

## **Explanation of the Standards of Behavior**

Below are explanations of each item of the Morinaga Group Standards of Behavior.

### **1. We will value the trust of customers and conduct ourselves from the perspectives of customers.**

- We have a bond of trust with customers through our products, services, and information. We value the trust of customers and will maintain and expand the circle of trust by continuing to provide excellent products and services to customers.
- In order to live up to the trust placed in us by customers, we will always act from the customer's point of view in all business processes without forgetting our corporate message, "Delicious, Fun, and Healthy."

### **2. Throughout the process of planning and selling our products, services, and information, we will conduct ourselves in a manner that places the utmost priority on ensuring excellent product quality, safety, and reliability.**

- We promise to take all possible measures to ensure the safety and acceptable quality to customers of the products, services, and information to be provided to customers in all business processes.
- The starting point for food manufacturers is to provide safe food products. The trust that customers place in us is reflected in their evaluation of our products; because a product is from Morinaga, customers know it is safe and of good quality, and can buy it with peace of mind.  
We will engage in activities by placing the utmost priority on ensuring excellent product quality, safety, and reliability.
- In terms of quality assurance, we believe that the quality of our products must be guaranteed as long as certain distribution and storage conditions are observed. Therefore, we will ensure product quality with a focus on safety in all business processes, from planning and development to procurement, production, and sales.
- At the planning and development stage, we will reconfirm the quality design, including overall safety, packaging, labeling, manufacturing, and storage conditions, in accordance to our Quality Assessment System.
- Raw materials will be selected with safety as the first priority.

- At the manufacturing stage, we will comply with FSSC 22000, an international certification standard, for food safety management systems, based on hygiene management, and will strive to ensure product quality throughout the entire production process, from raw material selection and inspection to manufacturing process control, hygiene management, and shipping inspections.
- In order to maintain product quality at the sales and distribution stages, we will ask for cooperation from companies involved in distribution for products that are susceptible to temperature changes, and will also select materials and devise packaging to prevent insect damage. In addition, we will pay attention to packaging formats that are convenient for customers to handle and store, as well as to the storage precautions that must be taken.
- We will enhance audit inspections to verify that our quality assurance system is functioning.

**3. We will label products correctly and provide customers with accurate information.**

- Product labeling is a necessary source of information for customers to select products. We will endeavor to provide correct, legible, and easy-to-understand labeling and information so that customers can select products appropriately.
- We will take care not to use expressions that may cause misunderstanding, misidentification, or confusion in the labeling of our products or the provision of information.
- In order to help customers select products and services, we will disclose information on products and services in advertisements and on our website as necessary, and will respond to customer inquiries with sincerity.

**4. We will endeavor to communicate with society as well as to our shareholders, by proactively and fairly disclosing to the general public a broad range of corporate information in addition to accurate financial reports.**

- Efforts to disclose information on a daily basis in order to increase the transparency of corporate activities on our own are becoming increasingly important in order to gain trust both inside and outside the company as an open company.  
We will facilitate communication with our shareholders, investors, and the public at large, through General Meetings of Shareholders, SR (which is an abbreviation for shareholder relations; public relations for shareholders) activities, and IR (which is an abbreviation for investor relations; public relations for investors) activities.
- We will keep all records, including accounting and financial reports, accurately and properly in accordance with applicable laws and regulations.
- We will disclose information (on financial, environmental, and social aspects) needed by society to all stakeholders (customers, society, suppliers, business partners, employees, and shareholders) in a timely and appropriate manner.

**5. We will respond to the voices of customers with sincerity and speed and report information accurately.**

- We will respond to customer requests with sincerity and speed and report information accurately.  
In order to restore customer trust, it is essential to promptly determine the cause, report the facts, and explain measures to prevent recurrence to customers with sincerity
- We will reflect the opinions of customers in our management.  
We will make use of suggestions from customers, as well as consultations, opinions, and inquiries, to improve products and services, among other things.

