

Responsible Minerals Procurement Policy of DMM

In order to establish a responsible supply chain in line with its corporate philosophy, the policy of the DOWA METALS & MINING CO.,LTD. (DMM) is to refrain from using raw materials minerals (tantalum, tungsten, gold, tin, silver, and zinc) with risks as specified in Annex II of the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (hereinafter, the "Guidance") issued by the Organisation for Economic Co-operation and Development (OECD). We are committed to conducting due diligence in accordance with the five-step framework described in the Gold/Tin/Tantalum/Tungsten supplement of the OECD Guidance.

1. General Provisions

1. The DMM avoids the procurement of minerals (tantalum, tungsten, gold, tin, silver and zinc) with risks as specified in Annex II of the Guidance.

The risks specified in Annex II of the Guidance include the following

- Serious abuses associated with the extraction, transport or trade of minerals
 - Direct or indirect support to non-state armed groups
 - Direct or indirect support to public or private security forces
 - Bribery and fraudulent misrepresentation of the origin of minerals
 - Money laundering
 - Payment of taxes, fees and royalties to governments
2. The DMM performs risk management in the procurement of raw materials (tantalum, tungsten, gold, tin, silver, and zinc). If it is found that the raw material is a mineral with risks as specified in Annex II of the Guidance, and if such risks cannot be mitigated, that trade shall immediately be suspended.
 3. The DMM performs regular audits using an independent third party to ensure responsible mineral procurement management regarding the smelting, refining and recycling of gold, tin, silver, and zinc.

2. Control System and Responsibility

1. The headquarters of the DMM deals with the procurement of mineral materials used by the DMM's smelting and refining divisions, supplying materials to the smelters and refineries that they manage. The Resource Development & Raw Materials Department at DMM controls the procurement of materials.
2. The headquarters of the DMM or the manufacturing subsidiaries themselves are responsible for the proper procurement of mineral materials used by DMM's manufacturing subsidiaries,

supplying materials to the manufacturing subsidiaries that they manage.

3. DMM appoint a manager with responsibility for ensuring compliance with the Responsible Minerals Procurement Policy. The manager with responsibility for the responsible procurement of minerals oversees the whole management system and assumes the authority and responsibility stipulated in the control manual.

3. Judgment Criteria for Material Procurement from Conflict-Affected and High-Risk Areas

The DMM considers the material procurement of tantalum, tungsten, gold, tin, silver and zinc with risks as specified in Annex II of the Guidance to be high-risk material procurement.

4. Operation of the Conflict Minerals Control System

(1) Due Diligence relating to Material Suppliers

- The DMM implements due diligence for all suppliers of materials containing gold, tin(*), silver, and zinc, and performs risk assessment proportionate to the identified risk. DMM discontinues transactions that the manager with responsibility for the control of conflict minerals deems to be high risk.

(*) Excludes recycled tin materials

(2) Monitoring of Transactions

1) Materials Accepted at Smelters and Refineries

- Smelters and refineries check materials received to ensure the actual goods are those described in transaction information at the time of procurement and report the findings on non-conformance to the division in charge at headquarters.
- DMM conducts regular internal monitoring to ensure due diligence of suppliers is executed properly. DMM engages independent third-party auditors to perform audits regarding gold, tin, silver, and zinc materials.

2) Materials Accepted at Recycling Plants

- Recycling plants check with the supplier to confirm that the recycled materials accepted (recycled materials or scrap) have lost their original function or are no longer required and report the findings to the division in charge at headquarters.

3) Materials Accepted at Manufacturing Subsidiaries

- Manufacturing subsidiaries check materials accepted for consistency of the actual goods with the transaction information at the time of procurement and report the findings to the division

in charge at headquarters.

- DMM conducts regular internal monitoring to ensure that due diligence for suppliers is executed soundly.

(3) Training

- DMM provides the education and training necessary for headquarters divisions, smelters and refineries, recycling plants and manufacturing subsidiaries on a regular basis to conduct their operations in conformance with the responsible procurement policy.

(4) Retention of Records

- The manager responsible for the responsible procurement of minerals stipulates the records that must be retained concerning the control of conflict minerals, establishes the period of retention and manages the records.