



DAISO INDUSTRIES CO., LTD.
1-1-14 SAIYO-YOSHIYUNIHIGASHI, HIGASHIHIROSHIMA-CITY, 739-8501 JAPAN
PHONE: +81-82-420-0100 FAX: +81-82-420-0102



**Daiso annual activities report (“Report”) regarding Fighting
Against Forced Labor and Child Labor in Supply Chains Act, SC
2023, C 9 (“Act”)**

**Joint Annual Report for Daiso Industries Co. Ltd and Daiso
Canada Co. Ltd.**

May __, 2026



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Daiso Group Structure, Activities and Supply Chains

Daiso Industries Co., Ltd. (hereinafter referred to as “Daiso Japan”) owns or operates over 5,000 retail stores across multiple countries. Daiso Japan has established a quality control division as the parent company of its affiliates including Daiso Canada Co., Ltd., (hereinafter referred to as “Daiso Canada”) to judge and evaluate the compliance of Daiso-branded products sold in Daiso retail stores in Canada with quality standards and legal standards as set forth in this Report.

Daiso Canada cooperates with the Daiso Japan Quality Control Division to check the quality and legal standards of products planned for sale at Daiso Canada stores, and imports and sells products that only comply with the legal and quality standards in Canada.

In this report, Daiso Japan and Daiso Canada are collectively referred to as the Daiso Group. Since Daiso Canada was established in March 2021, the quality control division within Daiso USA LLC, a subsidiary of Daiso Japan, was responsible for ensuring the compliance of goods imported to Canada. In 2024, Daiso Canada and Daiso Japan began working directly together to ensure compliance of goods imported to Canada.

Daiso Japan’s primary business is the direct operation of Daiso stores under its own brand by its own company and affiliates, the sale of products to customers by e-commerce, and the wholesale business of products to agents who operate Daiso stores. Daiso Japan sells products handled in the above business through procurement, inspection, import and export to its subsidiaries, including Daiso Canada..

In addition to the above products, Daiso Canada, may independently procure products with corporations based in Japan under the approval of Daiso Japan. Such products are called “locally purchased products.”

Daiso Japan cooperates with outsourcers who require expertise in the procurement, import, export, and sale of products sold at Daiso stores in each country operated by the company and group companies, and ensures transparency in the composition of products, confirms safety under the laws and regulations of each country, and conducts other necessary inspections and confirmations in the supply chain.

Daiso Canada imports products from Daiso Japan. When exporting to Canada, Daiso Japan inspects the quality of products and compliance with legal standards.

Daiso Group Policies and due diligence processes in relation to Forced Labor and Child Labor.

Daiso Japan conducts audits of suppliers involved in the procurement, sales, and wholesale business supply chain to determine whether there are any risks with those suppliers using Forced Labor or Child Labor. Forced, captive, indentured, trafficked or involuntary prisoner labor, in accord with applicable laws, must not be used by Daiso Japan suppliers. Child labor, in accord with applicable laws, must not be used by Daiso Japan suppliers.



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Products that pose a risk of violating Forced Labor or Child Labor laws shall not be procured by Daiso Japan or Daiso Canada. Examples of these products that pose such a risk include cotton and solar cells manufactured, produced or assembled in any way in China.

In addition, Daiso Japan and Daiso Canada have established systems to regularly review Canadian laws and regulations to ensure continued compliance.

Daiso Japan also ensures a Workplace Conditions Assessment is completed for its suppliers. An example of the Workplace Conditions Assessment is attached to this Report as Exhibit A.

Parts of the Daiso Group business and supply chains carry a risk of Forced Labor or Child Labor being used and the steps the Entity has taken to assess and manage that risk.

Daiso Group recognizes the risk of violating Forced Labor and Child Labor in the procurement of goods in the scope of its business activities. In addition, it conducts business activities in accordance with the labor laws and regulations of each country.

Measures taken by Daiso Group to remediate any Forced Labor or Child Labor.

Daiso Group will immediately suspend transactions with any business partner if a condition contrary to this Report is discovered in the course of investigation by Daiso Group.

Training provided by Daiso Group to its employees on Forced Labor and Child Labor.

Daiso Group provides compliance education for Forced Labor and Child Labor. In 2023, the following online classroom training was provided to employees of the Daiso Group, to ensure compliance with applicable laws.

- 1) Fair Trading Environment
- 2) Prohibition of Fraudulent Activities
- 3) Forced Labor Training

In addition, with regard to each supplier that poses a risk of forced labor and child labor due to the products produced or manufactured, Daiso Japan conducts investigations as described above and below to further the reduction of the potential for Forced Labor and Slave Labor. The survey items include the breakdown of employees employed by each supplier (Confirmation of management, number of foreign and migrant workers, number of employees below a certain age group, recruitment type and collection of recruitment fees), and if a condition contrary to a policy described in this Report is found, Daiso Japan will immediately cease conducting business with the supplier.



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Daiso Group assesses its effectiveness in ensuring Forced Labor and Child Labor are not used in its business and supply chains.

Daiso Japan periodically ensures supplier's factories are audited to compliance with applicable laws. Daiso Japan also conducts annual surveys and evaluations through outsourced contractors to suppliers which further removes risks of Forced Labor and Child Labor within the Daiso Group's supply chain. As of the date of this Report, no violations of Forced Labor or Child Labor laws have been identified with Daiso Japan suppliers.

In accordance with the requirements of the Act, Daiso Japan and Daiso Canada declare this Report to be accurate and complete in all material respects, for the reporting year listed above. By signing below, it is acknowledged that the signatories have the authority to bind the respective companies.

Daiso Japan (Daiso Industries Co. Ltd)



Name Taku Suzuki

Title Director for Overseas' Business

Date

Daiso Canada (Daiso Canada Co. Ltd).



Name Hiroshi Kubo

Title President

Date



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Exhibit A

