

Nittobo Code of Conduct

1. Code of conduct for responsibility as a provider of products and services

The Nitto Group is committed to developing and providing safe, effective, quality products and services that satisfy our customers and offer fair value. To achieve this goal, we are committed to identifying the true needs of our customers, pursuing safety from the development phase, and paying due attention to environmental issues during manufacture and other phases, thereby fulfilling our corporate responsibilities as a provider of products and services.

1-1. Developing and providing products and services that satisfy our customers

Recognizing our central mission—to contribute to society by providing better products and generating new value—we are committed to creating new technologies that meet customer needs and to pursuing research and development for new products. We put quality and safety before all else and strive to reduce costs through efficient and eco-friendly production, thereby realizing products that meet the needs of our customers.

1-2. Ensuring quality and safety

A fundamental duty of any company that provides products and services is to prevent accidents attributable to defects in such products or services. In particular, under the Product Liability Act (PL Act), companies bear liability without fault for damages attributable to safety-related defects. Ensuring quality and safety requires unremitting pursuit of safety and quality in accordance with the Nitto Group Quality Management Regulations. It is also important to communicate to our customers in a clear, appropriate, easy-to-understand manner important information, including precautions against use for purposes and in ways that differ from those intended and hazardous actions that must be avoided.

1-3. Providing appropriate information on products and services

Quality and price are important criteria by which our customers select products and services. Representations that make the quality or trade conditions of a product or service appear far better than the actual quality or trade conditions by alteration of data or incorrect inspection methods are prohibited under the Act against Unjustifiable Premiums and Misleading Representations and the Unfair Competition Prevention Act. The quality and price of a product or service must be well-grounded and appropriately indicated to give customers a reliable basis for their selection of products.

1-4. Preventing and responding promptly to complaints and accidents

The quality management needed to provide quality products and services and to prevent the occurrence of complaints and accidents is among our basic responsibilities. In the event of complaints or accidents, we are responsible for responding promptly and in good faith. In cases involving safety issues, we are responsible for taking every action to minimize damage in cooperation with relevant departments. Additionally, we are obligated to investigate causes from every angle and to adopt measures to avoid recurrences. Such responses help restore customer faith and confidence. Alongside efforts to develop better products, such actions can further strengthen the bond of mutual trust. To this end, we are committed to improving our internal systems and to providing the necessary training and education.

2. Code of conduct for compliance with applicable laws, ordinances, and social norms

The Nittobo Group recognizes that companies are public entities operating within a societal framework, responsible for compliance not just with laws and ordinances, but with social norms, as part of efforts to justifying societal trust and confidence. This is the *raison d'être* for any company, one that continues to apply so long as a company is a member of society. A wide range of laws and ordinances, including the Companies Act, apply to companies. However, the goal is not just compliance with the letter of the law, but pursuit of business activities in a fair and impartial manner, based on the spirit of legal compliance and an unshakable sense of ethics. For this undertaking, it is important that we pay special attention to the following topics:

2-1. Full compliance with Anti-Monopoly Act

Established to promote free and fair competition and to ensure that companies can act freely based on their own judgment, the Anti-Monopoly Act requires the special attention of every individual engaged in business activities. It is a violation of the Anti-Monopoly Act to agree on supplied quantities or prices or to engage in market share allocation with competitors; or to capitalize on advantageous positions to force unfair trade practices on counterparties. Similar laws in place overseas are referred to as competition laws. Such actions, when committed in relation to a product destined for an overseas market, constitute violations of the relevant country's competition laws. Violations of the Anti-Monopoly Act or competition laws not only impair societal trust in a company; they subject the company and persons in question to civil and criminal liability. We must fully understand the spirit and intent of these laws; avoid such actions, even in highly competitive environments; take all due safeguards to avoid wrongdoing; and act in a fair and transparent manner. We must be especially vigilant concerning participation in meetings of trade associations and making contact with competitors.

