

Basic Policy on Preventing Misconduct Related to Competitive Grants

Chief Administrative Officer, Organo Corporation

Established: June 2018

Revised: April 2026

Based on the Guidelines for the Management and Audit of Public Research Funds at Research Institutions (Implementation Standards) (adopted by the Minister of Education, Culture, Sports, Science and Technology in February 2007, revised in February 2014; hereinafter referred to as the “Guidelines”), Organo Corporation (hereinafter referred to as “the Company”) hereby establishes the following basic policy regarding the operation and management of competitive grants and other funds.

1. Clarification of the Responsibility Framework

Persons in charge shall be designated for the appropriate operation and management of competitive grants and other funds.

(1) Chief Administrative Officer

The director in charge of the R&D Center serves as the person responsible for overseeing the entire corporation and bears ultimate responsibility for the handling of competitive grants and other funds.

(2) Chief Management Officer

The senior general manager of the R&D Center assists the chief administrative officer and serves as the person with substantive responsibility and authority for overseeing the entire corporation with regard to the handling of competitive grants and other funds.

(3) Chief Compliance Officer

The general manager of the R&D Center’s Planning and Administration Department serves as the person with substantive responsibility and authority with regard to implementing measures related to the appropriate handling of competitive grants and other funds.

2. Clarification and Standardization of Rules

(1) The members involved in the operation and management of competitive grants and other funds (researchers, administrative staff, managers, etc.), along with their authority and duties, shall be clearly defined.

(2) The chief management officer shall establish standardized administrative rules related to competitive grants and other funds and shall convey them to members involved in the operation

and management of competitive grants and other funds.

- (3) Members involved in the operation and management of competitive grants and other funds shall conduct administration in accordance with internal rules.

3. Raising the Awareness of People Involved

The chief compliance officer shall provide compliance training to employees involved in the operation and management of competitive grants and other funds to ensure they are fully aware of the rules governing the receipt and use of such funds, the company's administrative procedures, and mechanisms for preventing misconduct.

4. Formulation and Implementation of a Misconduct Prevention Plan

The chief management officer shall formulate and implement a misconduct prevention plan to prevent the improper use of competitive grants and other funds.

5. Rules Regarding the Handling of Reports, Investigations, and Disciplinary Actions

- (1) A dedicated contact point shall be established to receive reports and inquiries regarding misconduct related to competitive grants and other funds from both inside and outside the company, and this information shall be published on the Company's website.
- (2) Upon receiving a report of misconduct from within or outside the company, a preliminary investigation shall be conducted; if the results of that investigation warrant further action, an investigative committee—composed of at least half external experts—shall be established to conduct a full investigation.
- (3) When operating the reporting channel or conducting investigations, measures shall be taken to protect both the person making the allegation and the person against whom the allegation is made.
- (4) If an investigation determines that misconduct related to competitive grants or other funds has occurred, disciplinary action will be taken against the individual concerned in accordance with the employment rules and regulations.
- (5) Business partners found to have engaged in misconduct related to the procurement of goods or the provision of services involving competitive grants or similar funds shall be subject to a suspension of business transactions for a specified period.

6. Monitoring

To ensure the proper execution of competitive grants and other funds, the chief compliance officer

shall take necessary measures, such as verifying the status of procurement, inspection, and payment, reviewing accounting documents, and conducting physical inventory checks.

7. Contact Point for Inquiries Regarding Rules on the Use of Competitive Grants and Other Funds

The following is the contact point for inquiries from within and outside the company regarding rules and regulations concerning the use of competitive grants and other funds.

Planning and Administration Department, R&D Center

Organo Corporation

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