

Compliance and Intellectual Property

Compliance Structure

Policy Thoroughly instill compliance awareness and create a work environment that does not allow wrongful acts.

To thoroughly instill compliance awareness, we maintain structures and conduct various programs with the aim of complying with laws, internal standards, and ethical norms.

Compliance Committee

The Compliance Committee is headed by our CEO and convenes four times a year. This committee, which is attended by outside directors and a legal advisor, properly approves the annual activity plan and reports on the execution of those activities, as well as on the handling of compliance violations by employees and other matters reported internally.

THK Group Helpline (Internal Reporting System)

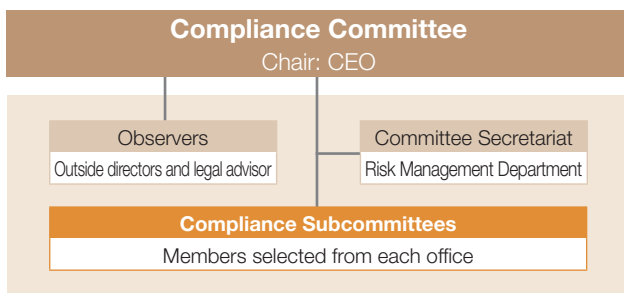
The THK Group Helpline was established to prevent compliance violations and to enable quick and appropriate action in the event of an employee committing a violation. There are two internal contacts (the Risk Management Department and

Audit and Supervisory Committee) and one external contact (our legal advisor) for reporting. Reports can be made anonymously, and we faithfully enforce our rules ensuring confidentiality regarding their contents and prohibiting unfavorable treatment on the basis of having made a report. There were fourteen cases reported in 2021, and we worked with the necessary divisions to handle each case appropriately.

Establishing the THK Group Anti-Bribery Policy

The THK Group has long worked in accordance with the THK Group Action Charter in order to prevent bribery. However, awareness of bribery involving foreign public officials and other forms of corruption has rapidly heightened around the globe in recent years. This in combination with the principle of anti-corruption established in the UN Global Compact, which was signed by THK in 2020, led to the establishment of the THK Group Anti-Bribery Policy in December, which is aimed at promoting efforts to prevent bribery.

Compliance Structure



<p>THK Group Anti-Bribery Policy</p> <p style="text-align: right;">Established December 2021</p> <p>Based on the fundamental principle of prioritizing legal compliance over short-term gains, the THK Group adheres to the following provisions as it promotes efforts to prevent bribery.</p> <ol style="list-style-type: none"> 1. Prohibition of Bribery <ol style="list-style-type: none"> (1) The THK Group does not directly or indirectly commit bribery, nor make offers or promises thereof to anyone. (2) The THK Group does not make facilitation payments (small bribes for the purpose of
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THK Group Anti-Bribery Policy excerpt

Intellectual Property

Policy THK values and promotes the creation and full utilization of its intellectual property to continue contributing to the creation of an affluent society through the development of innovative products.

This year, as THK actively promoted R&D related to new business exemplified by our “OMNI edge” service for digital transformation, we took appropriate measures to preserve intellectual property, including acquiring rights in accordance with our business strategies and conducting various surveys and analyses. Furthermore, in order to respond to the increasing number of imitation products and unauthorized uses of our brand, we continuously imple-

mented measures such as prohibiting infringing products at the border through customs, further expanding our rights on a global scale, and working to prevent the acquisition of rights by others in order to prevent unauthorized use.

During the next year and beyond, we will work to maintain and strengthen our brand in addition to expanding our intellectual property rights for new business from an intellectual property investment perspective.