2-2. Respecting intellectual property rights

Intellectual property rights are intangible property rights arising from creative intellectual endeavors, including patents and utility model, design, trademark, and other industrial property rights, as well as copyrights to works of art, papers, or computer software. We are bound to respect these rights as the product of the wisdom and efforts of companies and individuals and to avoid any infringements thereof across our supply chains from a global perspective. We must refrain from actions such as unauthorized use of patented inventions, registered trademarks, and copyrighted works belonging to others.

Likewise, we are obligated to protect the intellectual property rights of the Nittobo Group. We will acquire, manage, and use intellectual property rights appropriately from a global perspective based on good faith considerations for the technological development and business activities of the Nittobo Group, our customers, and competitors. Conversely, we must respond effectively and appropriately to any infringements by others of Nittobo Group intellectual property rights.

In addition, trade secrets, or technical and business information kept in confidence, aspects widely recognized or well known as representations of products or businesses, and even the shapes of products also constitute intellectual property (rights). Note that obtaining or using other parties' trade secrets by inappropriate means, improperly impersonating something widely recognized or well known as a representation of

another's product or business, or mimicking the shape of another product may violate the Unfair Competition Prevention Act.

The trade secrets of the Nittobo Group, on the other hand, must be managed appropriately in accordance with the Intellectual Property Management Regulations and the Trade Secret Control Policy and Procedures. Likewise, the trade secrets of other parties, appropriately obtained, must be appropriately managed in accordance with the Trade Secret Control Policy and Procedures.

2-3. Export controls

Maintaining international peace and safety is essential for corporate activities. Control procedures must be established to prevent the use or diversion of exported products and technologies to develop or manufacture weapons of any kind, whether conventional or weapons of mass destruction. Before exporting products or technologies, we are bound to confirm that they can be legally exported under the Export Control Regulations.

Similar confirmation is required for products and technologies sold or provided for export purposes, even if they are not exported by us.

2-4. Ensuring compliance with applicable laws, ordinances, and social norms within the company

We must strive to collect information proactively, on a daily basis, on the social situation and the establishment, revision, and abolition of domestic and overseas laws and ordinances relevant to business activities and to deepen our understanding of these and related issues. Full compliance with such laws, ordinances, and social norms requires establishing necessary internal rules and promoting awareness within the company through education, training, and publicity activities.

If you suspect an action may be illegal or deviate from social norms, consult your superior and relevant departments to ensure appropriate action.

2-5. Tax compliance initiatives

Contributing to social progress by fulfilling tax obligations through corporate activities is another corporate social responsibility. It is vital to recognize appropriate tax payments in accordance with applicable domestic and international laws and ordinances as an important topic that contributes to economic and social development and to implement proactive tax compliance initiatives. Tax compliance failures can lead not just to direct risks such as tax litigation or penalties, but to loss of trust in the organization and declining relations between the Nittobo Group and the countries and regions in which it does business.

To fulfill its social responsibilities regarding tax affairs, the Nittobo Group consistently strives to promote awareness on tax compliance in accordance with the Tax Compliance Guidance.

3. Code of conduct for information

To ensure its survival as a trusted company, the Nittobo Group is obligated to increase its transparency and to disclose information on its business activities to the general public in a timely and appropriate manner.

Information is a key management resource for ensuring the smooth undertaking of business activities whose handling and management requires the utmost care because information improperly handled can threaten the very existence of a company.

3-1. Disclosing information in a timely and appropriate manner

As part of efforts to further dialogue with all stakeholders, we pledge to disclose in an accurate, impartial, and timely manner not just the information we are legally required to disclose, but information that may be useful in understanding our company, including management policies, management philosophies, and lines of business.

The Nittobo Group maintains internal systems to ensure timely and appropriate disclosure. When we receive disclosure requests from outside, the public relations or other department in charge will respond in good faith. When we receive inquiries about any information whose published/unpublished status is unclear, we must always consult the relevant departments before taking action.

