

Code of Conduct

The Toho Titanium Group established Code of Conduct with 31 items to embody Fundamental Policies.

Code of Conduct

1. Usefulness in society

We produce and offer products and services that are useful in society through innovation.

2. Protection of human rights and the working environment

2.1 Respect for human rights

We respect human rights and diversity, and will not discriminate against people according to gender, age, race, nationality, belief, religion, disability, social status, sexual orientation, or the like. We also take measures for preventing acts of ignoring human rights, such as harassment, unfair treatment, and discrimination at workplaces and in business.

We respect international standards regarding human rights, and will not allow child labor, forced labor, or slave labor or make any transactions that would induce such labor. We manage working hours appropriately, and strive to actualize good work-life balance.

We respect workers' rights to organize and bargain collectively, and secure smooth communication between labor and management.

We respect privacy and manage the personal information of stakeholders appropriately.

2.2 Occupational safety and health

In order to actualize a safe, hygienic, comfortable working environment with worthwhile jobs, we will strive to secure and maintain appropriate working environments and conditions and prevent industrial accidents and diseases.

So that chemicals included in our products or used in our production processes do not endanger the health or safety of people, we will manage chemicals and disclose information to supply chains properly in accordance with laws and regulations in each country.

3. Fair business activities

3.1 Compliance with laws and regulations

We will operate business activities while following the laws and regulations in each country.

3.2 Quality and safety of products

We will create value for meeting customers' expectations and offer safe, high-quality products and services.

3.3 Fair transactions

We will compete with other companies in a sound manner and make fair transactions while observing the competition law in each country, without making profits with improper or unfair means.

We will foster win-win, fair business relationships with suppliers.

We respect the intellectual property of third parties.
We will observe the regulations on trade control in each country, and will not be involved in any transactions that would endanger peace or safety.

We will not make any transactions that could fuel regional conflicts or infringement of human rights, such as the procurement of conflict minerals.

We will not have any relationships with antisocial forces or take part in money laundering.

3.4 Prevention of corruption

We will not promise or offer to give economic benefits or other benefits or grant permission to civil servants, business partners, or the like or receive such benefits from them beyond the scope of laws or social norms.

We will fulfill our duties in good faith, and will not commit any act for pursuing our own or a third party's interests against the interests of the company

3.5 Accounting, tax affairs, financial information, etc.

We will conduct appropriate accounting, recording, and tax payment, in accordance with laws, regulations, accounting standards, and in-company rules.

We will disclose financial information and other corporate information timely and appropriately, in accordance with laws, regulations, rules stipulated by stock exchanges, etc. We will not commit insider trading or any acts that would induce it.

3.6 Management and utilization of corporate assets and information

We will make efforts to appropriately manage and effectively use assets and information our company holds, in order to create value and offer it to society through business activities. We will not use corporate assets for private use or other non-business purposes.

We will strictly manage confidential information, and take measures for preventing the leakage of such information.

3.7 Protection of whistle-blowers

We will maintain the confidentiality of whistle-blowers and will not conduct any acts that would cause a detriment to whistle-blowers

4. Environmental protection and coexistence with society

4.1 Environmentally friendly business activities

We will make efforts to reduce environmental burdens in all business activities, including planning, procurement, production, delivery, sale, and storage by effectively using resources, saving energy, recycling more items, etc. while cooperating with supply chains.

In order to conserve regional environments, we will strictly prevent environmental pollution. We will also contribute to the beautification of regional environments.

4.2 Information disclosure and communication

We will promote communication with stakeholders, including customers, business partners, shareholders, employees, governments, and local communities, enhance the transparency of our business administration, and fulfill accountability.

4.3 Harmony with and contribution to local communities

We will respect the cultures and customs in respective countries and regions, when conducting business activities there

We will contribute to local communities as a good corporate citizen.

We will implement anti-disaster measures in cooperation with local communities as a member thereof. In addition, we will take measures for fulfilling our duty to supply products as a supplier even if a disaster happens.