**6. We will comply with laws and ordinances as well as internal regulations in accordance with the Code of Conduct.**

- We will always act in accordance with social norms, comply with laws and ordinances and internal regulations, and act with pride and responsibility in accordance with the Morinaga Group Code of Conduct  
Above all, laws and ordinances are the minimum rules that we must absolutely comply with.

**7. If a conflict should arise between corporate interests and laws and ordinances and internal regulations, we will choose without hesitation to comply with such laws and ordinances and internal regulations.**

- When conducting day-to-day business, it is sometimes difficult to determine how to deal with conflicts between corporate interests and laws and ordinances and internal regulations.  
In such cases, we will not hesitate to choose, with courage, to abide by laws and ordinances and internal regulations.

**8. We will demonstrate the courage to refuse, the courage not to hide, and the courage not to turn a blind eye.**

- The courage to refuse is the key to preventing violations of laws and ordinances. In the unlikely event that we are instructed or ordered by supervisors to do something that violates a law or ordinance, we will demonstrate the courage to refuse resolutely. In such case, we will not suffer disadvantages in any way, even if we do not follow the instructions and orders of supervisors.
- If we commit any act in violation of a law or ordinance, we will immediately stop and correct the relevant illegal act. And we will not hide the fact that it occurred, and will promptly inform supervisors of this fact. We will never hide or cover up the facts.
- If there is a violation of a law or ordinance around us, we will warn the person in question or his/her supervisor about it, with the courage not to turn a blind eye. If we are unable to do so, we will use the helpline to stop and correct the violation. Please note that in the event that a violation of a law or ordinance is overlooked, disciplinary action may be taken.

**9. We will neither leak nor misuse confidential corporate information.**

- The company has large amounts of important and confidential information, but ultimately it is up to us to manage it.  
We will manage company materials (including copies), personal information and other data (including online information), and know-how so that they do not leak out. Also, we will not obtain any information about other companies through wrongful means.
- We manage the security of information, including the use of passwords.
- The trading of stocks by a corporate insider or a person who has obtained information from a corporate insider before the public disclosure of facts that may affect the stock price is prohibited by law as insider trading.  
We will not engage in insider trading or any suspected insider trading ourselves, nor will we communicate material facts to others.

**10. We are aware of the importance of intellectual property rights and will take meticulous care to ensure that neither our own intellectual rights nor the rights of others are violated.**

- Our company owns intangible assets such as brands, patents, copyrights, trademarks, and design rights created through product development and research.  
We will always pay attention to such intellectual property rights, and will strive to protect them.  
Needless to say, we will not infringe on the rights of other companies.

**11. We will undertake business activities based of fair, transparent, and free competition.**

- We will strive to maintain stable and long-term relationships of trust with our business partners and suppliers based on the principles of coexistence, co-prosperity, and fair trade.
- We will comply with the Antimonopoly Act and other laws and ordinances, and will promote fair, free, and transparent transactions. In selecting business partners, we will provide fair business opportunities to those who wish to do business with us, and will make fair selections.
- We will not engage in transactions that violate the Subcontract Act or otherwise unfairly disadvantage business partners.

**12. We will maintain a healthy and appropriate relationship with governmental and administrative bodies.**

- Public officials and politicians are prohibited by laws and ordinances from receiving money, goods, or other forms of entertainment.  
We will not give bribes, make illegal political donations, or entertain public officials or politicians, either inside or outside the country.

**13. Not give into natural disasters, cyber-attacks, terrorism, or other threats, we will place top priority on ensuring the safety of people who we work with and continuity of our business.**

- We will develop an organized crisis management system to prepare for threats such as natural disasters, cyber-attacks and terrorism. Should any of these threats materialize, we will work to ensure the safety of those we work with and to minimize the impact on our business.
- We will not have any relationships with so-called organized crime groups, corporate racketeers, tabloid journalists, etc. that disturb the social order, and we will stand firm against them, and we will never accept any illegal or unreasonable demands.

