

Code of Ethics

Chapter 1: General Principles

(General principles)

1. The Code of Ethics sets forth the fundamental rules of conduct, compliance (obeying laws and regulations), and the Ethics Committee for NANYO Corporation and affiliates (hereafter “the Company”).

(Purpose)

2. The purpose of the Code of Ethics is to gain trust from the society by establishing the corporate ethical guidelines. The Company’s fundamental principle is to comply with the Code of Ethics.

Chapter 2: Rules of Conduct

(Responsibilities of Board Members and Managers)

3. Board members and managers shall acknowledge that realization of the following rules of conducts is their task. They must take initiatives and have everyone informed about the rules.

(Principles of Conduct)

4. The Company shall truthfully obey all laws and regulations in every aspect of managerial activities and act with social decency.

(Provision of Safe and High-Quality Products and Services)

5. The company shall provide its customers safe and high-quality products and services which it develops with superior skills and abundant experiences.

(Proper Labeling)

6. The Company shall correctly label the quality and contents of products and services it provides to customers.

(Fair Competition)

7. The Company shall have fair and free competition with its rival companies.
 2. The Company must not use fraudulent means to sell or receive orders for its products.

(Relationships with Government and public Administration)

8. The Company shall maintain healthy and normal relationships with government and public administration.
 2. The Company must not make illegal donations. It also must supply unlawful advantages or bribes.

(Provision of Corporate Information)

9. The Company shall provide appropriate and timely corporate information to its stakeholders such as customers, partner companies, shareholders, and investors.

(Approaches to Environmental Issues)

10. The Company shall acknowledge the importance of environmental issues. Its shall take approaches like effective utilization of natural resources and energy conservation to proactively tackle these issues.

(Safety and Health of Employees)

11. The Company should ensure the health and safety of its employees and provide a comfortable workplace.

(Realization of Comfort and Fullness of Employees)

12. The Company should improve the work conditions to provide its employees with comfort and fullness in an economical, emotional, and temporal sense.

(Respect for Individualities and Right of Employees)

13. The Company shall respect the individualities and rights of its employees. It must not discriminate against anyone due to their gender, beliefs, physical appearances, or their place in the society.

(Interaction with Local Community)

14. As a good member society, the Company should interact with and contribute to the local community by participating in social activities.

(Relationships with Antisocial Forces)

15. The Company shall assume a firm stance toward the antisocial forces threatening the social order and health of our corporate activities.
2. The Company shall not supply any economic advantages to antisocial forces.

(Related Party Transactions)

16. The company shall fulfill accountability about the related party transactions to the Internal Audit Committee, and then shall be approved at board meeting. The board meeting shall confirm rationale for the transactions and appropriateness of terms and conditions of the transactions.

(Violation of the Rules of Conduct)

17. In the event a severe incident violating the Rules of Conduct is discovered, all members of the Company on the initiative of the president should determine the cause of the incident to prevent future recurrences.
2. The Company shall fulfill its obligation to promptly and accurately disclose all information about the incident to people in and outside of the Company.
3. The Company shall sanction all the employees, including the president, who are associated with the incident.

Chapter 3: Compliance

(Responsibilities of Employees)

18. All employees when carrying out their tasks must take into account the Company's fundamental policies and observe all laws and regulations with good faith.

(Prohibited Conduct)

19. All employees are prohibited from:
 - (1) Violating the law.
 - (2) Instruction other employees to violate the law.
 - (3) Soliciting other employees to violate the law.
 - (4) Tolerating other employees who violate the law.

(Refusal)

20. All employees must refuse suggestions from people in the same business to engage in illegal conduct.

(Reporting)

21. Employees have an obligation to report immediately to the general manager of administration when they detect illegal conduct by other employees.
2. Reporting shall be made by any means including verbal communication, telephone, e-mails, and letters.
3. Reporting can be made anonymously.
4. Retaliation to the reporter will not be tolerated.