If any of these codes of conduct is violated, a disciplinary penalty may be imposed in accordance with in-company regulations of group companies.

Customer Support / Quality Control

Initiatives to improve customer satisfaction

The Toho Titanium Group is committed to providing products and services that place the highest priority on quality in order to continue earning the trust of our customers. We aim to improve customer satisfaction by accurately identifying customer needs and continuously realizing improvements in our products and processes. We also consider the environmental impact from the research stage and work to reduce the impact throughout the product lifecycle.

Toho Titanium Group Basic Policy for Quality

We recognize that it is our social mission to continuously provide excellent products and services. Therefore, we set this basic policy for quality and follow it to contribute to the realization of a sustainable society.

1. Compliance We thoroughly comply with legal requirements and maintain a deep sense of ethics.

2. Meeting customer We will accurately grasp customer needs and provide precise information on quality, and also offer products and services that are trusted and satisfying.

3. Continuous improvement We operate a quality management system and promote continuous quality and service

improvemen

4. Development of human resources who have a high level of awareness and responsibility regarding quality and services and actively take action for achieving high quality.

5. Care for safety and the environment, and provision of information We create products while considering safety and environmental protection and provide appropriate information.

Quality Control Initiatives

We have acquired ISO 9001 certification, an international standard for quality management systems, and have established a world-class quality management system that is appropriate for a global company supplying products that customers can use with confidence. In particular, we have obtained certification under JIS Q 9100, one of the international standards for quality control systems, for our titanium sponge and titanium ingots, enabling us to guarantee stable quality that meets the high quality control requirements of the aerospace industry and other industries.

ISO 9001 Certification

Starting with ISO 9002 certification of our Catalyst Division in 1996, we achieved ISO 9002 certification for all titanium divisions in 1998, and by 2001, we had expanded certification to ISO 9001 for our main titanium and electrical materials products, with certification for the scope of registration shown on the right.

We will continue to expand our quality management system, promote certification, and strive to further build trust and increase satisfaction among our customers.

Business Sites Certified under ISO 9001:2015

Headquarters, Chigasaki Plant, Hitachi Plant, Yahata Plant, Wakamatsu Plant, and Kurobe Plant

Scope of Certification

Design, development, and manufacture of titanium tetrachloride, titanium sponge, high-purity titanium (sponge, ingot, billet), titanium ingot, high-purity titanium oxide, catalysts for propylene polymerization, ultra-fine nickel powder, magnesium chloride, titanium trichloride aqueous solutions, titanium tetrachloride aqueous solution, porous titanium and titanium-based powder, and toll melting service of high-purity metal and contract manufacturing service of high-purity chloride

Implementation of a Quality Management System for the Aerospace Industry

We received JIS Q 9100 certification one of the quality system standards for aerospace applications for titanium sponge in 2003, and in 2010, we expanded the scope of certification to include titanium ingots. We will continue our efforts to provide better quality and service.

Business Sites that Have Obtained JIS Q 9100:2016 Certification

Headquarters, Chigasaki Plant, Yahata Plant, and Wakamatsu Plant



Manufacture of titanium sponge and titanium ingot

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Supply Chain Management

Respect for Human Rights in the Supply Chain

The Toho Titanium Group is committed to respecting human rights in keeping with the United Nations Guiding Principles on Business and Human Rights. In addition to the human rights guarantees described in the International Bill of Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO), we have

clearly stated respect for human rights and diversity in our Code of Conduct and are striving to ensure compliance and thoroughness under the leadership of top management.



Detailed information are listed in the Corporate Management Policy page on our website.

https://www.toho-titanium.co.jp/en/csr/social/

Strengthening Linkage and Collaboration with Business Partners

Based on the Code of Conduct for Transactions and Promises to Business Partners (Principles for Transactions) within our Basic Policy for Purchase, the Toho Titanium Group will strive to build relationships of trust with business partners through fair and equitable transactions as well as legal compliance and environmental conservation.

