we can work safely, healthily and with pride.	07. Workplace environments that are safe and easy to work in 08. Prevention of harassment	We observe labor related laws and regulations and internal rules, and strive for the maintenance and improvement of safe and comfortable workplaces. We never engage in acts of harassment that harm others unfairly or make them feel uncomfortable.
<div><div></div><div></div><div></div><div></div></div>	We fulfill our responsibility as a company to explain to stakeholders.	09. Proper accounts processing and tax declarations, and appropriate information disclosure	We implement proper accounts processing and tax declarations, and strive for timely and appropriate information disclosure to stakeholders.
<div><div></div><div></div><div></div><div></div></div>	We respect rights and property, and handle them appropriately.	10. Appropriate management of personal information 11. Protection of intellectual property 12. Handling of company assets	We respect the privacy of customers and employees, and handle personal information appropriately. We protect the intellectual property possessed by the Watakyu Group appropriately as important assets. In addition, we respect the intellectual property rights of others and do not infringe them or use them improperly. We use and manage the company’s assets appropriately with awareness that they are the important foundations that support business activities.
<div><div></div><div></div><div></div><div></div></div>	We have no relationships with antisocial forces whatsoever.	13. Response to antisocial forces	We respond resolutely to antisocial forces that threaten the order and safety of society and have no relationships with them whatsoever.
<div><div></div><div></div><div></div><div></div></div>	We respect the human rights of all people.	14. Respect for human rights	We respect the human rights of all people related to our business activities.
<div><div></div><div></div><div></div><div></div></div>	We contribute to the development of the region and society through sound business activities.	15. Contributions to society	We collaborate with local society towards the realization of a sustainable society.
<div><div></div><div></div><div></div><div></div></div>	We respond to environmental problems and strive for the efficient use of resources through business activities adapted to a recycling society.	16. Environmental response	We promote business and carry out initiatives considerate of the global environment and local environment.



# Key points of implementation

It is important that each and every person understands the content of the Compliance Handbook well, reads it again from time to time and reflects on their own actions. Not only in the workplace, but in private too, be aware of taking actions that will not be embarrassing for you as a Watakyu Group employee, and make even more sure they are actions based on a high sense of ethics and transparency.

## Subjects

All officers and employees (all employees including temporary employees) who belong to each company of the Watakyu Group are subject to this Compliance Handbook.

## Roles and responsibilities required of leaders

The roles and responsibilities listed below are required of all employees in a position of leading others.

Set an example	Be a model example and put into practice the content of the Compliance Handbook.
Convey and share information	Convey to the people around you the information required in the course of business to take the correct actions.
Do not abuse your standing or authority	Refrain strictly from acts that abuse your standing or authority as a person who leads others or that seem like that when seen by the people around you.
Create an open workplace environment	Listen to the opinions of everybody in the workplace on a daily basis and strive to create an atmosphere can consult ith you about their doubts over judgments and other problems without hesitation.
Deal with problems appropriately	If a problem occurs, report and respond as required, properly and in a timely manner while protecting the privacy of those concerned.

## If you commit a violation

While obtaining the trust of stakeholders is difficult, losing it on the other hand is easy. Just one compliance violation could throw the company into a management crisis. If you violate this Compliance Handbook and it damage the company’s trust, you could be subject to disciplinary action or punishment based on laws, regulations, etc. In such cases, the company’s officers or people in the position of guiding you could also be held accountable for them as your managers.

The important thing is to stop if you are unsure about a judgment or action, and to consult with the people around you without hesitation. Please use this Compliance Handbook to prevent fraudulent or illegal acts in advance.

## If you are unsure about your judgment

We need to make various judgments in our daily business. We may sometimes be unsure about a judgment in the situation or relationships of interest we are placed in. On the other hand, it is not the case that this Compliance Handbook explains every situation employees could be faced with. If you feel doubt over the action you should take in your daily work or are unsure about a judgment, please ask yourself the following questions.

