



The MIKI HOUSE Group Statement on Modern Slavery for FY 2024

1. Introduction

This Statement on Modern Slavery (hereinafter referred to as this “Statement”) is a statement issued by the MIKI HOUSE Group based on the UK’s Modern Slavery Act 2015 and Australia’s Modern Slavery Act (with both acts on slavery hereinafter collectively referred to as “Modern Slavery Acts”). The MIKI HOUSE Group respects the content outlined in documents such as the Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. This Statement provides an outline of the efforts and activities undertaken by the MIKI HOUSE Group during FY 2024 (March 2024 - February 2025) to prevent human rights violations, such as modern slavery, forced labor, and human trafficking, from occurring within the Group’s corporate activities, businesses, and value chain.

2. Overview of the Businesses of the MIKI HOUSE Group

The MIKI HOUSE Group consists of 12 companies, with MIKI SHOKO CO., LTD. at its core. Established in 1971, MIKI SHOKO CO., LTD. has a workforce of 432 employees and annual sales of 18,269,000,000 yen. Together with the 11 other Group companies located in Japan and overseas, MIKI SHOKO CO., LTD. undertakes the planning, manufacture, and sale of children’s clothing and family-related goods, as well as cultural activities that include publishing, education, and support for child-rearing.

The MIKI HOUSE Group is also engaged in business activities through its UK subsidiary MIKI HOUSE U.K. LTD. This Statement is also published in Australia, as the MIKI HOUSE Group sells products via local partners based in the country although the Group has no group companies there.

* The information and data used in this Statement have been prepared based on those obtained by the end of February 2025.

3. Value Chain

The suppliers involved in manufacturing in the MIKI HOUSE Group’s value chain consist mainly of garment factories. Our products are manufactured both in Japan and overseas, namely, China, Korea, Vietnam, and Thailand. The MIKI HOUSE Group conducts transactions with 299 factories in these countries (as of the end of February 2024).

We recognize that the textile industry, which is centered around garment factories, is labor-intensive and entails a high risk of human rights violations such as forced labor. It has been pointed out that migrant workers in particular find themselves in a relatively vulnerable position. Accordingly, we have started with regular surveys of employment and working conditions of foreign technical intern trainees at our suppliers in Japan. We found that in FY 2024, technical intern trainees from China, Vietnam, Thailand, Myanmar, Cambodia, Sri Lanka, Indonesia, and the Philippines worked at factories in Japan that conduct transactions with the MIKI HOUSE Group. We also plan to start a survey of our overseas suppliers regarding migrant workers.

4. Policies Related to Modern Slavery and Human Trafficking

The MIKI HOUSE Group prepared a human rights policy, environmental policy, CSR procurement policy, code of conduct, and policy on migrant worker in 2018 and has been updating them from time to time based on input from external stakeholders. In 2023, we revised our human rights policy (in May) and environmental policy (in August) to further promote our efforts to respect human rights and to consider the impact of environmental issues on human rights. These policies were approved by the Board of Directors as policies related to modern slavery that are



applicable to the entire MIKI HOUSE Group. In addition, not only these policies but also the CSR procurement policy, the code of conduct, and the policy on migrant worker encourage all stakeholders of the MIKI HOUSE Group to promote efforts relating to sustainability activities.

- [mikihouse_group_human_rights_policy.pdf](#)
- [mikihouse_group_environmental_policy.pdf](#)
- [miki_shoko_csr_procurement_policy.pdf \(mikihouse.com\)](#)
- [miki_shoko_code_of_conduct_for_suppliers.pdf \(mikihouse.com\)](#)
- [miki_shoko_policy_on_migrant_worker_for_suppliers.pdf \(mikihouse.com\)](#)

5. Efforts to Prevent Modern Slavery and Human Trafficking Within the MIKI HOUSE Group and Within Our Value Chain

The MIKI HOUSE Group intends to identify and assess, and take measures against, human rights risks within the Group and its entire value chain, including logistics, by conducting human rights due diligence based on the MIKI HOUSE Group Human Rights Policy to respect human rights. The MIKI HOUSE Group intends to regularly disclose the details of these efforts and make improvements on an ongoing basis. We also intend to work to prevent direct and indirect human rights violations and human trafficking from taking place in relation to the manufacture or sale of our products or the provision of our services, through providing the Group's employees with training and education to raise awareness of respect for human rights. In the process leading up to the issuance of this Statement, the MIKI HOUSE Group engaged in discussion and cooperation with its 12 Group companies and their management teams and subsequently decided to pursue the following initiatives on an ongoing basis, with the ESG Promotion Department playing a central role in the Group's relevant activities.