Basic Policy for Purchase Code of conduct for Transparency We are open and transparent in our transactions. Fairness The selection of business partners is based on a fair evaluation. Compliance with laws and regulations We will comply with relevant laws and regulations and respect not only all the provisions of the law, but also the spirit of the law when carrying out our business Environmental conservation We place importance on the environment and actively promote green procurement. We build a relationship of trust through transactions based on equal partnerships with our business Mutual trust We will maintain appropriate relationships with our business partners based on strict ethical standards. We will cut off relationships with antisocial forces and conduct sound purchasing activities We will not use our dominant bargaining position to make any business transaction that would create unfair Promises to Fair entry opportunity We will provide a fair entry opportunity for those wishing to be one of our business partners, and we will business partners (principles for The selection of business partners is based on a fair evaluation of factors such as quality, price, delivery Fair evaluation date, and performance Management of confidential information We will manage the information obtained in the tasks related to purchasing transactions with the utmost care and strive to maintain confidentiality Clarification of the reason for the selection For business partners who were not selected as suppliers due to competitions and such, we will clarify the

CSR Survey

Using the CSR Procurement Self-assessment Questionnaire published by the Supply Chain Subcommittee of the Global Compact Network Japan (GCNJ), the Group conducts surveys of suppliers in each of its Business Divisions to confirm that the suppliers meet the standards set by the Group. Based on the results from suppliers, we confirm their efforts to reduce CO₂ emissions, waste, electricity, water, and energy consumption, and work to reduce the environmental impact of the supply chain as a whole.

Green Procurement

As part of our efforts to conserve the environment, the Group promotes environmental conservation activities together with its business partners based on its Green Procurement Guidelines. Through these activities, we are reducing the environmental impact related to manufacturing, usage, and disposal of all materials and equipment we procure as well as the environmental impact related to the provision of services to the Group. We strive to purchase goods that have less impact on the global environment and procure from partners that are proactive about environmental measures.

Procurement BCP Initiatives

The Group is working on procurement BCP to prepare for the risk of business shutdown due to natural disasters such as earthquakes, windstorms, and floods, as well as fire, explosion, and power outages. We are advancing the diversification and multiple decentralization of procurement sources to minimize procurement risks.

Fair Trade

(Activities for Compliance with the Subcontracting Law)

In order to conduct fair transaction with business partner subject to the Subcontracting Law, the Group complies with the Subcontracting Law and builds and deepens relationships of trust based on appropriate and smooth operations with our business partners.

Initiatives to Eliminate Antisocial Forces

The Group is continuously working to eliminate antisocial forces. Under the fair transactions clearly mentioned in our Code of Conduct, we conduct surveys of business partners on the status of implementation of measures to prevent involvement with antisocial forces, and follow up with them on an ongoing basis in order to determine that all partners are capable of conducting sound transactions.

Declaration of Partnership Building

The Group declares that we focus on the following items in order to build new partnerships by promoting cooperation, coexistence and co-prosperity with our supply chain business partners and other value-creating businesses.

- Coexistence and co-prosperity throughout the supply chain and new cooperation beyond size and affiliation
- 2. Compliance with Promotion Standards
- 3. White Logistics



Participation in the "White Logistics" Promotion Movement

In March 2022, we endorsed the objectives of the White Logistics promotion campaign developed mainly by the Ministry of Land, Infrastructure, Transport and Tourism in collaboration with the Ministry of Economy, Trade and Industry, and the Ministry of Agriculture, Forestry and Fisheries, and submitted a Declaration of Voluntary Action. The White Logistics promotion campaign is an initiative aimed at realizing a healthy and safe working environment in the logistics industry. The campaign aims to address the growing shortage of truck drivers, secure stable logistics services necessary for people's daily lives and industrial activities, and contribute to the growth of the economy. Through the campaign, we are working to (1) improve the productivity and efficiency of transportation and (2) create labor environments that are comfortable for all workers,

including female and elderly (over 60) drivers. Participating companies are required to formulate, declare, and implement a Declaration of Voluntary Action, which includes itemized and detailed voluntary efforts to improve logistics. Approximately 3,000 companies are expected to have endorsed the campaign by the end of FY2025 (with 3,140 companies endorsed as of March 15, 2025).

