

Daito Group Anti-Corruption (Bribery) Policy

The prevention of corruption (bribery*1) is a critical international issue.

To ensure sound, fair, and transparent business activities, the Daito Group states in its Daito Group CSR Policy that it will never make illegal political donations or be involved in bribery of public officials or business partners and will maintain sound relationships with them.

This Policy is an embodiment of the CSR Policy above, stipulating the Daito Group's basic stance and response policy regarding the prevention of bribery.

*1 "Bribery" is the act of offering, promising, or providing money or other tangible or intangible benefit to a public official or private company, or demanding or receiving such benefits, for the purpose of obtaining an improper opportunity or favor.

1. Commitment to No Bribery

[No bribery]

- All officers and employees of the Daito Group, whether in Japan or overseas, will never be involved in any form of bribery, including facilitation payments*2, and will comply with all applicable anti-bribery laws and regulations. When providing entertainment, gifts, or benefits, officers and employees will comply with applicable local laws and regulations and will not provide them beyond the extent socially acceptable and reasonable.
- Each company in the Daito Group establishes appropriate systems to prevent bribery by its officers and employees and periodically reviews the systems.

*2 "Facilitation payment" is a small amount of money paid with the aim to expedite the processing of a transaction or the receipt of service or to reduce the administrative burden required to process a transaction or receive a service.

2. Anti-Bribery Activities

[Risk Assessment]

- To prevent bribery, the Daito Group identifies and analyzes its risk areas and the risk types based on the nature of its business and takes appropriate action according to each risk level.

[Management of Accounting Records]

- The Daito Group properly prepares and maintains accounting records for all transactions and disposition of assets.

[Education and Training]

- The Daito Group ensures that all officers and employees are familiar with this Policy and provides education and

training on anti-bribery.

[Continuous Improvement]

- The Daito Group continuously improves its compliance programs (such as internal regulations and a whistleblower system) related to bribery prevention.

3. Compliance System

[Organization]

- The Daito Group appoints a Compliance Officer who is responsible for compliance, including bribery prevention. The Compliance Officer has appropriate authority over compliance, including the authority to report directly to management.
- The Compliance Officer assigns employees in charge of compliance in relevant departments to implement compliance-related programs.

[Whistleblower System]

- The Daito Group establishes internal and external contact desks to receive reports from insiders on non-compliance incidents (“whistleblowing”) that allow anonymous reporting. It investigates and takes action on the received report in accordance with established procedures.
- The Daito Group appropriately records and retains the report’s details, the investigation results, and the actions taken for the reported incident. Based on the results of the action taken, the Group continuously improves its compliance systems.

4. Response to Misconduct

[Response to Misconduct]

- If the Daito Group becomes aware of any misconduct or suspected misconduct involving bribery, it will conduct the necessary investigation and take action.
- In the event of misconduct, the Group will analyze the root cause and take appropriate corrective action, including improving the compliance system.
- If any officer or employee of the Daito Group violates this Policy, internal rules on bribery, or the laws of any country concerning bribery, the Daito Group will impose a disciplinary punishment on that person in accordance with established procedures, regardless of the job position.

Established: July 14, 2023

Yasunobu Otsuga

President and CEO

Daito Pharmaceutical Co., Ltd.