- **Human Rights Due Diligence**

If negative impacts on human rights, or factors contributing to these negative impacts, are identified as being directly or indirectly caused by the corporate or business activities of any of the MIKI HOUSE Group companies, the relevant company will hold consultations with relevant stakeholders and will correct or remedy the situation through appropriate procedures. The Miki House Group has conducted human rights due diligence since 2019. Through these efforts, we have become aware of the materialization of potential modern slavery risks that are associated with (i) geographical factors, such as countries, mainly in Southeast Asia, where our production sites are located, or (ii) factors specific to individual manufactured products. These investigations have also identified many suppliers that employ migrant workers in Japan as technical intern trainees. Since the employment of migrant workers is considered to be associated with a relatively high risk of involvement in forced labor, the Miki House Group places utmost priority on measures related to the technical intern training system in Japan among the measures to mitigate human rights risks, and believes that it is important to continue the Group's engagement with its suppliers.

- **Human Rights Risk Assessments and Monitoring**

The MIKI HOUSE Group conducts self-assessment questionnaire (SAQ) surveys of its suppliers that are contract manufacturers. We also conduct on-site assessments based on those surveys to share information on issues and promote improvements. Migrant workers in particular are generally considered to be in

vulnerable positions. Accordingly, the MIKI HOUSE Group focuses on these workers in human rights risk assessments and monitoring. To ensure that these efforts are effective, it is important to build trusting relationships with our suppliers, and we intend to do so with transparency.

- **Complaint Handling Mechanisms**

Since 2020, the Miki House Group has introduced complaint handling mechanisms at its suppliers in Japan and overseas for the purpose of accepting consultation requests and reports from workers and helping them. In FY 2024, we improved the complaint handling environment by switching from the former app-based format to a consultation request form on the Web in order to further facilitate access, and made improvements to increase availability, operability, effectiveness, and so on. These mechanisms provide consultation services in Japanese, English, Chinese (traditional and simplified), Vietnamese, Burmese, and Cambodian (Khmer). If a consultation request or a report is received from a worker in relation to human rights violations or the like, the Group will help the worker in cooperation with relevant stakeholders, including NGOs, with utmost priority given to the protection of the worker who made the report or request. The mechanisms cover 299 factories in Japan and overseas. We have created tools for enabling effective use of the reporting systems, such as a guidebook for employees and a poster (Figure 1 below) for display at factories. In addition, in FY 2024 we distributed access cards (Figure 2 below) that contain a QR code that provides employees with convenient and instant access to the contact point, as part of our efforts to encourage employees to use the reporting systems.



Figure 1. The poster

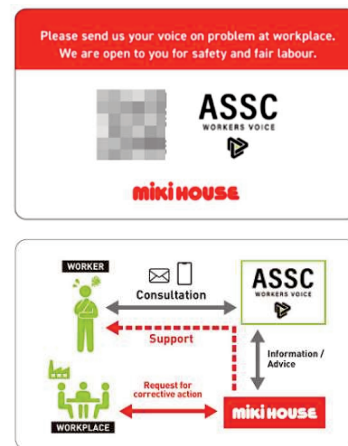


Figure 2. The access card. Top: the front side.
Bottom: the back side.

In terms of the FY 2024 results of the complaint handling mechanisms, as in FY 2023, no consultation requests/reports were received. However, the fact that no consultation requests/reports were received does not necessarily indicate that no problems exist. In fact, it is possible that the mechanisms for receiving complaints may not be functioning adequately or that workers may be in a situation where it is difficult for them to file complaints. We intend to work on improving the systems to make them more sustainable and effective, by checking, among other things, whether the tools mentioned above are utilized effectively to inform all workers of the contact points and are easy for workers to use, through continuous monitoring, surveys, etc.



- **Response to Transition of the Employment System for Migrant Workers**

The original purpose of the Foreign Technical Intern Training Program, which was instituted in Japan in 1993, was to contribute to the development of human resources who will support the economic development of developing areas by transferring technology or knowledge to these areas. However, in reality, the acceptance of migrant workers as low-cost labor gave rise to human rights violations and other problems, which have been criticized as major social issues in Japan and abroad. Under these circumstances, a decision has been made to transition the program towards human resource development and employment that take into consideration sustainability and respect for human rights, as well as countermeasures for labor shortages in Japan, and further towards the development of specific skills.

