

# Compliance

## Basic policy

The FineToday Group considers ensuring compliance as one of our materiality items. In addition to complying with the laws and regulations of each country and with in-house rules, we have established the FineToday Group Code of Conduct and Ethics describing specific actions that executives and employees should take, to do business with even higher ethical values.

### FineToday Group Code of Conduct and Ethics (extract)

The FineToday Group Code of Conduct and Ethics provides standards for all members of the FineToday Group to follow as they carry out their daily activities. The Group has established these specific conduct guidelines to ensure that its members are upholding higher ethical standards, while also complying with national and regional laws and regulations, as well as company rules.

All members of FineToday Group pursue shared and sustainable growth with all stakeholders.

#### With Consumers

1. We always take the consumer's viewpoint and strive to research, develop, manufacture, and deliver products and services that will provide safety, excellence and complete satisfaction.
2. We treat customers with sincerity whenever we interact with them, to increase their satisfaction and confidence in us.
3. We strive to improve the value of all FineToday Group brands.

#### With Business Partners

1. We select business partners and conduct transactions appropriately, while always engaging in fair, transparent, and free competition.
2. We never give or receive gifts or entertainment that could cast doubt on our commitment to fairness.
3. We treat all business partners who share our goals with respect, and strive for mutual sustainable development.

#### With Employees

1. We respect the personality, individuality and diversity of everyone in our workplace, and strive to grow together with them.
2. We work diligently and maintain a separation between workplace and private activities.
3. We strive to create healthy and safe workplaces and enhance work-life quality for employees of the Group.

#### With Shareholders

1. We maximize use of the Group's assets, including funds and tangible and intangible assets, while striving to continuously improve corporate value.
2. We comply with rules related to corporate governance and internal control, and maintain proper accounting procedures.
3. We place emphasis on dialogue with shareholders and investors and strive to maintain their trust.

#### With Society and the Earth

1. We comply with all applicable laws and regulations in the jurisdictions in which we operate, while upholding high ethical standards and respect for human rights.
2. We aim to help create a sustainable world where people and the planet coexist in harmony. We also promote environmental measures in accordance with our own strict standards while taking biodiversity conservation into consideration.
3. We strive to maintain good communication with the wider society while working together with others to help solve social issues.

# Compliance

## Compliance system

FineToday Group's Ethics and Compliance Committee serves as an independent organization along with the Risk Management Committee and the ESG Committee (see p. 56). As necessary, this committee reports on its proceedings and submits reports to FineToday Holdings' Representative Director and CEO and Board of Directors, as well as sharing them with the Internal Audit Office regularly.

The committee meets four times a year to study, plan, and propose important matters concerning ethics and compliance. It also advises and guides individual sections as appropriate.

Currently the Group is striving to establish a legal and regulatory compliance system that satisfies the standards for listing on the stock market. These efforts focus on enhancement of compliance monitoring and of control activities to prevent any ties or transactions with antisocial forces.

## Compliance education and training

FineToday Group progressively enhances education and training systems to raise awareness among executives and employees and strengthen the compliance system continually.

### – State of compliance education and training (FY2022) <FineToday>

e-Learning	
Eligible persons	All employees other than executives, temporary employees, and contractors
Topics	Promoting understanding of the Code of Conduct and Ethics, raising awareness of whistleblowing programs, prevention of ties with antisocial forces, prohibition of insider trading and corruption
Employees eligible for training	380
Employees who underwent training (participation rate)	376 (99%)

## Employee helplines

FineToday Group has established hotlines where global employees can report on legal or regulatory violations, harassment, or other cases they have observed that could prove detrimental to society's trust in the Group.

The Whistleblowing Office responds to reports received while taking privacy protections into consideration. It checks on the facts of the case with related parties as needed and discipline the perpetrators of any confirmed violations in accordance with the rules of employment. Any matters that could impact management are reported promptly to management by the individual sections concerned. Serious compliance concerns are reported to management through the Ethics and Compliance Committee, in

order to prevent their reoccurrence.

The rules that govern the operation of each hotline clearly describe fair investigation and resolution flows, prohibitions against treating whistleblowers at a disadvantage, and confidentiality of reports and consultations. Employees are made thoroughly aware of related rules and how consultations are accepted, through e-learning and the intranet.

### – Hotline

	Group Internal Hotline	Group External Hotline
Eligible users	Group employees	Group employees
Anonymous consultation	Y	Y
Consultation method	Email, in writing	Email
Liaison	Whistleblowing Office (FineToday Legal Group)	Outside law office

### – Main compliance indicators (FY2022) <FineToday Group>

Consultations to the Compliance Hotline	0
Confirmed acts of corruption	0
Confirmed serious compliance concerns	0