

Procurement Policy and Supplier CSR Guidelines

1.Introduction

Tera Probe, Inc. (including its subsidiaries, hereinafter referred to as "Tera Probe") has established the "Tera Probe Code of Conduct" and various policies as the most basic standards to be observed in all our corporate activities for business with customers and suppliers and sets actions we should take in order to execute our corporate social responsibility (CSR) throughout our business activities.

In order to broaden Tera Probe's CSR activities to its entire supply chain with our suppliers, and to further enhance the effectiveness of these activities, we have established the "Procurement Policy" to be applied to transactions with, and "Supplier CSR Guidelines" to clarify our requirements to, the suppliers.

We would like to ask for our suppliers' understanding on the purpose of these guidelines and their further cooperation while our suppliers have been cooperating with our CSR activities for some time.

2.Procurement Policy

(1) Strict implementation of fair and impartial transactions

We will determine suppliers based on fair and impartial judgments in accordance with the internal rules and regulations and conduct business in good faith in accordance with relevant laws and regulations, and contracts without any unfair act such as imposing unfair terms and conditions by taking advantage of our superior bargaining position.

(2) Establishment of win-win business relationships

We will actively communicate with our suppliers to build a relationship of trust, and strive to build and maintain a win-win relationship as the best partner so that both parties can make the greatest possible benefits.

(3) Efforts to improve services

To provide superior services to our customers, we will cooperate with our suppliers to continuously improve our technical capabilities, promote price reduction activities, and build a stable and flexible supply system for equipment, materials, and service.

(4) Promotion of CSR and requests to supplier

We will conduct our procurement transactions in accordance with the "Tera Probe Code of Conduct" and have established "Supplier CSR Guidelines" to request our suppliers to promote CSR activities.

3. Supplier CSR Guidelines

Tera Probe has established the following "Supplier CSR Guidelines" and requests that our suppliers (the "Suppliers") comply with them.

(1) Fair and impartial business activities

The Suppliers shall determine its suppliers on the basis of fair and impartial judgments, and shall not force unfair terms and conditions on them by taking advantage of their superior bargaining position, and shall not engage in unfair acts such as obtaining or using trade secrets of other companies through improper means.

(2) Compliance with laws and social norms, No disproportionate gifts and entertainment

The Suppliers will comply with the relevant laws, regulations, and social norms of the countries and regions in which we conduct business, and will not accept or provide gifts of goods or money or excessive entertainment that deviate from socially accepted norms in the relationships with our business partners. Also, we will not provide any gift or entertainment to public officials or the like, both domestically and overseas.

(3) Thorough security trade control

In order to properly implement security trade control for the purpose of maintaining international peace and security, the Suppliers will comply with domestic and foreign laws and regulations, and will respond to any request for or inquiry about any

applicability determination form or parameter sheet for the Supplier's product in accordance with the relevant laws and regulations if we or our customers request so.

(4) No connection with antisocial organizations

The Supplier will have no relationship whatsoever with any antisocial organization which may be harmful to the public safety and resolutely reject any request from antisocial forces to purchase books, make donations, or pay membership fees, and shall not engage in any conduct that would assist antisocial forces.

(5) Respect for human rights and occupational health and safety of employees, etc. The Supplier will respect the human rights of its employees or the like, and not engage in any act that may infringe their basic human rights, such as discrimination or harassment.

The Supplier will further strive to maintain a safe and healthy work environment, comply with the relevant labor laws and regulations, and never accept forced labor, child labor and so on.

(6) Prohibition against use of conflict minerals

The Supplier will address prohibition against any use of conflict minerals (*) and cooperate with investigations when requested to do so.

(*Minerals produced in the Democratic Republic of the Congo and adjoining countries and used to finance conflicts and human rights abuses)

(7) Environmental Consideration

The Supplier will strive to achieve resource and energy conservation throughout its business activities and to continuously reduce any impact on the environment through the life cycle, and ensure an environmental management system in accordance with ISO 14001 and promote the conservation of biodiversity.

(8) Maintenance and improvement of product and service quality

In order to maintain and improve the quality of its services, the Suppliers will work with Tera Probe to ensure the quality management system in accordance with ISO 9001 (and IATF 16949 when necessary) and promote obtaining those certification, and continuously propose and provide products and services that meet Tera Probe's requirement for specifications and quality.

(9) Develop BCP to prepare for unforeseeable disasters, etc.

The Supplier will formulate an effective business continuity plan (BCP) in preparation for the occurrence of natural disasters and other unforeseeable events, and cooperate with Tera Probe to continue supply of its products and services while sharing information with the entire supply chain in the event of a disaster.

4. Confirm compliance with guidelines

We will check the Supplier's compliance with the Supplier CSR Guidelines in our annual evaluation on the Suppliers. We would appreciate the Supplier's cooperation in such evaluation.

5. Information on whistle-blowing system for Suppliers

Tera Probe has established the internal reporting (i.e. Compliance Helpline) to prevent, detect, and correct misconduct at an early stage by appropriately handling reports and consultations from the Suppliers concerning compliance violations at Tera Probe and its domestic subsidiaries in Japan.

(1) Scope of Report and Consultation

Violations of the laws and regulations, and the internal rules of Tera Probe and its domestic subsidiaries.

*We will not accept any report or consultation for false, defamation, or any other improper purposes.

(2) Compliance Helpline's desk

The Supplier can make a report, with or without your real name to the following contact, which is independent of Tera Probe.

To: Toshio Shimada, Lawyer of LM Law Offices

E-mail: shimada@lmlo.jp

Note: Please write "Report for Tera Probe" in the subject line of the e-mail.

(3) Reporting flow

Upon receipt of a report, Tera Probe will investigate the facts, and will promptly take a corrective measure and/or recurrence prevention if any violation is found. We will notify the Supplier who reported the violation of the results of investigation and such corrective measure and recurrence prevention.

(4) Protection of reporter

Tera Probe will keep confidential the contents of reports and consultations, and any information that may cause identification of the informant or consulter, and will use such information only for the purpose of handling the report or consultation. No supplier will get disadvantaged by its report or consultation.

We appreciate the Supplier's continued understanding and support.