

Star Micronics Group

Sustainable Procurement Guidelines

-First Edition-



Table of Contents

Introduction-----2

Corporate Philosophy-----3

Purpose-----3

Sustainable Procurement Promotion Framework-----4

Contact and Consultation Desk-----4

Star Micronics Group Procurement Policy-----5

Supplier Code of Conduct-----6

What Constitutes Fraudulent or Corrupt Conduct in Procurement-----9

Conclusion-----10

Supplementary Provisions-----10

Revision History-----10

Introduction

Star Micronics Group (hereinafter referred to as the “Company”) aims to contribute to the realization of a sustainable society through its procurement activities, based on its Corporate Philosophy: “Sustainably enhancing corporate value,” “Contributing to the sustainable development of society,” and “Enriching the lives of its employees.”

The Company promotes responsible procurement, or CSR procurement, by taking environmental, social, and governance (ESG) considerations into account not only in its own business activities, but also throughout the entire supply chain.

These Guidelines have been established based on the “Star Micronics Group Sustainability Code of Conduct,” the “Star Micronics Group Human Rights Policy,” and the “Star Micronics Group Procurement Policy,” while taking into consideration international human rights standards and environmental protection frameworks.

Through these Guidelines, the Company will continue to promote respect for human rights, environmental responsibility, and fair business transactions under a commitment to legal compliance and high ethical standards, thereby meeting the trust placed in it by all stakeholders.

The Company asks its suppliers to understand the purpose of these Guidelines and to work together with the Company toward the realization of a sustainable society. The Company also asks its suppliers to broadly communicate the principles of these Guidelines to their own business partners.

In addition, suppliers to the Special Products Division are requested to comply with the “Green Procurement Guidelines,” which have been independently established and are operated by that division. These Procurement Guidelines are positioned as the Company-wide basic policy, and the Company asks suppliers to understand them together with the initiatives of the Special Products Division.



Star Micronics Group Sustainability Code of Conduct
<https://star-m.jp/eng/company/sustainability/esgissues/compliance.html>



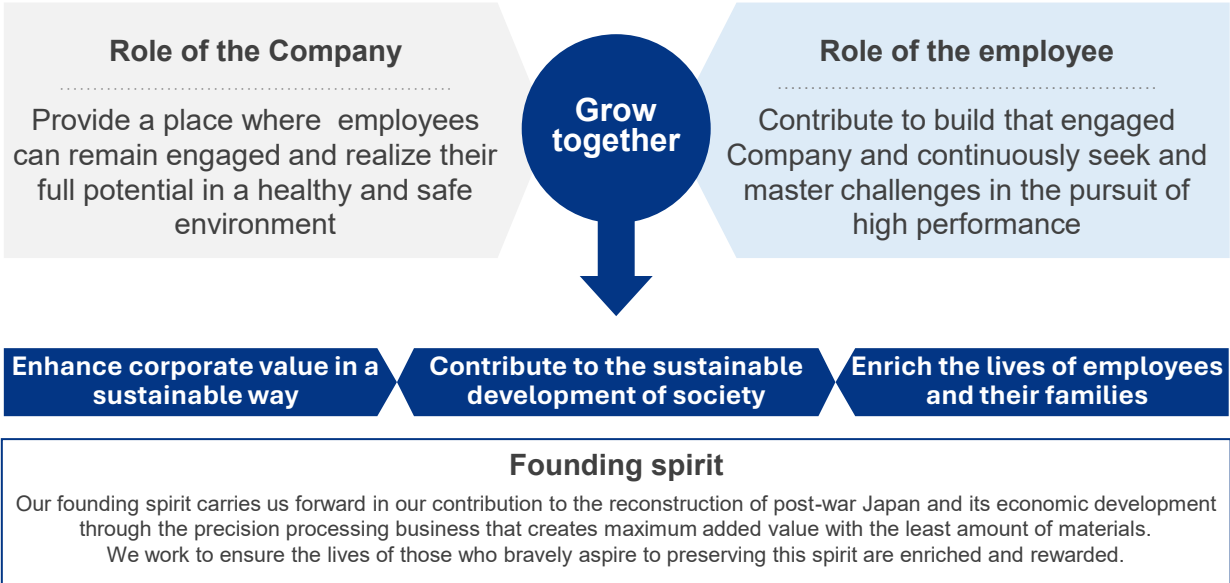
Star Micronics Group Human Rights Respect Policy
https://star-m.jp/eng/files/human_rights_respect_policy.pdf



Green Purchasing/Green Procurement (Special Products Division)
<https://star-m.jp/eng/company/green.html>

Corporate Philosophy

A company and its employees must constantly evolve through a process of steady development while also making every effort possible to improve the lives of each individual. This growth must happen together.



Purpose



Contribute to the sustainable development of society as a “leading small and medium-sized enterprise” that seeks to excel on the world stage

As a technology group, Star Micronics strives to provide new value through unique technologies that increase corporate value. At the same time, the Company will enrich the lives of its employees by providing a place where diverse engaged employees can contribute their best. Our goal as a group is to stand at the forefront of Japan’s small and medium-sized enterprises by generating a high level of productivity that rivals large companies as we contribute to the sustainable development of society.

