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Sustainability Policy

1. Basic Policy

Guided by our corporate philosophy (mission) of “striving to realize society from ‘build’ to ‘utilize,’” we carry out our business with fairness and integrity. We embrace the challenge of creating businesses that benefit society and work to become the Star Mica Group that pursues both growth and profitability.

Customers

With the customer’s perspective in mind, we constantly strive to improve the level of service that we offer, as professionals.

Business Partners

We build mutual trust and fair business relationships with our business partners, by preventing corruption and taking other measures.

Local Communities

Through our business, we solve problems that are faced by Japanese society, and will maintain our position as a company that is needed by Japanese society in the future.

Employees

We maintain a highly transparent governance structure, and create workplaces that provide employees with comfortable working environments.

Global Environment

By stimulating sales of existing homes, we contribute to reducing environmental impact, reducing CO₂ emissions, and conserving the global environment.

Shareholders and Investors

We strive to disclose information in a timely and appropriate manner, and to actively communicate through our investor relations efforts.

2. Policy

2-1. Environmental Policy

Climate Change

With the increase in greenhouse gases throughout the world and other factors, climate change is becoming an increasingly serious issue, and it is seen as a challenge that must be addressed on a global scale. Efforts to reduce greenhouse gases are being advanced on a global scale against the backdrop of the Paris Agreement, which is the international framework for 2020 and beyond, etc., and the spread of renewable energy and environmentally friendly products and services is becoming increasingly important. Climate change in the medium to long term could affect residential demand, which would impact the Group’s operations.

As a company that promotes the restoration and distribution of homes, which are the foundation of all people’s lives, the Group recognizes that its challenge is to contribute to climate change mitigation and to conduct its corporate activities considering the risks and opportunities that climate change presents to the business environment. We are committed to reducing greenhouse gas emissions and mitigating climate change while aiming for business growth.

Preventing Pollution

Amid calls around the world for environmental preservation, the Group recognizes that a key task in our business activities of housing supply is to prevent environmental pollution through the effective use of limited resources. We not only comply with laws and regulations, but also respect international codes of conduct and work to prevent global environmental pollution, address climate change, and create a recycling-oriented society, including the sustainable use of resources.

Reducing waste and optimizing the use of resources

The Group recognizes that reducing waste and optimizing the use of resources and energy are global challenges. We work to protect the global environment by contributing to the spread of renovated condominiums, which are more resource-efficient than residential construction. At the same time, we conduct renovations in a way that considers waste reduction by making use of what can still be used and also strive to develop renovation technologies that enhance the efficiency of resource and energy use.

Conserving water

Amid climate change, deforestation, population growth, etc. throughout the world, there is mounting concern about the risk of water shortages. Although the Group does not own its own factories, etc. and uses only a small amount of water, the use of water is essential for office operations and renovation work. We recognize the need to curb any water use beyond what is necessary.

The Group is committed to fulfilling its social responsibilities as a company that promotes the restoration and distribution of homes, which are the foundation of all people's lives. Our efforts not only include improving the efficiency of water use by saving water during our office operations and renovation work, but also increasing our engagement in water conservation across the supply chain.

Biodiversity

The Group recognizes that, as one of the environmental issues, consideration of biodiversity is a global issue. Helping to sustain ecosystems supports the protection of the earth's environment and it closely links to the realization of a sustainable society, which is closely related to our corporate philosophy of "striving to realize society from 'build' to 'utilize.'"

In its business activities, the Group promotes projects that utilize existing housing stock rather than those involving development. In this way, we reduce or avoid negative impacts on biodiversity, helping to realize a society in which people and living things can continue to coexist in harmony.

2-2. Human Rights Policy

(Preamble: Reference to the "International Bill of Human Rights")

The Group recognizes that respect for the human rights of all people must be observed in order to continue to fulfill its basic policy of conducting business with fairness and integrity.

The Group respects the human rights of all people in accordance with the "International Bill of Human Rights" ("Universal Declaration of Human Rights" and "International Covenants on Human Rights"), the "ILO Declaration on Fundamental Principles and Rights at Work," "The Ten Principles of the UN Global" and "Guiding Principles on Business and Human Rights," as well as relevant laws and regulations in the countries and regions where the Group operates. Should a conflict arise between national or regional laws and international norms, we look for ways to respect internationally recognized principles of human rights.

This human rights policy applies to the management of the Group and to all our employees.

(1) Prohibition of child and juvenile labor and prohibition of forced labor

The Group prohibits all forms of forced labor, human trafficking, and child labor, and works to correct or eradicate labor practices that violate human rights.