**14. We will work on resource-saving, energy-saving, and recycling activities. In addition, we will make efforts to reduce CO2 emissions, waste, and environmental pollutants, and will effectively utilize water resources.**

- Each of us will not only comply with environmental laws and regulations but also act appropriately based on our own standards and management procedures.
- We will strive to reduce the impacts on the environment in all aspects of our operations and will actively engage in environmental conservation activities by practicing energy- and resource-saving, reducing CO2 emissions, waste and environmental pollutants, and effectively utilizing water resources.

**15. We will reinforce our relationships with all of our stakeholders surrounding the Morinaga Group, such as local communities, our business partners, and our shareholders.**

- We will actively engage with members of the local community, and will enthusiastically participate in volunteer activities to contribute to the development of region.
- In order to live up to the great trust and expectations of our shareholders, we will strive to ensure sound and transparent management, achieve sustainable growth, and increase shareholder value.
- We will not only disclose information to our shareholders and investors but also pay attention to communication with customers and business partners.

**16. We will neither accept nor provide excessive business entertainment or gifts.**

- In accordance with social norms, we will not give, offer, or promise, directly or indirectly, any money, gifts, entertainment, or other property benefits to any person that would be unreasonable or beyond the scope of what is considered appropriate, nor will we accept them.

**17. We will respect the personalities, individuality, and background of all people regardless of attributes such as age, gender, race, nationality, region, education, beliefs, religion, disabilities, sexual orientation, gender identity, health status, and will never engage in any harassment behavior, including discrimination, sexual harassment, or abuse of authority.**

- Fundamental human rights are something that people naturally possess as human beings, and respect for them is one of the major pillars of the Constitution of Japan. We will respect the personalities and individuality of all people, and will not discriminate in terms of employment status, etc., regardless of age, gender, race, nationality, region, education, beliefs, religion, disabilities, sexual orientation, gender identity, health status, and so on. In addition, we will not engage in any harassment behavior, including sexual harassment or abuse of authority.
- Fundamental human rights must be respected by society as a whole. We will never tolerate discrimination or harassment by any person or against any person.
- We will respect the abilities and experiences of individuals, and will strive to further improve them, recognizing, helping, and training each other.

**18. We will strive to create a work environment with open communication that is safe and easy to work in, and where people can feel a sense of spaciousness and thrive.**

- The Morinaga Group believes that human resources are the source of corporate vitality and the most important management asset, and we will respect each and every individual.
- We will emphasize communication between people, and will promote good relation-building.  
In particular, workplace supervisors will listen sincerely to the opinions and concerns of their subordinates, and will strive to create a work environment with open communication in which everyone can speak frankly.
- We will thoroughly carry out 5S methodology (sorting, setting-in-order, shining, standardizing, and sustaining the discipline). By doing so, we will maintain a clean, safe, and more comfortable workplace, and will work in a disciplined manner.
- A simple “Good morning” in the morning brightens up the workplace. A good work environment is formed by etiquette and manners.  
We will greet each other proactively, and will act with respect for etiquette and manners.
- Outside people evaluate the Morinaga brand through the words, actions, and attitudes of each of us.  
In order to maintain and improve our corporate value, we will take small steps such as proactively greeting customers, responding politely on the phone, and keeping our sales cars clean.

**19. In the unlikely event of a breach of the Code of Conduct or the Standards of Behavior, we will promptly assess and evaluate any situation. In addition to implementing all necessary measures, including the swift and accurate disclosure of information, we will endeavor to identify the root causes and implement preventive measures.**

- We will promptly and accurately disclose information in the event of an extremely serious violation of laws and ordinances, or in the event of a serious quality accident that may have an impact on the human body, such as food poisoning, etc. relating to our products, a serious quality accident that may lead to injury and have the potential to occur continuously, or other serious accidents that are expected to occur continuously, such as a labeling violations.
- We will treat any serious quality accident that leads to a recall, we will respond in accordance with the instructions of the task force established for "Defective Product Crises."
- We will never be reluctant to announce incidents or accidents, attempt to conceal evidence, or make false statements that are not true.  
Such behavior is a betrayal to customers and society, and will cause serious damage to our brand and lead to its demise.