

Responsible Minerals Assurance Process

Due Diligence Public Report

[2020 edition]

1. Company information (all origins)

The company name is Asaka Riken Co., Ltd. , We have the following two refining factories.

- 1) Headquarters plant [CID:000090] Handling Item: gold
(address : 47 Aza Maseguchi, Kanaya, Tamura-machi, Koriyama-shi, Fukushima, 963-0725, Japan)
- 2) Iwaki plant [CID:000092] Handling Item: tantalum products
(address : 246-23 Aza Egoshi, Kurosuno, Izumi-machi, Iwaki-shi, Fukushima 971-8184, Japan).

2. RMAP evaluation summary (all origins)

We have gotten RMAP audit at each of the two factories, and the latest evaluation results were as follows.

- 1) Headquarters plant
Target material: gold
Evaluation date: March 13th 2019
Evaluation period: January 2018 to December 2018
Auditor: SGS Japan Inc.
Evaluation result: conformant
Validity of this evaluation: 3 years
- 2) Iwaki plant
Target material: tantalum
Evaluation date: August 25th 2020
Evaluation period: from December 2018 to June 2020
Auditor: Intertek Certification Japan Ltd.
Evaluation result: conformant
Validity of this evaluation: 1 years

Due to the influence of COVID-19, the audit date for the Iwaki Plant has been postponed from May, which was originally planned, to August. As a result, the evaluation period has been extended to June 2020 only for the current fiscal year.

3. Corporate policy on supply chain (all origins)

We have established a basic policy on raw material procurement in order to avoid the use of conflict minerals that may directly or indirectly benefit or fund armed groups, and / or cause other serious human rights violations in conflict-affected and high-risk areas.

This supply chain policy is fully compliant with the third edition of the OECD Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance) . This policy covers all risks identified in Annex II of the OECD guidance and covers the entire world. We will do our best to address any risks identified in Annex II . This policy has been reviewed and approved by senior management committed to supporting the implementation of this policy. This policy is widely provided to relevant stakeholders (suppliers, customers, employees, etc.) and is also available from our website (<http://www.asaka.co.jp/company/08.html>) .

4. Company management system (all origins)

[Management structure]

We are committed to comply with our supply chain policy and have established internal procedures for due diligence that includes the following items:

- Overseeing the design and practice of due diligence programs and risk management is the responsibility of our raw materials procurement manager.
- In order to execute the roles and responsibilities properly that each department should play in the implementation of due diligence program and reporting of identified red flags and potential risks, we have determined and assigned roles of each related department (including the sales department, manufacturing department, and quality assurance department).
- We conduct due diligence management system training more than once a year for key employees in all relevant departments required for the due diligence program.
If the due diligence program is updated, we will provide additional training as needed.

[Internal management system]

In December 2020, we reviewed our due diligence management system based on OECD guidance and RMAP. And in April 2021, we have notified identified upstream suppliers of this updated supply chain policy and procurement requirements.

In addition, we have included due diligence-related requirements in the contract content directly signed by the supplier as a legally binding agreement, and we are gradually renewing the contract.

[Contact for complaints]

We refer to RMI 's grievance mechanism in order to collect information related to complaints and mitigation from related parties. And we have a grievance page on the company's website where external complaint information can be entered.

In addition, a contact point has been established to accept information from whistleblowers.

[Record keeping system]

We require that all records related to the due diligence program be maintained for at least 5 years, and that such records be used appropriately and stored securely in our database on the Internet.

5. Identification of risks (all origins)

We use a robust process to identify risks in the supply chain.

1) We refers to the risk indicated in our supply chain policy, and defined procedure for identifying conflict-affected and high-risk areas (CAHRAs). This procedure includes the resources used, the definition of “conflict and high risk areas”, and the frequency of reviews for our decisions. In determining CAHRAs, we refer to the following resources:

- Conflict regions - Heidelberg dispute barometer
<https://hiik.de/conflict-barometer/current-version/?lang=en>
- Human rights violation- Human Freedom Index
<https://www.cato.org/human-freedom-index>
- Money Laundering Risk Area - Knowyourcountry
<https://www.knowyourcountry.com/country-ratings-table>

- Resource governance
<https://resourcegovernance.org/>
- The Indicative List of CAHRAs Provided by the European Commission Pursuant to Article 14.2 of the European Union Regulation 2017/821 was published. And we started to refer to this list from January 2021.
<https://www.cahraslist.net/cahras>

We are referring to our supply chain policy and external resources and have developed conditions and benchmark indicators for determining CAHRAs.

2) We have developed a Know Your Supplier (KYS) process that includes information about the legal status and identity of suppliers, supplier mappings and potential risks. We have commissioned an external research organization to check the ownership of all suppliers, corporate structure, identification of related businesses, financial status, and whether there are any violations of laws. In addition, for the refining company, we ask and collect information through CMRT.

No red flags were identified for the suppliers during the reporting period.

3) We require submission of origin information for all material transactions, and we have a system in place that allows us to know the origin of the material, the transport route, and the name and location of the direct supplier.

4) We review all collected information against CAHRAs, sanctions lists, local laws, and internal procurement requirements.

6 . Risk assessment (high risk origin only)

We have implemented the enhanced due diligence on materials and supply chains designated as “high risk”. The contents are as follows.

- Evaluation of CAHRAs status .
- Clarification of production logistics management.
- Evaluation of upstream supplier activities and relationships .
- Identification of mineral mining and trading, handling, export locations and qualitative conditions .
- Execution of on-site evaluation .

We are an active member of iTSCi. We rely on iTSCi to perform actual situation mappings, field assessments, and risk assessments in high-risk supply chains.

iTSCi provides the following documents for each high-risk procurement transaction:

- 1) Available incident summary report
- 2) Recommended items for mine inspections that included in the list of mining sites with potential risks (for companies that procure from such mining sites, it is recommended to conduct enhanced due diligence and risk assessment)
- 3) Monthly report by country / region that reviews the general situation at the site
- 4) Data related summary and other reports

We have further implemented due diligence by assessing risk levels against documents based on upstream companies' due diligence programs against public information and actual transaction information.

7 . Risk mitigation

Our supply chain policy defines risk mitigation strategies that can be adopted in accordance with the OECD Guidance Annex II Model Policy. Risks identified in high-risk supply chains are mitigated by following steps:

We obtain details on the risk mitigation process through confirmation with the iTSCi secretariat. The Company will endeavor to implement the following measures.

- Identification of information including the names of producers and exporters for specific suppliers of materials.
- Confirmation of whether the reported risk has been addressed or not and whether it has been reported again or not in the next reporting period.
- Inquiries about how to deal with risks, including who is responsible for taking risk mitigation actions.
- Request for regular updates on risk mitigation measures for relevant supply chains.

April 15th 2021

Asaka Riken Co., Ltd.