

Anti-Corruption and Bribery Prevention Policy

1. Basic Policy

The Company has established the Code of Ethics, consisting of the Charter of Corporate Ethics and the Code of Conduct for Officers and Employees, for the purpose of ensuring sound management based on high ethical standards, gaining unwavering trust from society, and contributing to the development of society, as an entity which engages in investment management and investment advisory businesses. The Charter of Corporate Ethics stipulates “compliance with laws and social norms” and the Code of Conduct for Officers and Employees stipulates “compliance with laws and regulations.” The Company endeavors to ensure that all the officers and employees, including the management, comply with all laws and rules related to the business in their activities, practice honest and fair corporate activities on a daily basis, do not tolerate corruption and bribery not only in the public sector but also in the relation with the private sector, and strive so that the Company would be widely recognized as a company with a high standard of corporate ethics.

2. Management’s Commitment

The Company’s management recognizes the importance of corporate ethics and anti-corruption, is responsible for preventing corruption by being involved in the implementation and review of internal control system and initiatives, and strives to be a role model for prevention of corrupt practices in their day-to-day activities.

3. Organizational Structure

The Company’s organizational structure for compliance consists of the Board of Directors chaired by the President and Representative Director, the President and Representative Director, the Compliance Committee, the Compliance & Risk Management Office, the Chief Compliance Officer, and the Compliance Managers, formulating initiatives for compliance-related issues including corruption and bribery, implementing the initiatives, and reporting on the progress of such initiatives. In addition, person in charge of compliance assigned within each division and department will encourage putting compliance into practice (including corruption and bribery issues) at the operational level.

4. Internal Rules

The Company has developed a code of conduct, internal rules, and manuals relating to the prevention of corruption and bribery, and will develop such rules in the future as necessary, especially for acts that have been analyzed as having a high risk of corruption and bribery.

5. Prohibition of Bribery

The Company will not conduct any acts that are, or may be construed to be, direct and indirect bribery of public officials or deemed public officials, will establish procedures to ensure that giving or accepting of entertainment or gifts that exceed socially acceptable limits will also not be made to other private sectors such as business partners, and will prohibit such acts.

6. Prohibition of Corruption

In addition to the prohibition of bribery, the Company prohibits any and all direct and indirect acts of corruption, and strives to prevent such actions.

- (1) When the Company makes a donation, it will carefully consider the purpose, use, and appropriateness of the recipient of the donation in accordance with its internal procedures. For political donations, the Company will comply with the Political Funds Control Act and other relevant laws and regulations.
- (2) The Company will endeavor to establish and maintain fair relationships with the region and business partners, and shall in any event prohibit the provision or receipt of services at a discriminatory consideration, as well as any conduct that may raise doubts as to its fairness.
- (3) The Company prohibits its employees from, pursuant to the internal rules: (i) using the Company name and their job title or position in the Company for purposes other than the performance of duties assigned to them; and (ii) requesting or

receiving personal rewards, including gratuity, money, and gifts, except within the scope of social courtesy.

- (4) The Company will endeavor to ensure strict compliance with the both domestic and overseas laws and regulations regarding money laundering, such as the Act on Prevention of Transfer of Criminal Proceeds, and prevent direct and indirect complicity in money laundering and terrorist financing in its business activities.

7. Management of Risks with Business Partners

When considering the appointment of new business partners, the Company will conduct a credit check which will include the risks of corruption and bribery, and make a judgment on whether to allow a transaction, in accordance with internal rules. In addition, periodic evaluations will be conducted for contractors who are repeatedly or continuously appointed.

8. Measures Taken for Violations

The Company will conduct factual investigations into matters which are reported or alleged violations, and if misconducts are revealed, it will take prompt corrective and preventive actions, as well as appropriate disciplinary actions if necessary.

9. Reporting Structure

The Company will endeavor to detect and correct misconduct at an early stage by establishing a structure for appropriate handling of consultations or reports concerning violations of law, including corruption and bribery. Furthermore, the Company will not retaliate against or dismiss the informant, or treat the informant in any other disadvantageous way, in accordance with the Whistleblower Protection Act and the Company's rules.

10. Education and Awareness Building

The Company will provide education and training to enhance the knowledge and awareness of officers and employees regarding internal rules and reporting systems related to the prevention of corruption and bribery, including this Policy.

11. Monitoring and Review

The Company monitors on an ongoing basis its anti-corruption and bribery system and whether the operation of such system is functioning effectively. The Company also conducts internal audits of the system and, if necessary, reviews and improves the preventative system and initiatives through the involvement of management and the Compliance Managers.

Naoki Suzuki, Representative Director, President & CEO
KJR Management
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