3-2. Gathering and managing information appropriately

(1) Gathering information

When gathering information necessary for our business activities, we pledge to obtain this information by legal means and to refrain from illegal activities. We pledge to refrain from gathering information not needed for our business activities, especially personal information that may lead to discrimination.

(2) Managing trade secrets

Every piece of information in the company's possession (whether in the form of document, data, physical article, equipment, or otherwise) constitutes a trade secret. Any leakage of a trade secret poses the risk of crippling the company's ability to carry on. Employees have the duty of maintaining the confidentiality of company information and must manage company information appropriately and in accordance with the provisions of the Trade Secret Control Policy and Procedures.

(3) Managing personal information

Personal information is an information asset business enterprises are required to safeguard under the Personal Information Protection Act and other laws. Business enterprises must manage collected personal information so that the information is not leaked. Note that the Act basically prohibits the collection of information for unspecified purposes and the disclosure of personal information to third parties without the consent of the subject of the information.

The company retains personal information on its customers, employees, and so on. This information must be handled with the greatest care, used only for the intended purposes, and placed under strict controls to prevent improper disclosure.

(4) Managing information on information networks

The growth of information networks used for advanced information processing and information sharing increases the risk of unintended information disclosure. When using network systems, we must take precautions to prevent the misappropriation, alteration, or leakage of information, keeping in mind at all times our obligation to respect information belonging to or concerning others and to avoid damage to such parties.

3-3. Prohibition of insider trading

The Financial Instruments and Exchange Act bars insider trading, defined as selling or buying company shares or other negotiable securities based on important information

concerning the company's businesses (the issuance of shares, a dividend increase or decrease, a merger plan, a revision of a financial forecast, etc.) prior to public dissemination.

In accordance with Insider Trading Management Rules, the employees of the Nittobo Group must obtain advance permission before trading Nittobo shares. Any trading of Nittobo shares must follow these rules.

4. Code of conduct for the environment

Deeply aware of its obligations to transfer our precious global environment to the next generation in the best condition possible, the Nittobo Group recognizes environmental protection as a prerequisite in all phases of corporate activities and business development, both domestic and overseas, for corporate growth and survival. This entails a responsibility for the following issues:

4-1. Addressing environmental issues

We pledge not merely to abide by legal requirements, but to grasp their underlying philosophies and principles; prioritize environmental protection; and address climate change, make effective use of resources, reduce hazardous substance emissions, preserve biodiversity, and implement other measures to lessen our environmental impact systematically and continuously. Based on this commitment to environmental issues, we generate new business opportunities and social value.

4-2. Addressing climate change

We pledge to address the global issue of greenhouse gas emissions by promoting energy conservation and expanding use of renewable energy.

4-3. Making effective use of resources

We must make effective use at all times of our limited resources and promote environmentally-aware activities in all our business activities, ranging from research and development to procurement, production, distribution, and sales, as well as in all phases of the product life cycle, from use to disposal. This focus will contribute to environmental protection and to technological innovation and long-term profitability.

4-4. Reducing hazardous substance emissions

Reducing hazardous substance emissions is key to protecting the earth's environment. We are responsible for reducing emissions of hazardous chemical substances, including those regulated under the PRTR Act, and for promoting substance control and systematic emissions reductions to reduce environmental risks such as air, soil, and water pollution. Additionally, we pledge to encourage our counterparties to make similar efforts.

4-5. Preserving biodiversity

Recognizing that biodiversity is essential to a sustainable society, we pledge to contribute to society through efforts to preserve biodiversity and the development and promotion of products and technologies that help preserve biodiversity.

(1) We will account for the impact of business activities on biodiversity and strive to preserve biodiversity and make sustainable use of resources.

- (2) We will account for the impact of our supply chains on biodiversity and strive to achieve coexistence with nature.
- (3) We will strive to develop products and technologies that account for the environment and contribute through their provision and promotion to the preservation of biodiversity.
- (4) We will comply with domestic and international laws, ordinances, and other provisions concerning biodiversity.
- (5) We will help establish a society that nurtures biodiversity by raising employee awareness of biodiversity and through communication with stakeholders.

