

Governance Compliance

Compliance Code of Conduct

Torishima Pump Mfg. Co., Ltd. (hereinafter referred to as “the Company” or “we”) has been promoting its business under the Corporate Philosophy “Never lose the public trust, even if monetary loss proves unavoidable.” It is vital to our organization that we never lose the trust of society. If this trust is ever lost it can take a long time to recover and could result in severe damage to our organization. Therefore, the spirit inspired by this philosophy leads us to ensure compliance.

I. Purpose

Our officers and employees are fully committed to embracing our Code of Conduct. We hereby revise this Compliance Code of Conduct in order to transform our Vision (a.k.a. “EVOLUTION” stipulated to commemorate the 100th anniversary of our founding) into concrete actions in line with the spirit of this “Corporate Philosophy”.

II. Business Activities

Based on our Sustainability Policy, we respect human rights and work on social issues as a corporate entity that is trusted by all stakeholders, including local communities. We are focused on contributing towards a sustainable society by utilizing our human resources that support these activities and we will contribute to a peaceful global environment wherever possible.

1. We (executives and employees of the Torishima Group) comply with environment-related laws and regulations as well as our Environmental Policy in our business activities, and act with a sense of self awareness. At each stage, from sales to design, procurement, production, distribution, and service, we consider the impact on the environment and work to reduce environmental impact and prevent pollution. We set appropriate environmental objectives and targets for the environmental impact of our business activities and products. We regularly review those objectives and targets in order to make continuous improvements to create a sustainable cultural living environment.

2. In the course of our research and development, pump design and pump station design, our technology and approach always considers the environmental impact and therefore, we strive to be as environmentally friendly as we possibly can be. We respect intellectual property rights and strive to achieve customer satisfaction by accurately and fully understanding the needs of our customers.
3. At sites such as manufacturing and plant facilities, we strive to continuously improve product quality and provide better products in accordance with our Quality Policy. We also focus on giving top priority to safety and preventing occupational accidents. We work to properly treat industrial waste and reduction thereof, and give due consideration to the surrounding environment.
4. When conducting sales, we act in good faith from the other party's point of view. We strive to provide information to customers, understand their needs, and make every effort to obtain customer satisfaction. We negotiate appropriate terms & conditions when concluding contracts and adhere to these contract conditions to complete our projects to the satisfaction of our customers.
5. When procuring materials, etc., we engage in fair transactions with our business partners, aiming for coexistence and co-prosperity from a fair standpoint in accordance with our Procurement Policy. We also aim, where possible, for green procurement in order to conserve the global environment through the reduction of greenhouse gasses as well as ensuring there is no infringement on fundamental human rights.
6. In logistics and import/export, we optimize the logistics system, work on environmental measures, and optimize cost management.

III. Relationship with stakeholders

1. The Company's executives faithfully perform their duties to shareholders and promote management with an awareness of the legal functions and responsibilities of the General Meeting of Shareholders, the Board of Directors, and the Audit and Supervisory Committee. We value investor relations (IR) with our shareholders and other investors, and strive to earn trust by disclosing information in an appropriate and timely manner regarding management policies, business activities, products, etc., while handling insider information carefully. We endeavor to promote understanding of our management and business activities through appropriate and timely disclosure of information.
2. In conducting our business activities, in a spirit of sincerity and fairness we treat our customers respectfully and strive to provide products and services that meet the legitimate needs of our customers. We also value appropriate communication with business partners so that such communication will contribute to the development of society.
3. We value appropriate communication with local residents and communities, and actively promote social contribution activities such as supporting employee volunteer activities. We strive to contribute to the development of society through appropriate interaction with local communities.

4. We recognize that "people" are an integral part of a company's composition. We therefore value diversity of human resources, and invest management resources to develop employees' capabilities that can lead to strengthening competitiveness as a corporate entity. Based on the policy of human resource development and environmental improvement thereof, we aim to be a business entity where all employees can work safely, energetically and with peace of mind, regardless of gender, race, religion, age, or values. We fully encourage our employees to demonstrate their abilities and achieve self-realization, and to maximize the vitality of our employees through our business activities.
5. In accordance with our Human Rights Policy and through dialogue with all stakeholders inside and outside the Company, we strive to respond appropriately to any negative impacts on human rights that our business may cause.