- 1

Does it follow the Watakyu Group Basic Policy?
- 2

Is it within the law, regulations or our various rules?
- 3

Are you proud of that act?
- 4

Did it seem appropriate when you were seen by another person?
- 5

Would you take the same action with family members or people close to you?

If there is a question that you cannot answer “yes” to with your head held high, please consult with your superior, a related department or the designated contact point without keeping it just to yourself.

If you become aware of a concern or problem

If you become aware of a violation of the law, regulations or internal rules, an act of harassment, or a concern or problem that could violate the Compliance Handbook, please make sure to consult without passing it over thinking “it’s only trivial” or “I might be mistaken.”

Consult directly

Superiors and managers who can be trusted

You can consult not only with your immediate superior, but also managers outside of the organization you belong to.

Each company’s Compliance Division and departments related to incidents

You can consult with Compliance Division of course, and also related departments such as Personnel and Legal Affairs Division.

Use a contact point

Reporting contacts such as internal reporting systems and according to the Whistleblower Protection Act

- The Watakyu Group has established systems and an environment to enable reporting and consultation at each company for the early detection and resolution of compliance violations.
- Each company has established contacts on the basic premises of the thorough implementation of the confidentiality of all information obtained from people who consult, the prohibition of retaliatory acts such as engaging in the disadvantageous treatment of people who consult, and the operation of a reporting system in line with the law, so please use these contacts with peace of mind.

Protection of people seeking consultation and reporters

People who seek consultation or make a report by the means described above will be protected and will suffer no disadvantage as long as they have no fraudulent purpose. The people asked for advice in consultation or who receive reports handle that information strictly and provide the necessary response promptly while protecting the privacy of the person concerned.

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## 01

We face customers sincerely at all times.

## Safe, high quality products and services

**We provide safe and high quality products and services as a corporate group that supports medical care, nursing and welfare.**

- We consider the health and safety of the customers who use our products and services to be most important as a corporate group that supports medical care, nursing and welfare.
- We follow laws, regulations and standards on safety and quality in all business processes and work continuously on improvements.
- We record data on safety and quality accurately.
- The opinions and requests we receive from customers are valuable “property.” We respond to received opinions sincerely and if there is a problem or point to be improved, we work on investigating the cause and preventing reoccurrence promptly.

### Key points of actions

- We must absolutely not falsify or conceal information or data on our products and services.
- We must not conduct business by methods that deviate from established procedures and standards.

## 02

We observe related laws and regulations and engage in transparent, free and fair transactions.

## Prohibition of unfair competition

**We do not engage in activities such as gathering the trade secrets or other information of other companies by unfair means or that would damage the credibility of other companies.**

- Acts that damage competition will be punished severely and lead to social sanctions.  
The Watakyu Group values free, transparent and sound market competition.
- We respect competitors and respond to them sincerely in all transactions and business activities to protect the sound competitive environment.
- We protect not only the respect of competitors, but also the property rights of the company.

### Key points of actions

- We must not obtain the trade secrets of other companies by unfair means such as theft, fraud or coercion. In addition, we must not use the trade secrets of other companies that may have been obtained unfairly.
- We must not disclose information learnt in the course of business to a third party even after resigning from the company.
- We must not engage in acts that would damage trust in other companies by defaming another company’s products or services or disseminating false information.
- We must not display information that would cause misunderstanding among purchasers or users with regard to the quality, contents or quantities of our products and services.

## 03

We observe related laws and regulations and engage in transparent, free and fair transactions.

## Observance of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade

**We observe the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade and engage in free, sound and transparent competition at all times.**

- We grow through fair and free competition and observe the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade to build the trust of stakeholders including customers and business partners.
- There is not only legal risk in violating the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, we would also lose the important trust of stakeholders that we have built up until now.
- If a doubt arises with regard to the application of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, we make sure to consult with our superiors and related departments without making a judgment individually.
- Abuse of a dominant position is an act that damages fair and equitable trading. We respect our business partners and realize sound business management by building equal partnerships.