4-6. Consideration for local communities

Efforts toward harmonious coexistence with local communities are a critical aspect of business activities. We must pay attention at all times to the safety, health, and the environment of local communities when engaging in business activities; strive to enhance interactions with community stakeholders; and promote communication to gain trust and understanding of our efforts.

4-7. Enhancing environmental awareness and practicing green activities

We pledge to promote and undertake education, information provision, and other activities that will help all employees maintain high awareness of issues related to the environment, safety, and health, striving to pass on to the next generation our recognition of the importance of environmental awareness.

There are many daily opportunities for both the company and employees to consider environmental issues and to practice green activities, including waste reduction. Each such activity contributes to the environment.

To implement these policies, we are committed to voluntary, proactive environment management pursuant to the Environmental Charter.

As specific goals, we pledge to establish voluntary environmental policies, management standards, and action plans for each business site; make continuous improvements; and provide the general public with information on these activities.

5. Code of conduct for human rights

The Nittobo Group recognizes respect for human rights as an important aspect of its corporate social responsibility. We support international norms such as the Universal Declaration of Human Rights, the United Nations Global Compact, and the United Nations Guiding Principles on Business and Human Rights. Accordingly, we have identified the following policies concerning respect for human rights and will promote their permeation both inside and outside the organization. We believe it is vital for each and every employee to act based on these policies to fulfill our responsibility to respect human rights in all business activities.

5-1. Understanding of and respect for human rights

In addition to efforts to understand internationally acknowledged human rights, we will strive to respect the human rights of all those involved in the business activities of the Nittobo Group and to refrain from any violation thereof. We will also promote the permeation of this outlook through appropriate education and training and other efforts.

5-2. Human rights due diligence

We will develop and properly implement a set of processes (human rights due diligence) necessary to investigate, assess, and address the impact of business activities on human rights.

5-3. Prevention and rectification of human rights violations

In addition to advance efforts to ascertain in advance, prevent, and mitigate potential violations of human rights, we will act to swiftly rectify and remedy any violations that may arise through appropriate internal and external procedures.

5-4. Prohibition of discrimination

In hiring, treatment, and all other corporate activities, we will pay due regard to individual human rights. We will refrain from discrimination and other actions detrimental to individual dignity for reasons such as race, ethnicity, nationality, language, religion, belief, creed, social status, age, gender, academic background, disability, sexual identity, or sexual orientation.

5-5. Prohibition of child labor and unfair labor practices

We will employ employees in accordance with the laws and ordinances of individual countries and regions and with international norms. We prohibit forced labor and child labor of children under the minimum working age specified by laws and ordinances.

5-6. Respect for basic labor rights

We respect the rights of employees to organize and to engage in collective bargaining, based on international norms, while complying with all laws, ordinances, and labor practices of each country and region.

5-7. Contributing to an inclusive society

The Nittobo Group seeks to contribute to an inclusive society in which all can find acceptance and support, free of exclusion, through efforts to support the independence of the most vulnerable in society, who are most at risk of human rights violations.

6. Code of conduct for respect for individuality and personality

The Nittobo Group is firmly committed to establishing sound working environments in which all employees are accorded due respect in the spheres of human rights, individuality, personality, and privacy and in which all employees receive fair, impartial treatment and equal opportunity, free of illegal labor and discrimination. We must create an environment of mutual trust in which all are free to work to the best of their abilities. These are the baseline requirements both for establishing a working environment characterized by flexibility and opportunity and for business activities at the highest levels. We consider compliance with the following guidelines to be crucial to achieving these goals.