Sustainable Procurement Promotion Framework

- The Company has established a Human Rights and Procurement Subcommittee under the Sustainability Committee to oversee the promotion of sustainable procurement, and promotes Company-wide initiatives in coordination with relevant departments.
- The Company periodically asks suppliers to participate in surveys and, through dialogue and other means, works to ensure that these Guidelines are fully understood and to monitor the status of their implementation.
- The Company continuously reviews the content and operation of these Guidelines by reflecting feedback from internal and external stakeholders.



Contact and Consultation Desk

For any questions or consultations regarding the content of these Guidelines, please refer to the FAQ. If your issue remains unresolved after reviewing the FAQ, or if you require individual confirmation or consultation, please contact us through the inquiry/consultation desk below.



Star Micronics Group Sustainable Procurement Guidelines FAQ
https://star-m.jp/eng/files/sustainable_procurement_guidelines_FAQ_.pdf



Inquiries and Consultations Regarding the Guidelines (URL or QR code below)
<https://forms.cloud.microsoft/r/QFq4YZx7Mq>



Star Micronics Group Procurement Policy

1. Basic Principles

Star Micronics Group (hereinafter referred to as the “Company”) aims to sustainably enhance corporate value, contribute to the sustainable development of society, and enrich the lives of its employees and stakeholders through its procurement activities, in accordance with its Corporate Philosophy and the Star Micronics Group Sustainability Code of Conduct.

2. Legal Compliance and Ethical Procurement

In its procurement activities, the Company complies with all applicable laws, regulations, and social norms, and conducts fair and transparent transactions. The Company does not tolerate any form of misconduct or corruption, and maintains absolutely no relationships with antisocial forces.

3. Promotion of Sustainability

The Company places importance on sustainability considerations, including the reduction of environmental impact and respect for human rights, and promotes procurement that contributes to environmental conservation and fulfills its social responsibilities.

4. Ensuring Respect for Human Rights

The Company complies with the Star Micronics Group Human Rights Policy and requires its suppliers to ensure fair working environments free from forced labor, child labor, discrimination, and harassment.

5. Fair and Impartial Transactions

The Company selects and evaluates suppliers fairly and impartially based on objective criteria, including quality, price, delivery, technological capabilities, environmental considerations, and social responsibility initiatives.

6. Value Creation through Collaboration

The Company shares common values with its suppliers, promotes sustainable procurement activities in collaboration with them, and strives for mutual growth and the creation of social value.

7. Appropriate Management of Information

The Company appropriately manages information related to procurement and strictly maintains confidentiality.

8. Continuous Improvement

The Company regularly evaluates the effectiveness of its procurement activities and strives to improve them on an ongoing basis.

Date of Establishment: March 6, 2026

Star Micronics Co., Ltd.

Mamoru Sato

Representative Director, President and Executive Officer

Supplier Code of Conduct

1. Corporate Governance, Legal Compliance, and Ethics

1.1 Comply with applicable domestic and international laws, regulations, treaties, and agreements, and work toward the realization of a sustainable society.

1.2 Prohibit bribery, corruption, and conflicts of interest, and conduct fair and transparent transactions.

1.3 Maintain no relationships whatsoever with antisocial forces and take a firm stance against them.

1.4 Do not knowingly procure or supply products containing conflict minerals that directly or indirectly benefit armed groups.

1.5 Ensure the protection of personal information and strive to establish appropriate management systems and provide employee training to prevent information leaks.

1.6 Respect intellectual property rights and strictly prohibit the unauthorized acquisition or use of such rights.

1.7 Provide employee training and awareness-raising activities to prevent and detect misconduct at an early stage, and protect whistleblowers through measures such as establishing an internal reporting system, including anonymous reporting.

2. Respect for Human Rights

2.1 Comply with internationally recognized human rights standards, respect fundamental human rights, and do not engage in discrimination or harassment.

2.2 Prohibit forced labor and child labor, and ensure employment based on free will.

2.3 Respect privacy and appropriately protect personal information.

2.4 Do not contribute to human rights violations, and if any involvement is identified, promptly take corrective and remedial action.

3. Labor Practices

- 3.1** Manage working hours, days off, and paid leave appropriately in compliance with applicable laws and regulations.
- 3.2** Establish occupational health and safety management systems, strive to prevent and correct workplace accidents and occupational illnesses, and protect the health and safety of employees.
- 3.3** Provide thorough occupational health and safety education and guidance, and raise employees' safety awareness.
- 3.4** Appropriately manage employees' health and give due consideration to excessive working hours and mental health.
- 3.5** Prohibit discrimination and conduct recruitment and treatment of employees in a fair and impartial manner.
- 3.6** Respect workers' freedom of association and the right to collective bargaining, and maintain lawful labor-management relations.
- 3.7** Pay wages at or above the statutory minimum wage, refrain from making unjustified deductions, and ensure proper payment.