The new program will require suppliers that employ migrant workers in the textile industry to operate their businesses in compliance with international human rights standards or, more specifically, to undergo examinations by a third-party certification/auditing body and to be found to be in compliance with published audit requirements and other conditions.

The Miki House Group has already made voluntary efforts, such as conducting on-site assessments through specialized agencies, focusing particularly on suppliers that employ migrant workers. During these assessments, the management team and workers are interviewed to identify occupational health and safety issues.

In FY 2024, we conducted on-site assessments of five suppliers in Japan in cooperation with specialized agencies. The on-site assessments used audit standards which were established independently by the Miki House Group based on international human rights standards and which we believe are compliant with the new program. The assessments revealed no serious human rights violations, such as forced or child labor or human trafficking. However, the assessments did find some insufficiencies in the safety management of worksites, such as findings that evacuation routes are not secured sufficiently, route maps are not posted sufficiently, evacuation drills have not been conducted sufficiently, and hazardous materials or chemicals are not managed thoroughly enough. These findings were reported at closing meetings on the audit days and in audit/on-site inspection reports. We requested improvements by setting a deadline for each item and have been checking from time to time that the improvements have been made, through images, remediation reports, etc.

We have also worked to raise the entire Group's awareness of respect for human rights and to make further efforts across the Group, by regularly sharing and evaluating inspection results in order to have a common understanding within the Miki House Group.

In FY 2025 and beyond, we plan to continue to conduct on-site assessments by applying the Japanese Audit Standard for Textile Industry (JASTI), which contains audit requirements and evaluation standards established by the Japanese Ministry of Economy, Trade and Industry, with the intention of substantively complementing our existing voluntary audits and promoting our efforts towards greater respect for human rights. Furthermore, we aim to create better workplaces by conducting transparent on-site assessments and engagement, as well as worker interviews, to identify problems and challenges at early stages and take remedial measures.

On the other hand, we understand that while the JASTI contains the core labor standards of the International



Labor Organization (ILO), which are international human rights standards, the JASTI only sets the minimum standards to be complied with in the textile industry. Without excessive reliance on evaluations based on the JASTI, the Miki House Group, as a brand holder, intends to make efforts toward greater respect for human rights in order to fulfill its responsibility to address human rights violations and related negative impacts on human rights caused or facilitated through its business activities.

6. Training and Education

The MIKI HOUSE Group strives to increase ethical awareness among Group employees by continually providing training on areas such as the SDGs (UN Sustainable Development Goals), respect for human rights, discrimination and harassment, and corruption. In 2024, we revised our rules of employment. This included updating our work regulations, wage regulations, industrial health and safety regulations, and anti-harassment regulations and notifying them to all employees as part of our efforts to increase their awareness of respect for human rights. We believe that these efforts in relation to training and education of the MIKI HOUSE Group's employees will help promote awareness of human rights among our business partners and other stakeholders.

7. Future Initiatives of the MIKI HOUSE Group

Towards achieving our corporate mission of “bringing smiles to the futures of children and their families” through high-quality manufacturing which supports the healthy and prosperous growth of children and puts children first, which we have consistently pursued since our founding, the MIKI HOUSE Group intends to pursue various activities and initiatives in order to remain a corporate group that is indispensable to society in the future.

In particular, we intend to continually work on cooperation with suppliers by implementing procurement activities based on our CSR procurement policy, promoting human rights due diligence, and promoting responsible employment of migrant workers, while focusing on (a) continuous information collection from and follow-up with suppliers that employ migrant workers in Japan, (b) promotion of outreach efforts in respect of overseas suppliers and second-tier suppliers, and (c) promotion of the highly effective operation of complaint handling mechanisms.

In terms of our value chain as a whole, we intend to work on the prevention of forced labor and other human rights violations in our sales process leading up to the delivery of goods to consumers.

This Statement was prepared in consultation with a third-party non-governmental organization (NGO), The Global Alliance for Sustainable Supply Chain. The NGO periodically performs an evaluation of the MIKI HOUSE Group's efforts. We will take their evaluations into consideration in promoting and expanding our efforts to respect human rights.

This Statement was approved by the Board of Directors of MIKI SHOKO CO., LTD. on August 25, 2025.

Executive Director/General Manager of President's Office

Akio Mitsukawa