### Key points of actions

- We must not set unreasonable trading conditions using our dominant position in trading relationships.
- We must not have contact with competitors or exchange information at industry groups that could easily be suspected to be cartel or bid-rigging activity.
- We must not exclude competitors from the market or obstruct new market participants using means such as pressure on business partners or unfair low price sales.

## 04

We observe related laws and regulations and engage in transparent, free and fair transactions.

## Mutual development with transaction partners

**We build good relationships with suppliers and cooperating companies, who are our important partners, at all times and aim for the maximization of the profits of both sides.**

- We are aware on a daily basis that the business of the Watakyu Group is supported by our suppliers and cooperating companies, and face them with “feelings of gratitude” and “a humble attitude.”
- We observe the Act against Delay in Payment of Subcontract Proceeds, etc., to Subcontractors and other related laws and regulations in transactions with companies and organizations, and strive to build relationships in which both parties can grow.
- We observe the following matters in transactions that fall under the Act against Delay in Payment of Subcontract Proceeds, etc., to Subcontractors.
  1. The duty to issue an order document
  2. The duty to establish a payment due date for subcontractor consideration
  3. The duty to prepare and retain documents related to transactions
  4. The duty to pay interest if payment is delayed
- We are aware of the Act against Delay in Payment of Subcontract Proceeds, etc., to Subcontractors and other related laws and regulations in our daily work and consult with our superiors if anything is unclear.

### Key points of actions

- We must not engage in acts that violate the Act against Delay in Payment of Subcontract Proceeds, etc., to Subcontractors or the Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operators\* such as refusal of acceptance of ordered products, delaying the payment of consideration, improper reduction of consideration, improper return or abuse of buying power.
- We must not select a business partner or trading conditions based on personal interests or the inappropriate provision of profit.

\* Under the same act, freelance means an individual business operator that does not employ any employees or a corporation that has no other officers and that does not employ any employees.



# 05

We observe related laws and regulations and engage in transparent, free and fair transactions.

## Prohibition of insider trading

**We do not engage in acts that would violate insider trading restrictions or acts that would invite suspicions of insider trading.**

- Insider trading means knowing insider information about a listed company, etc., and trading the shares of that company before the information has been announced publicly. This is prohibited strictly by law to maintain fairness with other investors.
- If the transaction partner is a listed company, we may find out insider information unintentionally. If we trade that company’s shares, we need to wait until the information has been disclosed.
- We are very careful because insider trading also includes transactions to avoid losses, not just to obtain profit.

### Key points of actions

- If we know material facts about a company that have not been announced publicly, we must not trade that company’s shares until that information has been announced publicly. The same applies even to an account in the name of a family member.
- It does not only apply to trading we do ourselves. We must not talk about material facts with the people around us such as family and friends before they have been announced publicly.

#### What is insider information?

Insider information means the following kinds of material fact information concerning a listed company, etc., that would exert an impact on that company’s share price if it was disclosed.

- Facts of important decisions: commercialization of a new product or new technology, business tie-ups, M&A, etc.
- Facts of major occurrences: damage due to a disaster or accident, administrative punishment, etc.
- Settlement of accounts information: significant revisions to results forecasts, dividend forecasts, etc.

# 06

We observe related laws and regulations and engage in transparent, free and fair transactions.

## Prohibition of bribery and inappropriate entertainment and gifts

**We refrain strictly from the giving and receiving of inappropriate entertainment and gifts with public servants, business partners, etc., and uphold sound relationships.**

- Giving bribes to public servants, etc., is an act that interferes with a fair society and is prohibited by law in many countries, not just Japan. Bribes are not limited to the provision of money and also include the provision of goods, leisure and holidays, as well as entertainment, etc.
- We must maintain respectable relationships with business partners at all times. We refrain strictly from excessive entertainment and gifts that go beyond social norms because they may exert a bad impact on one’s judgment in the course of duties.
- When giving donations, we observe related laws and regulations and internal rules, and donate using the proper procedures and methods.