6-1. Creating a working environment that makes the most of every employee's originality

The Nittobo Group will be fair, impartial, and transparent in its personnel affairs, including employment, assignment, evaluation, and promotion, so that every employee's originality, creativity, and self-motivation are turned to good account, regardless of

factors such as nationality, gender, age, disability, sexual identity, or sexual orientation. We seek to create working environments in which each and every individual is respected and can fully demonstrate their individual abilities, based on effective support in areas such as career building and skills development. We pledge to establish working environments that provide flexibility with respect to annual leave (in hourly installments) and in working formats, including flextime and work from home. We will maintain and improve work systems that enhance both productivity and employee satisfaction and allow personnel to exhibit their individual capabilities and originality. However, it is the people at the workplace who actually use these systems and create the working environments in which they can exhibit their own capabilities and are motivated to take up new challenges. We have high expectations for our employees with regard to their enthusiasm to build workplaces in which they can achieve self-realization and job satisfaction.

6-2. No discrimination, no harassment

The workplace must remain free of discrimination or harassment based on race, ethnicity, nationality, language, religion, belief, creed, social status, age, gender, academic background, disability, sexual identity, sexual orientation, and other such factors. We pledge to take stringent action to ensure that this remains the case.

One social issue prevalent in these times is harassment (sexual harassment, power harassment, etc.). Harassment constitutes an encroachment of human rights and degrades the working environment. In addition to harassment, practices such as child or forced labor, improper treatment of foreign workers, and unreasonable disparities based on differences in forms of employment must not be tolerated. We will commit ourselves to their prevention and proper settlement.

6-3. Adhering to the Equal Employment Opportunity Act for Men and Women, etc.

Creating a working environment in which employees can work pleasantly and demonstrate their capabilities is not only a must for a society supported by both men and women, but important for maintaining the vitality of society.

The Equal Employment Opportunity Act for Men and Women prohibits discrimination based on gender and disadvantageous treatment due to pregnancy and childbirth. The Nittobo Group is committed to realizing substantial equality of opportunity and fostering a working environment in which both male and female employees can work with a sense of security.

6-4. Compliance with labor laws

The Nittobo Group abides by the Labor Standards Act and other labor-related legislation and pledges to refrain entirely from the use of illegal labor.

7. Code of conduct for safety and health

The Nittobo Group strives to maintain the safety and comfort of its workplaces, spaces in which much of our time is spent. As part of these efforts, we abide by all applicable laws and rules, monitor workplace safety, implement precautions to prevent industrial accidents, and strive to promote mental and physical health. We believe the following guidelines are crucial to achieving these goals:

7-1. Preventing industrial accidents

Eliminating industrial accidents is a precondition for creating safe, comfortable, and pleasant working environments. This goal requires 100% compliance with all applicable rules by all of us. Daily education, guidance, and training are essential to preventing industrial accidents. All employees are responsible for maintaining high safety awareness at all times and for taking an active role in safety activities, including proposing improvement plans. Safety equipment must be inspected and maintained at all times. In particular, it is vital for equipment used to handle hazardous materials and explosive and high-pressure gases to be inspected and maintained at periodic intervals.

Other efforts to prevent industrial accidents include establishing themes and techniques for the entire company, including activities to strengthen 5S activities and develop risk assessments. Traffic accidents pose another major issue. We are all responsible for taking appropriate measures to ensure traffic safety, whether on or off duty.

7-2. Managing health

The mental and physical health of employees is crucial not just for themselves, but for their families and for the company. Each and every employee is responsible for being aware of and managing his or her own health condition.

The company takes all necessary measures to help employees improve and maintain their health. In addition to periodic health and stress checkups and workplace hygiene management, the company strives to constantly improve the systems needed to safeguard employee health, including medical counseling to prevent lifestyle/occupational diseases and for mental health.

8. Code of conduct for corporate philanthropy

Business enterprises today are expected to carry out business activities in harmony with societal interests and to act as good corporate citizens in supporting society and advancing alongside it.

The Nittobo Group contributes to social progress by providing improved products and services. Beyond this, the Nittobo Group pursues social contribution activities in recognition of its responsibility to contribute to society.

In developing our business overseas, we also engage in social contribution activities while operating businesses based on due consideration of local cultures, customs, and situations.

