

Procurement Policy

1. Compliance with Laws and Regulations and Social Norms

Hodogaya Chemical Group (the "**Group**") sets forth compliance with laws and regulations, internal regulations and social norms in its "Corporate Action Guidelines", and the Group and its officers and employees realize their social responsibilities and conduct their business activities. The Group conducts its business in its procurement activities in a sincere and fair manner.

2. Implementation of Environmentally Conscious Procurement Activities

The Group is committed to managing the chemical substances of raw materials, reducing their environmental impact, and implementing procurement activities adapted for social requirements.

3. Provision of Fair Transaction Opportunities

The Group is opening its doors to its suppliers and providing transaction opportunities in comprehensive consideration of the following that is economically reasonable in accordance with justice and fairness:

- (1) competitive quality, price, delivery time and supply stability;
- (2) objective criteria such as management stability, reliability and technological capabilities of its suppliers; and
- (3) activities of its suppliers relating to social responsibilities

4. Deepening of Communications with Supply Chain

To deepen communications with the supply chain, the Group sets forth the "Procurement Guidelines" and plans to share its understanding based on the guidelines with its suppliers. The Group is committed to deepening mutual understanding, building relationships of trust with its suppliers and implementing procurement activities.