IV. Fair, Transparent and Free Competition

1. We conduct business activities based on the principle of fair, transparent and free competition within the market economy. In our business activities, we comply with relevant laws and regulations such as the Anti-Monopoly Act and Fair Competition Code, and engage in fair and free competition in the market. Furthermore, we comply with the following:
 - a. We do not engage in collusion, cartels, or other arrangements with competitors that may affect the selling price of our products. In addition, we do not participate in any groups or meetings that may make such arrangements on unreasonable restraints.
 - b. Against parties to whom we provide technology or engage in joint research and development, we do not unreasonably limit the business activities of such parties except when we pursue our legitimate purpose including legitimate exercise of our intellectual property rights, etc., and protection of our confidential information.

V. Elimination of Relationships with Anti-Social Forces

1. We do not have any kind of relationship whatsoever with anti-social forces and groups that threaten the order or safety of civil society.

VI. Corporate Accounting and Assets

1. In corporate accounting, we accurately perform, record, and maintain our transactions in accordance with generally accepted accounting principles and practices. In addition, we comply with the Companies Act, Financial Instruments and Exchange Act, Foreign Exchange Act, Corporate Accounting Principles, and other laws and regulations related to accounting.
2. We use management accounting methods to analyze our business performance, and strive to grasp the actual financial status, control actual versus budget progress, prevent fraudulent accounting, and improve the accuracy of business plans.

3. We use our funds, goods, and other assets only for the performance of our assigned duties. In addition, we do not take or use them for ourselves or for third parties. In addition, we do not make unreasonable expense claims or use our official authority to provide convenience to ourselves or third parties.
4. We follow applicable internal procedures in using and preserving the Company assets.
5. We always are aware of and comply with tax laws in our business activities.

VII. Intellectual Property

1. We recognize that the results (including inventions, utility models, designs, copyrighted works, trademarks, know-how, technical information, etc.) generated from research and development and other work are valuable assets (intellectual property) of the Company and comply with the following:
 - a. We record and protect the results properly, and they are not disclosed to anyone without following the prescribed procedures and follow all legal guidelines. In addition, we do not use the results that belong to the Company for the interest of ourselves or third parties, regardless of during our tenure of office or after resigning.
 - b. If we obtain results that fall within the scope of our business, we handle them appropriately and promptly, such as notifying the Company without delay. In addition, we seek the grant of a patent or any other form of intellectual property rights based on the results that belong to the Company and proceed with designated application and register procedure appropriately and promptly.
 - c. We respect the intellectual property rights of others; we do not obtain the results or confidential information of others by illegal means, nor do we illegally use them for our research / development and other business. Neither do we use them without the consent of the rights holders, even if the results nor relevant information were legitimately obtained.

VIII. Information Security Control

1. The Company's executives establish an information security control system in order to prevent insider trading, leakage of personal information, and leakage of confidential information of the Company, etc.
2. We comply with insider trading regulations stipulated in the Financial Instruments and Exchange Law, and if we come to know material facts related to the business of the Company, our subsidiaries, or our business partners in the course of our duties, etc., we do not, either personally or in the course of business trade such securities until they are publicly announced through certain procedures. We do not disclose any undisclosed material facts subject to insider trading regulations, or confidential information such as business and technical information of the Company or our subsidiaries to outside parties. Even within our

organization, we handle such undisclosed information on a need to know basis for business purposes.