8-1. Communicating with local communities

Growing and operating in harmony as well as valuing relations with local communities as good corporate citizens is vital for business enterprises.

We must maintain steady efforts, such as allowing local communities to make use of company facilities, holding factory tours and public meetings, participating in cleanup campaigns, and supporting education.

We consider it our duty to provide aid and support for disaster prevention and relief activities in the event of a disaster or other emergency.

8-2. Supporting social contribution activities

Volunteering for disaster relief and working to improve community welfare are significant activities for society. The company encourages and supports volunteerism and social contribution activities among its employees and strives to maintain and improve its internal systems to allow employees to proactively participate in such activities.

9. Code of conduct for relationships with counterparties

In its sales and purchasing transactions, the Nittobo Group pledges to abide by all applicable laws, ordinances, social norms, and customary trade practices; respect the position of all parties involved; and implement fair trade practices. We must follow proper procedures and act in moderation at all times, seeking to avoid unjust benefits, whether given or gained. Gifts and entertainment must remain within the bounds of common sense. We must take all due care to avoid violating legal provisions and social norms in these activities.

9-1. Fair sales transactions

Sales transactions must be based on appropriate negotiations in good faith. Explanations of products and services must be accurate and well-grounded.

Rebates and discounts for sales promotion must comply with established standards, free of arbitrary judgments by individuals. They must be paid only to direct purchasers or others of a similar nature.

9-2. Proper purchasing

When purchasing the materials needed for our business activities, we are responsible for providing business opportunities to a wide range of potential suppliers. We are committed to avoiding special and undue treatment for any party and for providing fair and rational evaluations of quality, price, delivery, and other parameters. We will never prioritize personal interests or relations or provide preferential treatment to specific parties.

The Subcontract Act prohibits certain price undercutting practices, refusing to receive delivery, and delaying payment without reasonable justification. We are obligated to take all due care to ensure that our terms of business with partners and other parties do not differ unfairly from those with general suppliers. Purchasing conditions must be evaluated and determined for each transaction. We must ensure that no single purchasing transaction is conditional upon another transaction, whether a specific exchange, aggregation, or lending or borrowing.

The Nittobo Group's business activities would not be possible without the cooperation of our counterparties. We strive to achieve coexistence and coprosperity alongside our counterparties through fair and transparent transactions based on mutual respect for each other's position.

9-3. Responsible procurement for a sustainable society

Business enterprises must engage in responsible procurement in support of a sustainable society. The Nittobo Group has established the Nittobo Group Sustainable Procurement Policy, which sets forth our approach to achieving a sustainable society through our supply chains. The Nittobo Group will communicate this Group policy to our suppliers and ask for their understanding.

In addition, we will monitor supplier initiatives through questionnaires and on-site inspections and provide support as needed when issues must be rectified.

9-4. Maintaining moderation when giving or receiving gifts and entertainment

As part of our business activities, we may give gifts and entertainment as needed to business counterparties and other stakeholders to build deeper relationships. Nevertheless, we must take care to ensure that such gifts and entertainment remain within the bounds of common sense in terms of content and frequency; that they will not

endanger our reputation or that of our counterparties; and that they are not subject to legal restrictions. The same applies to gifts and entertainment offered to us. We must also be mindful of the standards of conduct our counterparties are obligated to observe, if they happen to have such. Further, we must keep in mind the following, depending on the nature of the counterparties:

- (1) As a general rule, we do not give gifts or entertainment to officers or employees of government agencies and similar public organizations. Should gifts or entertainment be appropriate under certain conditions, they may be provided with the approval of the relevant superior and in accordance with the standards of ethical conduct of the relevant government agency or the like.
- (2) Offering gifts or entertainment to foreign government employees and to the officials and employees of similar public organizations may constitute a violation of the Unfair Competition Prevention Act of Japan or may be punishable under applicable foreign laws and regulations. Since even gifts and entertainment through third parties may create the impression of Company wrongdoing, it is vital when hiring local representatives to employ sufficient care: for example, by evaluating their track record and reputation and verifying their business operations in a timely and appropriate manner.
- (3) Receiving and providing gifts and entertainment between Group companies is prohibited. The same applies in principle to our business partners. Keep in mind the spirit of moderation at all times for luncheons/banquets that form an integral part of meetings and specific events as well.
- (4) Receiving gifts and entertainment requires an equal degree of care and sense of propriety to providing them. The company may be harmed if receipt of gifts and entertainment unduly affects vendor selection.