- To propose the improvement of logistics and cooperate in it
- To separate the work other than driving

party of a contract

- 3. To improve the facilities of shippers
- 4. Modal shift to vessels and railroads5. Adoption of a fuel surcharge
- Consideration of the status of legal compliance when selecting the other
- 7. Active utilization of logistics service providers that are reforming their workstyles, etc.
- 8. Safety measures for cargo handling

excerpt)



Responsible Mineral Sourcing

Our Group's basic policy entails never procuring or using minerals with OECD Annex II risk (i.e., [1] human rights abuses associated with the mining, transportation, and trade of minerals; [2] direct or indirect support for non-government armed groups; [3] illegal acts by public or private security forces; [4] bribery and misrepresentation of mineral origin; [5] money laundering; [6] non-payment of taxes, fees, and mining rights fees to the government) in conflict areas and high-risk areas (CAHRAs), including tin, tantalum, tungsten, gold, cobalt,

mica, nickel, copper, lithium, and natural graphite. We confirm the presence of the above risks at the time of procurement. If any risks are found in the supply chain, corrective actions will be taken

In order to comply with this policy, we have requested that our business partners understand our Group's thinking and commit to responsible mineral sourcing. We will also disclose appropriate information about these efforts to all stakeholders.

Coexisting with Local Communities

The Group is committed to building relationships of trust in harmony and cooperation with local communities at each of its production sites and aims to achieve sustainable development together with local communities. As a member of the local

community, our employees are committed to supporting local revitalization through proactive actions and communication, including social contributions such as event activities and volunteer work, as well as exchange through sports.

Fostering a Toho Titanium Mindset

Toho Titanium Soccer Club

Established in 1955, the Toho Titanium Soccer Club has a long history and has players who have played in the professional J League and various other categories. Players work at either the Chigasaki Plant or the Yokohama Headquarters, and all are employees who balance work and soccer. Since 2002, we have planned and managed the boys' and girls' soccer tournament the Toho Southern Cup, and since 2016, we have continued to support the healthy growth and development of children through soccer by holding soccer clinics in the Chigasaki and Samukawa areas, and we are growing as a community-based team.





Contributing to the Local Community Through Proactive Communication

In addition to inviting local elementary, middle school, and high school students to our company on plant tours, our employees also provide classes at local high schools. While contributing to children's education, the program provides an opportunity for children to deepen their understanding of our business and safety initiatives.

The Toho Titanium Soccer Club also promotes harmony with the local community through volunteer activities such as monthly community trash-picks and cleanups by staff and players.





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Appealing workplace

Improving Occupational Health and Safety in the Workplace

Based on our basic policy of placing top priority on safety, our Group is promoting a variety of initiatives to create a comfortable working environment and achieve zero work-related accidents.

In addition, we regard the creation of an environment in which all employees can maintain good health at all times and work to the best of their

abilities as an important management issue. We are actively implementing measures to maintain and improve the health of our employees, such as providing various types of health maintenance support, including mental health care, and regular physical fitness tests.

Diversity and Inclusion

Our Group positions efforts to achieve diversity and inclusion in the workplace as one of its key management issues. We are promoting the creation of an environment in which each and every employee, from any of a variety of backgrounds, including gender, age, nationality, disability, sexual

orientation, and sense of values, is respected and can make the most of their individuality and ability. We are also striving to create new value and revitalize our organization by integrating diverse perspectives and experiences, and to create a workplace where everyone can work with peace of mind.