3. In accordance with the personal information protection regulation of the Company, we treat the personal information of our executives, employees, customers, etc. confidentially, and do not disclose it to anyone outside the Company without their consent. Also, even within our organization, we handle such information on a need to know basis for business purposes.
4. If a third party offers to provide information that is considered to be confidential information of a person other than the third party, we do not receive such information unless we can confirm that; the third party is the rightful owner of the information, and their action to obtain or disclose the information is not fraudulent.
5. We promote the proper and effective use of our computer equipment and other internal information processing systems, and do not use them for illegal purposes. In addition, we properly control electronic information and prevent the leakage, theft, destruction, virus infection, and other damage of confidential information. In case any possible damage is likely to be incurred, we address the case in accordance with internal procedures and report it to our IT Control Office and local police office where appropriate depending on the seriousness of the incident.

IX. Conflicts with Personal Interests

1. The Company's executives comply with regulations regarding restrictions on competitive transactions, self-dealing, and transactions with conflicts of interest stipulated in the Companies Act without seeking personal greed. We comply with regulations on stock trading by executives and employees as stipulated by the Financial Instruments and Exchange Act.
2. We do not treat our customers (including business partners) and their personnel favorably or inappropriately on the grounds of special relationships with ourselves, other executives, employees, or their relatives. In cases where we suspect any special interests with them, we consult with our supervisor in advance and take the best action for the benefit of the Company.
3. We handle personal affairs in a clear and fair manner including but not limited to hiring, evaluation, transfer, promotion, additional education, etc. We do not treat individuals favorably on the grounds of special relationships. All personnel are treated fairly and equal.
4. We maintain fair relationships with customers and other companies in the same industry, and we do not illegally nor unfairly receive, request or promise benefits (money, goods, entertainment, conveniences, etc.) by taking advantage of our official position or authority.

X. Legal Compliance and Document Control

1. We comply with not only the laws of Japan, but also the laws and regulations of each region of our overseas group bases, as well as the contents of international laws applicable to our businesses, etc.

2. In addition to laws and regulations and this Code, we abide by rules and ethical compliance standards voluntarily enacted by the Tokyo Stock Exchange and other public bodies, our articles of incorporation established through appropriate procedures, the Company's internal rules (regulations, codes, operational procedures) and manuals, etc.
3. When concluding contracts or making any kind of agreement with customers, business partners, or other parties, we properly examine and negotiate terms based on relevant laws and regulations as well as the perspective of fairness and reasonableness.
4. We conclude contracts in accordance with the relevant regulations by following proper procedures. We properly create, handle, store or dispose documents (including those recorded on electromagnetic recording media) in accordance with the relevant regulations.
5. At each of the Overseas Group Companies' Bases we implement this Code in accordance with applicable local laws.

XI. Whistle-Blowing System to Ensure Compliance

1. In case we discover an act that violates or may violate laws and regulations and thus breach this Code and the Company's internal regulations, we promptly report it through the chain of command, or consult and report to the contact windows inside and outside the Company as stipulated by the Whistle-blowing system, then conduct fact finding and take appropriate corrective measures by our own initiative.
2. Under no circumstances do we retaliate against or treat unfairly any person who consults or reports in good faith. We ensure to protect such persons while we take appropriate punishment/disciplinary action against those who commit violations in accordance with applicable laws etc. and employment regulations.
3. In the unlikely event that an act that conflicts with compliance takes place, we promptly correct it, take measures to prevent recurrence, disclose information, and fulfill our accountability to stakeholders.

Supplementary provision

1. Definition

"Torishima Group": Refers to Torishima Pump Mfg. Co., Ltd. and its subsidiaries.

"Overseas Group Companies' Bases": Corporations or branches established under foreign laws.

"Whistleblowing system": In Japan, it is a system that is mandated by the Whistleblower Protection Act (revised and enforced on June 1, 2022) and is operated based on the Company's "Whistle-blowing Regulations". In the context of whistleblowing in the Overseas Group Companies' base, it refers to the whistle-blowing system established based on the local laws of each site and operated in accordance with the internal rules established by each base.

2. Effective date This code was issued on April 1, 2003.

This code was partially revised on September 1, 2007.

This code was partially revised on December 1, 2021 (deletion of referrals, etc.).

This code was partially revised on December 14, 2022 upon the resolution of the Board of Directors. (content update)