### Key points of actions

- Regardless of the amount of money, we must not provide money, goods or entertainment to public servants or members of diet.
- If you receive excessive entertainment or gifts from a business partner, please report promptly to your superior and related departments.

## 07

We strive to create workplaces where we can work safely, healthily and with pride.

## Workplace environments that are safe and easy to work in

**We observe labor related laws and regulations and internal rules, and strive for the maintenance and improvement of safe and comfortable workplaces.**

- A comfortable workplace environment in which we can work safely and healthily does not only prevent occupational accidents, it also leads to the invigoration of business activities.
- We observe labor related laws and regulations and internal rules with certainty, and strive for the maintenance and improvement of safe and comfortable workplaces.
- We inspect workplace facilities regularly, and formulate and update work plans, manuals, etc., required in business in a timely manner.
- We receive statutory medical checkups with certainty, and consult with a doctor promptly if we have any anxieties over our mental health.
- If problems related to occupational safety occur, we communicate promptly with superiors and related departments, respond appropriately, and work on improvements and prevention of the reoccurrence of accidents.

### Key points of actions

- We must not do excessive work ignoring the rules on work hours and break times, or coerce other employees to do so.
- Employees without the necessary qualifications must not engage in work that requires special qualifications.

## 08

We strive to create workplaces where we can work safely, healthily and with pride.

## Prevention of harassment

**We never engage in acts of harassment that harm others unfairly or make them feel uncomfortable.**

- Harassment is unacceptable behavior that damages individual dignity and personality unfairly and causes discomfort. For the company too, harassment is a problem that disrupts the order of the workplace and hinders the execution of business, and also has impacts badly on its social evaluation.
- All officers and employees of the Watakyu Group act with compassion towards the colleagues with whom they work.
- If complaints or other language and actions by customers damage the physical or mental safety of employees or the employment environment due to their improper or malicious means, or degree, they fall under customer harassment. We deal with these acts strictly, in collaboration with the police, lawyers, etc., as required.
- If there is or we see acts of harassment in the workplace, we consult with our superiors, related departments or the designated contact person.

### Key points of actions

- We must never engage in sexual harassment such as sexual language or actions that cause discomfort to others and exert a bad impact on the workplace environment.
- We must not engage in power harassment such as acts that damage the work environment with language and actions beyond what is required and reasonable in the course of business against the backdrop of dominant positions in the workplace.
- We must not engage in maternity harassment, paternity harassment or care harassment such as language and actions that obstruct the use of systems related to pregnancy, childbirth, child-rearing and nursing care, or pestering and other disadvantageous treatment caused by the use of those systems.

## 09

We fulfill our responsibility as a company to explain to stakeholders.

## Proper accounts processing and tax declarations, and appropriate information disclosure

**We implement proper accounts processing and tax declarations, and strive for timely and appropriate information disclosure to stakeholders.**

- The company is required to record and disclose the state of its business activities properly and in a timely manner.
- In accounting work, we follow various rules, related laws and regulations and other generally accepted accounting principles.
- Each and every employee is aware of activity reports and expense declarations in accordance with the facts and submits reports and declarations without delay.
- We file tax declarations properly and promptly based on related laws and regulations.
- When expressing information or an opinion as a company, we provide timely, appropriate, fair and accurate details at the appropriate time.

### Key points of actions

- We must not engage in falsification such as recording fictional expenses or sales.
- We must not carry out inappropriate accounts processing in relation to the settlement of accounts, etc.
- Information concerning business activities must never be concealed intentionally or disposed of maliciously.
- If there is an approach from an external party for news gathering, we must not respond at our own individual judgment. Please report to your superior and related departments promptly.

## 10

We respect rights and property, and handle them appropriately.