9-5. Addressing conflict minerals

Conflict minerals refer to minerals extracted under conditions that involve conflict or human rights violations. Since use of conflict minerals may unwittingly provide support to armed groups or contribute to human rights violations such as child labor, it is vital to demand that suppliers refrain from procuring materials that may contain conflict minerals and to conduct the necessary checks.

10. Code of conduct for risk management

To fulfill their social responsibilities while increasing corporate value in the face of the increasingly diverse and complex risks accompanying increased globalization, business enterprises must establish risk management structures and respond systematically. It is essential to avoid and minimize risks and reduce potential losses by ascertaining and assessing them at all times and implementing preventive measures. We pledge to consider disaster prevention in our everyday practices, both domestically and internationally, thereby safeguarding the lives, property, and health of employees and their families. We believe acting in accordance with the following guidelines is critical to achieving these goals:

10-1. Development of risk management structures

The Nittobo Group has established basic policies and management structures for risk management in its Rules for Risk Management. Based on these basic policies and

management structures, the Risk Management Committee, chaired by the Representative and CEO, manages various business risks appropriately and strives to minimize risk.

10-2. Rejection of antisocial forces

The Nittobo Group categorically rejects any illegal and undue demands from and any relationship with organized crime groups; companies affiliated with organized crime groups; corporate racketeers; and other antisocial forces seeking to gain economic gain through violence, intimidation, or fraud. Pursuant to the basic principle articulated in the following phrase—“No fear of, funds to, use of, or affiliation with” antisocial forces, we are committed to a firm response to and sustained systematic efforts against any relationships with antisocial forces.

Keep in mind that any ties to antisocial forces pose the risk of instant and total loss of the reputation nurtured and established over many years of operations, jeopardizing the existence of the company.

(1) Antisocial forces seek to gain their operating funds from business enterprises by various means, including demands for financial support or subscriptions to or advertisements in magazines and newsletters; taking advantage of corporate weakness to extort money or goods; demanding ongoing sales transactions; or establishing companies pursuant to legal procedures to enter into business relationships.

We must categorically reject all such demands, even if they pose potential benefits to our company. Even ordinary commercial transactions with persons whom we recognize as antisocial forces constitute the provision of benefits banned under the prefectural Organized Crime Exclusion Ordinances and will result in social sanctions. The fact of simple association with antisocial forces will help them proliferate. Business enterprises are required to sever all links to antisocial forces.

(2) At the Nittobo Group, we are prepared to take quick, organized action, while prioritizing the safety of employees, in accordance with our basic policy that we will categorically reject any illegal and undue demands from and relationships of any kind with antisocial forces. Immediately report any such demand to your superior, whether actually made or anticipated. Your superior in turn will contact and consult with the Risk Management Department concerning the subsequent course of action. The Risk Management Department will contact law enforcement authorities and take other appropriate measures at the earliest possible stage.

Keep in mind that you must not seek to resolve such issues on your own. Share your concerns across the entire organization to ensure the fastest and most effective response, free of undue fear. Taking the easy way out can often highlight weaknesses that counterparts may seek to exploit, eventually leading to even more serious consequences.

10-3. Preparing for disaster

Earthquakes, wind damage, flooding, fires, and other disasters happen without warning. For us to be able to promptly confirm the safety of employees and damage to facilities and equipment in the event of an emergency and to make the quickest possible recovery, preparedness in normal times is a must. Training and education pursuant to the Nittobo Group Disaster Prevention Regulations and a business continuity plan (BCP) is crucial to honing our ability to respond promptly to emergency situations. Keep in mind that things that are difficult under normal conditions become near-impossible in emergencies.

