



Company Assets

We understand that the tangible and intangible assets of the PHC Group exist for the company's business purposes, and we manage them appropriately and utilize them effectively.

- We take great care to prevent the loss, damage, theft, unauthorized access, and misuse of company assets.
- Company assets are used solely for business purposes. When taking assets outside the company, disposing of them, or using them for personal purposes, we obtain the necessary company approvals.
- We distinguish the tangible and intangible assets entrusted to us by other companies from our own assets and manage those assets appropriately to avoid commingling.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws Promoting Fair Competition in the Market and Preventing Unfair Competitive Practices:

Japan : Unfair Competition Prevention Act

United States : Defend Trade Secrets Act (DTSA), Uniform Trade Secrets Act (UTSA),
Economic Espionage Act (EEA)

Europe : Trade Secrets Directive (TSDEU) (Directive (EU) 2016/943)

China : Anti-Unfair Competition Law



Intellectual Property

We strive to appropriately protect the intellectual property created through research, development, sales, and other business activities as rights, and effectively utilize these assets to contribute to securing and maintaining a competitive advantage in our business.

- We strive to properly secure rights to PHC Group's intellectual property, actively protect it, and maximize its utilization.
- We respect the intellectual property rights of others and do not infringe them.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws to Protect Intellectual Property Rights:

Japan	: Patent Act, Trademark Act, Design Act, Copyright Act
United States	: Patent Act (35 U.S.C), Lanham Act, Copyright Act
Europe	: European Patent Convention (EPC), EU Trademark (EUTM), Registered Community Design (Council Regulation (EC) No 6/2002), Copyright and InfoSoc Directive (2001/29/EC)
China	: Patent Law, Trademark Law, Copyright Law



Appropriate Disclosure of Information

We strive to appropriately disclose necessary information to fulfill our accountability to shareholders, investors, and other stakeholders, thereby enhancing the transparency of our management.

- We disclose information related to business activities, performance, financial conditions, and organizational structure in a timely and appropriate manner in accordance with Laws and Regulations, and Internal Rules.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws Mandating the Disclosure of Important Information to Ensure Fairness and Transparency in Financial Markets:

Japan : Timely Disclosure Rules, Financial Instruments and Exchange Act

United States : Securities and Exchange Commission (SEC) Rules and Regulations

Europe : Corporate Sustainability Reporting Directive (CSRD)

China : Securities Law



Avoidance of Conflicts of Interest

We avoid conflicts between the interests of the PHC Group and the personal interests of directors, officers, and employees, and in our business activities, we act in the best interest of the PHC Group.

- Directors, officers, and employees must obtain company approval before engaging in any side jobs or secondary employment, such as taking positions at business partners or related entities.
- In situations where a conflict of interest may arise, directors, officers and employees must disclose this fact to the company and manage it appropriately by adhering to Internal Rules, so conflicts do not affect their business judgment.
- Transactions with companies managed by directors, officers and employees, or their relatives should generally be avoided. If such transactions are undertaken, careful attention must be paid to conduct the transactions fairly and in accordance with Laws and Regulations, and Internal Rules.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws Regulating Transactions Involving Personal Interests that Conflict with Corporate Interests:

Japan : Companies Act

United States : Sarbanes-Oxley Act of 2002 (SOX), Delaware General Corporation Law (DGCL)

Europe : EU Company Law Directive (2017/1132)

China : Company Law



Relationships with Business Partners

We require our business partners to engage in sincere activities based on “INTEGRITY.”

- We expect our business partners to understand PHC Group's values and sustainability initiatives and to act consistently with those values and initiatives.
- We expect our business partners throughout the supply chain to fulfill social responsibilities such as respecting human rights, preserving the environment, preventing bribery and corruption, and complying with Laws and Regulations.
- We continuously evaluate the business activities of our partners through supplier surveys and other means, and request improvements when necessary.
- We do not impose unfair trading conditions on our business partners by abusing a superior bargaining position.
- We maintain a strict policy of having no association whatsoever with antisocial forces or criminal organizations, ensuring that we uphold ethical standards and protect the integrity of our operations.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws Prohibiting the Abuse of a Superior Position:

Japan	: Antimonopoly Act, Subcontract Act
United States	: Sherman Antitrust Act, Clayton Antitrust Act, Federal Trade Commission Act, Robinson-Patman Act
Europe	: EU Competition Law
China	: Anti-Monopoly Law, Anti-Unfair Competition Law