

Basic Policies for Handling of Conflict Metal

Asahi Pretec Corp. responds to requests from customers and society faithfully and fulfills its responsibilities as a sensible business group based on the “Asahi Way”, which represents the management philosophy and code of conduct of Asahi Holdings Group. With regard to the handling of conflict metal, we have set our Basic Policies as follows, which are disseminated to the management, employees and stakeholders involved in the relevant operations:

1. We will neither purchase nor use any gold-containing materials associated with conflicts in the Democratic Republic of Congo and its neighboring regions, any inhuman acts such as human trafficking, slavery, forced labor, child labor, abuse, war crimes, etc., any terrorist activities, or any fraudulent activities such as money laundering.
2. Regarding the risk of conflict metal entering into the supply chain of the company, we will manage conflict metal under the following five-step framework in conformity with the OECD (Organization for Economic Co-operation and Development) Guidance, LBMA (The London Bullion Market Association) Guidance, EICC-GeSI (Electronic Industry Citizenship Coalition, Incorporated and Global e-Sustainability Initiative) Guidance or any other guidance to completely exclude any conflict metal:
 - 1) Development of conflict metal management system
In order to develop a management system for preventing conflict metal from entering into the supply chain of the company, the management of conflict metal will be promoted by establishing the Conflict Metal Committee and appointing the senior management that has the ultimate authority and responsibility.
 - 2) Identification and evaluation of risks across the supply chain
 - A) Gold-bearing material risk: Through due diligence, unrefined gold derived from mines will be identified and evaluated high risk.
 - B) Country of origin risk: Through due diligence, conflict metal originating from the Democratic Republic of Congo and its neighboring countries will be identified and evaluated high risk.
 - C) Supplying counterparty risk: Through due diligence, any supplying counterparties identified being involved with terrorist activities, money laundering or inhuman acts will be identified and evaluated high risk.For performing due diligence, the company will continue to provide necessary education and training to all the staff engaged in the management of conflict metal, periodically carry out monitoring and auditing for the purpose of verifying the appropriate practice of due diligence, and appropriately retain all the relevant records including the transaction records.
 - 3) Development and implementation of countermeasures against risks identified
We will not deal with transactions that are identified and evaluated high risk.
If a transaction is identified to have a risk of conflict metal after starting it, the transaction will be terminated immediately.
 - 4) Implementation of third-party audit for management system and the state of implementation
Regarding the conflict metal management system and the state of implementation, auditing will be periodically performed by an independent third-party organization.
 - 5) Publication of these Basic Policies and reports on the state of such implementation
All the relevant information will be published on the company’s website as they become available.
(<http://www.asahipretec.com/conflictmetal/index.html>)

Established on April 1st, 2012

Revised on August 1st, 2015

Asahi Pretec Corp.