Furthermore, all disaster equipment and supplies must be constantly inspected and maintained.

10-4. Managing crises overseas

With the expansion of the company's business operations overseas, opportunities for overseas assignments and business travel are also increasing, putting us at greater risk of exposure to civil disturbances, riots, and terrorism. We have already established Overseas Crisis Management Regulations to ensure the safety of and to manage risks associated with employees working abroad. We have also introduced internal systems that put the lives and safety of employees first. In contrast to accidents in Japan, however, we can expect significant difficulty in contacting employees in the event of overseas incidents. Every employee must be duly prepared for emergency situations, including the preparations needed to maintain a level perspective and to permit calm, decisive action in the event of an emergency.

We will devote considerable energy to crisis management training and education for those slated to travel or transfer overseas, striving to collect and convey information on dangerous regions and emergencies. You must pay careful attention to this information and act accordingly.

10-5. Cybersecurity

Cybercrime and cyberterrorism are increasing every year, with wide-ranging consequences. Recognizing cyberattacks targeting information networking environments as significant risks, the Nittobo Group strives to ensure cyber security on an everyday basis based on compliance with the Information Systems Management Regulations and various internal notices on IT security.

11. Code of conduct for thorough compliance with the Nittobo Behavior Program and the Nittobo Code of Conduct

To remain a company trusted by society, it is vital that Nittobo Group executives and employees act in accordance with the Nittobo Behavior Program and the Nittobo Code of Conduct. For this reason, executives, including senior management, must take the lead and set a good example, while also developing and maintaining internal systems that are sound, efficient, transparent, and effective. For the Nittobo Behavior Program and the Nittobo Code of Conduct to become firmly established and permeate among all employees as the basis of everyday activities, it is essential to implement continuous and proactive education and training and to recognize that compliance with laws, ordinances, and social norms and thorough enforcement of corporate ethics are fundamental to organizational survival and increasing corporate value.

11-1. Development and operation of internal control systems

The Nittobo Group maintains and strives to appropriately implement systems for carrying out everyday business activities properly and efficiently in accordance with rules and for preventing improprieties and errors (internal control systems). Employees must perform their duties appropriately in thorough compliance with laws, ordinances, social norms, and corporate ethics under these systems. In addition to sharing and ensuring thorough understanding of their details within the organization, it is important to review the systems periodically in light of current circumstances and to take steps to ensure that they function effectively and appropriately in the workplace.

11-2. Use of the Corporate Ethics Helpline (internal whistleblowing system)

Overlooking a real or potential violation of the Nittobo Behavior Program and the Nittobo Code of Conduct may lead to significant damage to the company. Rather than keeping such matters to oneself, employees who have learned of such actions must seek to resolve them in the workplace by consulting with or reporting to a superior or colleague. In most cases, such issues are solvable within the workplace through discussions or consultations with a superior. In certain cases, it may be difficult to resolve the situation in the workplace due to an uncooperative workplace or a situation in which it is difficult to consult with or report to a superior or colleague. The Nittobo Group has established and operates the Corporate Ethics Helpline as an internal whistleblowing system that thoroughly protects whistleblowers—for example by protecting their privacy and prohibiting any disadvantageous treatment—and as a contact point at which employees can consult on or report such cases with peace of mind. The Corporate Ethics Helpline may be used in addition to organizational reporting lines to resolve such issues.

11-3. Encouraging cooperation in supply chains

Establishing a truly prosperous and sustainable society requires the promulgation of the spirit and behavior of the Nittobo Group set forth in the Nittobo Behavior Program and the Nittobo Code of Conduct—not just within the Group, but throughout its supply chains. We will strive to make all members of our supply chains aware of the Nittobo Behavior Program and the Nittobo Code of Conduct and encourage them to take similar actions based on an understanding of and shared approach to our social responsibility.

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