Training to promote active participation by women

In accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace, our Group has formulated a General Employers Action Plan and aims to create a working environment where all employees can make the most of their abilities. In particular we are implementing multifaceted measures to promote women's participation and advancement, including support for career development, ensuring flexible working styles, and support for balancing work with childcare and nursing care. Through these initiatives. we will contribute to the development of nextgeneration human resources and the creation of a diverse organization.

Employment of people with disabilities

Our Group is actively promoting the employment of people with disabilities in accordance with the nationally mandated employment rate. In our recruitment activities, we conduct selection processes that respect the abilities and aptitudes of individuals, and we also strive to create a workplace environment where employees can work for a long time with peace of mind. Through these efforts, we aim to create an inclusive organization where everyone can play an active role in their own way.

Senior employees in action

Our Group has raised the retirement age from 60 to 65 effective April 2023. This is intended to create an environment in which experienced senior employees can play an active role longer than ever before in anticipation of the 100year life period. In line with this change, we are strengthening our multifaceted support system, including enhancing health management, promoting flexible working styles, and giving consideration to physical fitness. By creating a workplace where employees can continue to work with peace of mind, we aim to foster an organizational culture enabling employees of all ages to learn from each other and grow.

Creating a Supportive Work Environment

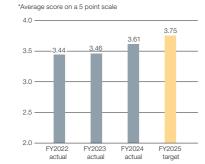
We have introduced a system that allows each employee to flexibly choose a wide range of work styles according to their individual life experiences and the stage of life they are in. A Parental / Nursing Care Leave System is also in place to help employees balance work and family life, as well as a Flex-Time System and an Accumulated Annual Leave system in case of illness, etc.

Employee satisfaction survey

Our Group has been conducting regular workplace satisfaction surveys for all employees since FY2022. This survey aims to sincerely listen to each employee's voice, understand the current state of the workplace environment, and improve work satisfaction and organizational transparency. The results obtained are analyzed by each department and used for continuous improvement of the work environment, such as examining specific measures to improve operations, promoting communication, and enhancing employee benefits. Based on the belief that improving employee satisfaction leads to the vitality of the entire organization, we will continue to strive to create a better workplace.

Development and Operation of Various Systems

System	Key Features	
Limited-Area Employee	Work location can be restricted within a specified area.	
Reemployment System Reemployment is made available within a specified period of time in the event of unavoidal due to childcare, nursing care, spouse's transfer, etc.		
Accumulated Annual Leave (holidays) Annual paid leave days which ordinarily lapse and are ineligible for carryover can be accumulated.		
Dormitories and Company Housing (including rentals)	Enables moving in with low out-of-pocket expenses (subject to occupancy conditions)	
Recreation Subsidies	Provides semi-annual recreation subsidies to employees and others to promote fellowship in the workplace	
Refreshment Bonus	Refreshment Bonus for employees completing 10 years and 20 years of service	



Better treatment

Our Group places great importance on dialogue with labor unions and works to improve various systems through repeated discussions. We aim to build a better working environment through system reforms that reflect the opinions of our employees. To create a rewarding workplace, we will continue to promote improvement activities through labor-management cooperation in FY2025 as well.

System	Revision Details			
Maternity leave	Increase in number of days, relaxation of conditions for application			
Unaccompanied assignment	Increase in the amount of allowance for unaccompanied assignment and transportation expenses for returning home			
Relocation allowance	Increase in relocation allowance			
Dormitory / Company housing	Relaxation of conditions for dormitory entry and double loans			
Accumulated Annual Leave (holidays)	Relaxation of conditions for application			

Human Resource Development

Our Group believes that human resources is the source of our competitiveness. We have formulated a human resource development plan. to strengthen and establish a human resources base that supports our medium- to long-term business strategies.

In addition to on-site skills training to pass on and acquire skills and individual theme training to acquire knowledge and foster awareness, we are engaged in human resources development by assigning instructors to new employees based on targets and training plans tailored to each individual. We have also introduced group education to inculcate the abilities and knowledge required for each position, as well as a short-term study-abroad

program and selective education to foster global and innovative human resources from the earliest stages. In addition, various self-development programs are available to improve the skills of each and every employee.