(2) Prohibition of discrimination

To maintain and improve its corporate value and develop its unique business model, the Group has since its founding hired employees with a variety of work experience. In recent years, we have also actively recruited new graduates. We respect diversity in our hiring and do not tolerate discrimination based on gender, age, nationality, race, religion, or disability. In evaluation, remuneration, and promotion, we make a fair judgment based on the individual's ability and performance.

When appointing core personnel, we make fair judgments based on their abilities and performance in accordance with their expected roles. Gender, age, nationality, type of employment, etc. do not influence such judgments.

(3) Respect for freedom of association and the right to collective bargaining

The Group recognizes that it is essential to respect the human rights of workers and respects their fundamental rights related to labor, including the freedom of association and the right to collective bargaining.

(4) Reduction of excessive working hours

The Group strives to comply with applicable laws regarding wages, working hours, overtime, and benefits. In addition, we comply with the "Article 36 Agreement," striving to prevent overwork as a basic policy of our labor management.

We not only comply with applicable laws but also strive to ensure proper labor management and reduce excessive working hours.

(5) Minimum wage compliance; equal pay for equal work

The Group complies with applicable laws and regulations on wages and allowances, and always pays remuneration above the statutory or industry minimum wage. In addition, we apply the same remuneration system wherever qualifications, grades, etc., are equivalent, with no discrimination based on gender.

(6) Rights of the child

The Group believes that it is necessary to give special consideration to the human rights of children, who are the key to the future of society. We agree with the content of the "Convention on the Rights of the Child" and other conventions on the rights of the child as set forth by international organizations. We work to ensure that all the Group's business activities do not violate the rights of children. We are also aware that the Group's business activities in the supply of housing are essential to ensuring that children have an appropriate living environment, and we strive to supply high-quality renovated condominiums.

(7) Occupational health and safety

The Group recognizes the importance of ensuring occupational health and safety not only for its employees but also for its business partners, investors, and other related parties. We carry out our business activities based on the following policies.

If the activities of internal or external stakeholders are affected by deficiencies in the occupational health and safety environment, we work with the relevant parties to find a solution based on the following policies.

1. Ensure that management respects consultation with employees, recognizing that good communication is necessary for securing safety and health.

2. Respect various laws and regulations related to health and safety, establish voluntary standards as necessary, and improve the level of health and safety management.
3. Develop an organizational system and clarify responsibilities to promote health and safety activities.
4. Provide all employees with a sufficient level of education and training they need to maintain health and safety in order to promote a comfortable and healthy workplace.

(8) Diversity and inclusion

The Group promotes diversity and inclusion. This means that in a society of diversifying values and lifestyles, in order to design our renovated pre-owned condominiums from the standpoint of the consumers, we must ensure diversity among the people who work for the Company, recognize people of all backgrounds equally, whatever their profile may be in terms of attributes such as gender, age, or nationality, and give our employees a place to thrive according to their personalities and abilities, placing the right people in the right jobs. In addition, as a promoter of diversity and inclusion, the Board of Directors will take the lead in achieving this goal.

2-3. Employee Policy

(Preamble)

The Group has adopted “STARMICA way.” as one of its employee action guidelines. Each and every employee provides the best possible service to all stakeholders as a professional. As a company, we strive to instruct and train our employees.

(1) Training to improve employees’ skills

The Group strives to develop both the Company and its employees. We provide training opportunities that enable employees to improve their skills in order to build an environment where all employees can grow as professionals.

(2) Addressing harassment

The Group has introduced an internal whistleblowing system for dealing with violations of internal rules, regulations, etc. and harassment. The internal whistleblowing system ensures the anonymity of those providing information and establishes multiple points of contact, including compliance officers, Audit & Supervisory Committee Members, and external law firms, which makes the system easier to use for those providing information. By establishing a point of contact independent of management and ensuring the protection of informants, we strive to ensure that the effectiveness of the system and also to increase the trust from our employees.

In addition, to raise employees’ awareness of human rights, we conduct harassment training for all new employees. This training teaches employees about trends and countermeasures regarding harassment by covering specific case studies.

(3) Health and safety

The Group sees maintaining and promoting employee health as an important issue. As well as establishing a highly transparent governance structure, we are committed to creating a workplace that considers the working environment of our employees.

We have established an organizational system and clarified responsibilities for occupational health and safety, and health management that align with the suitability of each individual and workplace. We continuously check our progress, striving to improve, maintain, and enhance our efforts.