(Investigation)

22. The general manager of administration shall immediately investigate the illegal conduct upon receipt of a report. The general manager shall meet with the Internal Audit Office.
 2. Reporting shall be made in principle by telephone at 090-8220-7244 and/or e-mails honbu@nanyo.co.jp.
 3. The investigation must be carried out fairly and objectively.

(Reporting to the Ethics Committee)

23. The general manager of administration shall provide the findings of the investigation to the Ethics Committee. The role of the Ethics Committee is defined in Chapter 4.

(Sanctions)

24. The Company shall issue disciplinary action against employees violating the law.

(Limits to Exemption of Liability)

25. Employees shall not be exempted from disciplinary actions for illegal conduct due to:
 - (1) Not having the knowledge of the law.
 - (2) Not having intention to violate the law.
 - (3) Intention to benefit the Company

(Self-Auditing)

26. All employees must always ask themselves if their ideas and conducts are in accordance with laws and good social senses.

(How to Self-Audit)

27. Self-audits discussed in the previous article shall be performed using the compliance card for compliance.
 2. Employees must always carry the compliance card with them or keep it where it is readily accessible.
 3. The Human Resources and General Affairs Group shall prepare the compliance card, be accountable for it to new employee(s), and then hand it out to her/him/them when she/he/they join(s) the company.

(Consultation to the Head Office)

28. Employees must consult with their supervisors when they are unsure about the legality of their conduct and decision-making.
 2. The supervisors must consult with the administrative headquarters or corporate lawyer when they cannot determine the legality of the matter.

(Suspension/ Discontinuation of Conduct)

29. Employees must suspend the conduct in question until they are notified about the legality of the conduct from the consulting supervisor.
 2. Employees must discontinue the conduct when the supervisor determines that the conduct is illegal or possibly unlawful.

Chapter 4: Ethics Committee

(Purpose)

30. The Company shall establish an Ethics Committee (hereafter referred to as “the Committee”) to practice lawful, fair, and faithful management.

(Duties)

31. The duties of the Committee are as follows:
 - (1) To inform and educate employees about observing the law.
 - (2) To confirm the facts of illegal conduct reported.
 - (3) To issue orders to discontinue illegal conduct.
 - (4) To investigate the cause of illegal conduct and to formulate and implement preventative measure.

(Members)

32. The Committee shall consist of a director and auditors.

(Responsibilities)

33. The Committee must base their actions on great moral values and strictly acknowledge that it is extremely important for the Company to practice lawful, fair, and faithful management. The Committee must execute its duties in good faith.

(Chairperson of the Committee)

34. The president will be the chairperson of the Committee. The chairperson shall control overall activities of the Committee.
 2. When the chairperson cannot fulfill their duty due to accident, another member of the Committee, in pre-appointed order, assumes the position.

(Meetings)

35. Meetings of the Committee shall take place upon direction of the chairperson and come into effect with participation of over half its members.

(Executive Office)

36. The Executive Office of the Committee shall be assumed by the Business Administration Division, Human Resources and General Affairs Group.

(Meeting Minutes)

37. The Executive Office shall prepare the minutes of the meetings.

(Discontinuation Order)

38. The Committee shall immediately issue an order to the responsible department to discontinue illegal conduct when such conduct is revealed through investigation.

(Investigation and Implementation of Preventive Measure)

39. The Committee must investigate the cause of the illegal conduct and must formulate and implement preventive measures.

(Suspension of Duties)

40. When a member of the Committee is involved in illegal conduct, the member's duties shall be suspended until the investigation is completed.

(Training of Ethics and Compliance)

41. In order to inform and educate the employees about ethics and compliance, the Committee shall give proper trainings to the employees as needed.

(Supplementary Provisions)

1. The Code of Ethics shall be established or modified based on the standards for code management.
2. The Code of Ethics was established and adopted on October 1, 2007.
3. The Code of Ethics was modified and adopted on March 1, 2008.
4. The Code of Ethics was modified and adopted on October 1, 2016.