We also carry out 360-degree evaluations in managerial positions in the hope that the person being evaluated becomes aware of the gap between their own perceptions and those of people around them, which will lead them to change their behavior and improve their management skills.

In FY2024, we introduced (1) a posting system and (2) a transfer request system, and in FY2025 we launched the Human Resources SHINKA

Posting (Internal Recruitment) System and Transfer Request System

	Introduction of a posting (internal recruitment) system	Transfer requests based on self-reporting sheets			
Outline	A system in which the recruiting department specifies recruitment guidelines and requirements, and interested employees apply	A system that allows employees requesting a transfer to express their wishes regardless of the status of the department to which they wish to transfer			
Target employees	All employees (excluding the following) - Employees with less than two years of continuous service at the time of application - Employees who have not completed two full years since transferring to their current department at the time of application	All employees (those who have filled out the self-reporting sheet)			
Frequency of implementation	Twice a year (Recruitment takes place around March and September every year)	Once a year (Filling out the self-reporting sheet around December every year)			
Remarks	- The applicant must pass a review at the recruiting department and at a human resources meeting.	Specific transfer arrangements will be initiated only when applicants align with the system's purpose: "The company supports employees who proactively plar their own careers and strive to realize them." However, the transfer may not be realized due to various circumstances.			

Human Resources SHINKA Project

The "Human Resources SHINKA Project" is an initiative to transform employee mindset and organizational culture, enabling employees to evolve and demonstrate their true value. Under the slogan "Change the culture, change the people, change the company," it aims to realize our Vision for

2030. As the first step, we will begin to evolve (review) our personnel system and personnel management.

The three-year schedule from FY2025 is as follows.

FY2025	FY2026	FY2027
Current issue identification and root cause analysis Formulation of the direction of reform	Detailed design of personnel system Holding in-house briefings	Start of new personnel system

Company-wide Education System Chart

Category	Focused education	Education by job level	English education	Knowledge enhancement	Awareness enhancement	
General Manger		Training upon promotion to General Manager		oon TL		
Senior Manager	reer hires	Training upon promotion to Senior Manager	rvioe)	r management / Dreverlion GM and TL training		
Assistant Manager	r mid-a	Training upon promotion to Assistant Manager	arning se	a for	ation	
Team Leader	cation to	Operational issues presentation meeting Training upon promotion to Team Leader	TOEIC (online lea	Evaluation / Hanassi training training and an amangement / Imment prevention in g for foreperson in	dence ed	
Leadership position	New employee with a bachelor's (graduate) degree mentor system. New employee with a bachelor's (graduate) degree orientation	Training upon promotion to Leadership position	Study Sapuri (Labor ma harassmer training fo	Correspondence educ	
General staff	High-school graduate employee follow-up training High-school graduate employee mentor system New high-school graduate employee orientation			Trainee		

Review of personnel policies

Basic design of personnel system

Approach to recruitment

In our Group, we are striving to secure talented human resources who can play an active role globally, regardless of gender, nationality, or whether they are new graduates or in their mid-careers. We are particularly focusing on expanding internships that mainly include on-the-job training and observations of actual equipment at factories and research institutes. By providing work experience based on the job seeker's field of expertise and future career vision, we are able to prevent early post-recruitment job turnover that can result from ill-matched assignments. In addition, our fiveyear retention rate for new university graduates is 87.5%.

In accordance with the Law Concerning the Promotion of Active Participation by Women in the Workplace, we have set a target of hiring 20% or more female employees in order to steadily increase the number of female employees and quickly develop female managers. Over the past 5 years was

Number of Employees Hired in the Past 5 Years (New Graduates and Careers)

	FY2020	FY2021	FY2022	FY2023	FY2024	For 5 years
Male	10	9	14	23	17	73
Female	3	2	4	5	6	20
Total	13	11	18	28	23	93

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