4. Environmental Responsibility

- 4.1** Actively engage in energy conservation, reduction of greenhouse gas emissions, conservation of biodiversity, and reduction of waste, and promote initiatives to address climate change.
- 4.2** Properly manage chemical substances, strive to prevent leaks, and comply with applicable laws and regulations.

5. Fair Business Practices

- 5.1** Comply with fair trade, competition, and other applicable laws and regulations, and respect free and fair competition in the market.
- 5.2** Comply with export-related regulations and give due consideration to the peace and security of the international community.
- 5.3** Prohibit bribery and the improper giving or receiving of benefits, and maintain sound business relationships.
- 5.4** Keep gifts and entertainment within socially accepted limits, and refrain from offering or accepting anything excessive.
- 5.5** Strictly prohibit relationships with antisocial forces, conflicts of interest, and insider trading.

6. Quality and Safety

6.1 Ensure the safety of products and services, and comply with applicable laws and regulations in each country.

6.2 Strive for continuous improvement in quality control by establishing quality management systems and other appropriate measures.

6.3 In the event of defects or accidents, promptly disclose relevant information, take appropriate action, and strive to prevent recurrence.

7. Business Continuity Planning

7.1 Develop business continuity plans (BCPs) and implement appropriate measures to continue critical operations and achieve early recovery, even in emergencies such as disasters.

7.2 Require business partners to develop BCPs and implement appropriate measures, and promote prompt response and early recovery.

7.3 Ensure the effectiveness of BCPs through regular training and reviews, and strive to strengthen risk management.

8. Collaboration and Partnership

8.1 Promote sustainable procurement activities in collaboration with suppliers and build relationships of trust.

8.2 Establish opportunities for information sharing and consultation to enhance sustainability throughout the entire supply chain, and strengthen collaboration.

9. Information Security

9.1 Ensure the appropriate management and protection of information, and implement defensive measures against threats such as cyberattacks.

9.2 Prepare for potential damage caused by cyberattacks and other threats by developing procedures for early recovery and providing regular education and training to employees.

10. Social Contribution

10.1 Promote activities that contribute to local and international communities, and strive to fulfill its corporate social responsibility.

What Constitutes Fraudulent or Corrupt Conduct in Procurement

Fraudulent or corrupt conduct in procurement refers collectively to illegal or improper acts committed by employees, suppliers, or both, in the process of procuring goods or services for the purpose of obtaining improper benefits. Such conduct poses serious risks, not only by causing damage to corporate assets, but also by undermining fair competition and damaging the Company's reputation and trust. The following section classifies fraudulent conduct in procurement into three categories and provides specific examples. The following examples are not exhaustive.

1. Collusion and Bid-Rigging with Suppliers

Acts in which an improper relationship is established between procurement personnel and a supplier, resulting in preferential treatment or benefits being directed to a particular supplier.

Bribery and Kickbacks

Acts of receiving money, entertainment, or other benefits from a supplier in return for giving that supplier favorable treatment.

Bid-Rigging

Acts in which multiple suppliers make prior arrangements to coordinate bid prices or ensure that a particular supplier wins a bid.

Preferential Treatment and Provision of Favors

Acts of giving preferential business opportunities to a particular supplier without a legitimate reason, or providing information to that supplier that is not disclosed to other companies.

2. Billing Fraud

Fraudulent billing practices carried out by a supplier, or in collusion with a supplier, for the purpose of obtaining financial benefits.

Fictitious or Inflated Billing

Acts of colluding with a supplier to bill for goods or services that were not actually delivered, or to submit invoices for amounts higher than the actual value.

Duplicate Billing

Acts of resubmitting an invoice that has already been paid and causing duplicate payment to be made.

Misrepresentation of Quality

Acts of delivering products or services that do not meet contractual specifications or are of inferior quality, while receiving excessive payment.

3. Abuse of Position and Embezzlement

Acts in which procurement personnel abuse their professional position to obtain personal benefits.

Misuse of Company Resources for Personal Purposes

Acts of purchasing private goods at the Company's expense, or using a supplier's services for personal purposes.

Conflicts of Interest

Acts of conducting transactions that harm the Company's interests with suppliers in which procurement personnel have a personal interest, such as companies operated by family members or friends.

Embezzlement

Acts of unlawfully taking or misappropriating goods or services that are the Company's assets.

Conclusion

The Company will work together with its suppliers through these Guidelines toward the realization of a sustainable society.
The Company sincerely appreciates your understanding and cooperation.
Supplementary Provisions The establishment, revision, and abolition of these Guidelines shall be handled by the Human Rights and Procurement Subcommittee and approved by the Sustainability Committee.

Supplementary Provisions

This guideline shall be established, revised, and abolished by the Human Rights and Procurement Subcommittee, subject to approval by the Sustainability Committee.

Revision History

Date of Establishment: First Edition, March 6, 2026
Approved by: Mamoru Sato, Representative Director, President and Executive Officer