## Appropriate management of personal information

**We respect the privacy of customers and employees, and handle personal information appropriately.**

- Personal information means information that can be used to identify a specific individual such as a name, address or portrait photo (also including cases where an individual can be identified in combination with other information), and appropriate management of personal information is important to maintain relationships of trust with stakeholders.
- Because we handle sensitive personal information at the Watakyu Group, the implementation of personal information management is an important matter in business operations.
- We must also pay attention to the fact that the risk of leaking personal information has increased in recent years due to the progress of digitalization.
- If we are to acquire personal information, we clarify the purpose for doing so and handle it only as required in the course of business.
- If we outsource the handling of personal information to an external party, we manage it appropriately so that leaks do not occur at the outsourcing vendor.

### Key points of actions

- We must not use personal information for any purpose other than that for which it was acquired, or under any conditions other than those under which it was acquired.
- We must not take personal information outside of the company without permission.
- We must not provide personal information to an external third party without permission.

### What is sensitive personal information?

Sensitive personal information means personal information such as medical history, race, creed, social status, criminal record, the fact of having suffered damage due to crime, or other personal information that requires special consideration in its handling so that unjust discrimination, prejudice or other disadvantages do not occur in relation to that person.

## 11

We respect rights and property, and handle them appropriately.

## Protection of intellectual property

**We protect the intellectual property possessed by the Watakyu Group appropriately as important assets. In addition, we respect the intellectual property rights of others and do not infringe them or use them improperly.**

- Because intellectual property is the source of the company's competitiveness, protecting and using it appropriately is important.
- If protection based on the Intellectual Property Act is required, we create and manage intellectual property rights.
- If we infringe the intellectual property rights of another party, the company will not only suffer great losses such as demands for compensation for damages, it will also have a severe impact on our credibility.
- When using the intellectual property rights of other parties, we obtain the permission of the right holder in advance so that fraudulent use does not occur.

### Key points of actions

- We must not infringe the intellectual property rights of other parties.
- We must not provide the intellectual property possessed by the Watakyu Group to a third party without permission.
- If we use a company logo or mark, we must not add changes to its form or color.

#### What is intellectual property?

Intellectual property means information with proprietary value generated as the outcome of intellectual activities by an individual or company such as patents, trademarks, designs, copyright, utility models and trade secrets.

## 12

We respect rights and property, and handle them appropriately.

## Handling of company assets

**We use and manage the company's assets appropriately with awareness that they are the important foundations that support business activities.**

- Company assets do not only include tangible assets such as money, real estate, facilities and equipment, but also intangible assets such as information, brands and intellectual property. If assets are damaged or lost, significant impacts could be exerted not only on the company, but also on customers and business partners.
- We pay the utmost attention to the handling of information, recognizing that the risk of leakage of confidential information has been heightened by the development of IT technology.
- If company assets are damaged or lost, or if that possibility is confirmed, we report to superiors and related departments right away.
- We transmit information to social media recognizing that transmitted information will be dispersed to an unspecified large number of people and that deleting it completely is difficult.

### Key points of actions

- We must not use company property such as company-lent terminals (PCs, smartphones), copy machines or office equipment for personal reasons.
- We must not use our professional status to embezzle the company's funds by embezzling rebates or misappropriating goods, etc.
- We must not claim expenses fraudulently by making a false application to the company.
- We must not use information learnt in business fraudulently or provide it for the convenience of a stakeholder such as ourselves or a relative.



## 13

We have no relationships with antisocial forces whatsoever.

## Response to antisocial forces

**We respond resolutely to antisocial forces that threaten the order and safety of society and have no relationships with them whatsoever.**

- Severing relationships with antisocial forces that threaten the order and safety of society is a responsibility as a member of society and will also protect both the company and employees.
- If doubts arise over whether or not some party is an antisocial force, or if contact is made with antisocial forces, report immediately to your superior and related departments without ever responding individually. The company will collaborate with the police, experts, etc., to secure the physical safety of employees and respond towards prompt resolution.