(4) A system that promotes engagement with employees and collaboration with charitable partners

Social contribution activities

Our founder, Mizunaga, applied his learning from the field of academia to management and established a unique business model for the Group. We therefore focus our social contribution activities mainly on the same field, and our entire organization is committed to fostering the next generation of entrepreneurs. Through these activities, we expect young talent to create new businesses that take advantage of local characteristics and revitalize regional communities through business.

2-4. Supply Chain Policy

(Preamble)

The Group views business partners as partners in working together to solve environmental and social problems. We have established the following policies to enable us to fulfill our social responsibility as a company throughout our procurement.

We will also inform our business partners of the matters listed in this policy, requesting that they ensure their compliance and action.

Environmental protection

- Recognize the impact of material procurement on the natural environment.
- Promote energy conservation, expand the use of renewable energy, and other actions to reduce CO₂ emissions.
- Reduce water consumption, ensure proper wastewater treatment, and conserve water resources.
- Give consideration to biodiversity conservation, the surrounding environment, and local residents and communities, etc.
- Build and operate environmentally friendly management systems.
- Reduce waste and promote resource recycling through efficient use, recycling, etc. of resources and materials.
- Take measures to prevent the pollution of water, soil, oceans, air, etc., and give consideration to preventing human health hazards.
- Minimize waste, wastewater, and emissions, and ensure proper treatment in accordance with regulations.

Respect for human rights

- Prohibit child labor and forced labor.
- Prohibit all forms of discrimination, including discrimination and harassment of all kinds.
- Comply with international norms related to the above and the laws and regulations of the operation countries and regions.
- Pay wages at or above the minimum wage required by laws and regulations, and reduce excessive working hours.
- Prohibit direct or indirect involvement in any kind of human rights violations across our supply chain.

Health and safety

- Ensure the safety and health of everyone in the supply chain, providing and protecting an appropriate working environment.

2-5. Anti-Bribery and Anti-Corruption Policy

The officers and employees of the Group respect and comply with all laws and regulations concerning the prevention of bribery and corruption. We do not tolerate violations of relevant laws and regulations for any reason.

The Audit & Supervisory Committee periodically reports to the Board of Directors on the operational status of the Anti-Bribery and Anti-Corruption Policy. Under the supervision of management, efforts are made to prevent corruption.

We pay particular attention to preventing violations in the following items and do not tolerate corruption in any form.

(1) Money laundering

- (i) Those involved in criminal activities such as terrorism, drug trafficking, bribery, or fraud may attempt to “launder” the proceeds of their crimes to hide them or make them appear legitimate. Many countries now have laws that prohibit transactions involving the proceeds of criminal activity and require safeguards to prevent inadvertent money laundering.

- (ii) The Group complies with all laws and regulations related to money laundering and counter-terrorism. We conduct transactions only with trusted partners involved in legitimate business activities.

(2) Bribery

- (i) The Group engages in price competition in the process of purchasing and selling properties and providing services related to real estate. The officers and employees of the Group do not give or accept bribes in any form, directly or indirectly. We also do not tolerate anyone acting on behalf of the Group to give or accept bribes. The term “bribe” means a financial or other form of benefit.
- (ii) Gaining an advantage by making improper payments is never acceptable and it exposes the individual and the company to the risk of criminal prosecution.
- (iii) Each of the following acts may be regarded as a bribe or unauthorized payment. As a general rule, we do not engage in any of the following acts:
 - Offering or promising to give money, goods, or services to a government official or a customer with the intent of inducing a transaction that is advantageous to the Group
 - Paying gratuities to public officials or employees of other companies to expedite paperwork
 - Paying a fee that is disproportionate to the service provided
- (iv) The officers and employees of the Group exercise due care in their relationships with public officials. In many countries, gifts or unauthorized payments to public officials are prohibited by law. The same is applied to foreign public officials. Consultants, intermediaries, or other persons who conduct business through third parties will be encouraged to ensure that such third parties also comply with the above rules.

(3) Insider trading

- (i) Insider trading laws prohibit trading in company securities on the basis of material information (insider information) that has not been disclosed to the public.
- (ii) The Group supports fair and open securities trading. The Group’s employees do not trade in shares or other securities using insider information obtained from the Group or third parties during their employment. Furthermore, they do not disclose such information to others.
- (iii) The officers and employees of the Group comply with the following items.
 - Do not use insider information that is a material fact as stipulated under insider trading regulations to buy or sell, directly or indirectly, financial instruments related to a company or entity, including the Group
 - Do not recommend or suggest financial instruments to others based on insider information.
 - Maintain the confidentiality of insider information and do not communicate it to third parties.
- (iv) The department in charge of compliance periodically checks the operational status of this Policy and reports it to the Audit & Supervisory Committee and the Board of Directors.