### Key points of actions

- We must have no relationships whatsoever with antisocial activities or forces that threaten the order and safety of society.
- If unreasonable demands are received from antisocial forces, we must not compromise easily with money, etc.
- When conducting business transactions, we must pay attention at all times to see whether the other party is an antisocial force, and definitely carry out the advance survey established at the company to confirm that the other party is not an antisocial force.

### What are antisocial forces?

Antisocial forces include organized crime groups, corporate racketeers, companies related to organized crime groups such as front companies and corporate associates, groups or individuals masquerading as social movement activists, groups or individuals masquerading as political activists, black journals, people who make unreasonable demands, and companies that do business with antisocial forces or provide benefits to antisocial forces.

## 14

We respect the human rights of all people.

## Respect for human rights

**We respect the human rights of all people related to our business activities.**

- We respect the basic human rights of all people, treat people with respect, and accept the thoughts and sense of value of people who have different experiences.
- We recognize that business activities can exert an impact on the human rights of all stakeholders and take care so that we are not complicit in human rights violations from any aspect.
- If we recognize an act that could be considered a human rights violation, we report or consult promptly with our superiors and related departments.

### Key points of actions

- We must not engage in any acts of harassment, including sexual harassment and power harassment, such as sexual language or actions or language or actions using work authority as a shield.
- We must not be complicit in inhumane labor such as child labor or forced labor in any aspect of our business activities, including at business partners.
- We must not discriminate for reason of ethnicity, nationality, gender, language, religion, age, sexual orientation, gender identity, the presence or absence of disability, employment status, etc.

## 15

We contribute to the development of the region and society through sound business activities.

## Contributions to society

**We collaborate with local society towards the realization of a sustainable society.**

- The Watakyu Group has the responsibility as a corporate citizen to contribute to the development of society as a whole, including the regions where it develops its business. As a corporate group that supports medical care, nursing and welfare, we conduct business that supports the health of local society and contributes to the improvement of living.
- We address social issues through the business of each group company and work on the resolution of issues based on collaboration with local society.
- We engage in dialogue and interaction with local society with “feelings of gratitude” and “a humble attitude,” and participate positively in local events.
- We protect local culture, work on improving the quality of education and skills development, and contribute to the growth of the regional economy through the creation of employment and incomes.
- Each and every employee participates positively in social contribution activities.

### Key points of actions

- We must not prioritize only the company’s and our own interests, or neglect social contribution activities.
- We must not forget that the Watakyu Group’s business activities play a part in social infrastructure.

## 16

We respond to environmental problems and strive for the efficient use of resources through business activities adapted to a recycling society.

## Environmental response

**We promote business and carry out initiatives considerate of the global environment and local environment.**

- Working on environmental problems is essential for the sustainable development of the company. Conducting business considerate of the environment at all times while collaborating with stakeholders is important.
- We conduct business in accordance with laws and regulations concerning the environment, and contribute to local society by working on the rationalization of energy use and the reduction of our environmental burden.
- We forecast and evaluate the impacts that business activities will have on the environment, and avoid and reduce environmental risks.
- We process waste, etc., that occurs during business activities appropriately and strive for the prevention of pollution.
- We implement preventive measures thoroughly with regard to major disasters that would damage local society and the environment, and if a disaster does occur, we work quickly on the prevention of expansion, information disclosure, investigation of the cause and measures to prevent reoccurrence.
- We also pay attention to the protection of the environment, including the effective use of resources, the reduction of emissions of greenhouse gases that have a direct impact on climate change, biological diversity and ecosystems.

### Key points of actions

- We must not violate standards established by laws and regulations in the discharge of specified substances, disposal of waste, etc.
- We submit the required notifications based on environment-related laws and regulations and must not submit false reports on the state of implementation.

### Related reference

The Watakyu Group’s SDGs <https://www.watakyu.jp/materiality/>

## **Inquiries concerning the Watakyu Group Compliance Handbook**

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