

Sodick Group Corporate Ethics
Charter & Code of Conduct
(Compliance Guidelines)

Sodick Group Corporate Ethics Charter

This Sodick Group Corporate Ethics Charter sets forth a Charter that must be complied with by all companies in the Sodick Group, and all Sodick executives and employees (hereinafter referred to collectively as “Sodick Group”).

Sodick Group shall abide by this Ethics Charter as one of its key responsibilities. The Group shall use maximum effort in familiarizing everyone in the Group with the Charter and firmly establishing its principles. It shall also publicize the Group and endeavor to obtain the understanding of customers and business partners.

If a situation arises that may conflict with this Charter, the Group as a whole shall attempt to solve the problem, investigate its cause, and implement measures and improvements aimed at preventing recurrence.

1. Implementation of fair and sound corporate activities that comply with legal requirements and social norms

Sodick Group shall conduct corporate activities with a social conscience, based on legal requirements and social norms.

Further, Sodick Group shall not have any involvement with individuals or groups that negatively influence the social order or sound corporate activities.

Sodick Group shall engage in fair, transparent, and free competition.

Further, it shall maintain a normal and healthy relationship with political and administrative institutions.

Sodick Group shall comply with the laws and regulations of international society, respecting the cultures and customs of other countries. It shall conduct business operations so as to contribute to the development of the local economies and aim to further its development as a global company.

2. Contribution to society through the supply of superior products

Sodick Group shall supply world-leading products that fulfill market needs.

3. Respect for personal qualities and individuality of employees, realization of a comfortable and stimulating work environment

Sodick Group shall value each employee's initiatives and creativity, cultivating a corporate climate in which these are properly made use of in business activities.

Sodick Group shall ensure workplace safety and protect the health of employees. It shall also value human rights and ensure a healthy workplace environment free from discrimination.

4. Respect for the position of stakeholders

Together with all stakeholders, including customers, business partners, shareholders, and employees, Sodick Group shall strive to maintain a positive and healthy relationship with society.

Sodick Group shall communicate widely with individuals and groups in the community, conveying information about the company pro-actively, in a fair manner.

5. Aiming to become a model "corporate citizen", contributing to the local community

Sodick Group shall endeavor to maintain a close and cooperative relationship with the local community, supporting its development.

6. Contribution to protecting the global environment and creating a livable, affluent society

Sodick Group derives various benefits from the Earth's environment, including the natural resources necessary for its business operations. Therefore, Sodick Group recognizes that it is its responsibility to protect and improve the environment.

“Sodick Group Corporate Code of Conduct (Compliance Guidelines)”

Sodick Group shall conduct its corporate activities in accordance with this Corporate Code of Conduct. Any behavior deemed to contravene this Code shall be subject to the penalties prescribed in the Company Rules and other regulations.

Chapter 1 Promotion of Business Activities

1. Research and development

Based on the core ideals of “Souzou”, “Jikkou”, and “Curou wo Kokufuku”, which mean create, implement, and achieve, Sodick Group shall aim to contribute to the improvement of the quality of life of people all over the world by constantly pursuing the world’s most advanced technology through invention, discovery, and improvement, and creating the ultimate products.

2. Procurement

Sodick Group’s business activities are made possible only with the cooperation and support of numerous people involved in various fields of business, particularly its suppliers of the raw materials and parts necessary for production.

Valuing the relationship of trust enjoyed with its diverse domestic and overseas clients, Sodick Group shall work together with them in the procurement of goods and services.

3. Production

Sodick Group shall undertake daily production activities based on its mission as a manufacturer to “develop quality products that are truly useful to people, produce them as economically as possible, and supply the necessary quantities at the appropriate prices”.

4. Sales

Sodick Group shall support its customers and aim to secure their satisfaction and confidence through constantly providing superior products.

Further, Sodick Group shall strive to contribute to society through free and fair price competition.

In order to achieve this, Sodick Group employees shall always show their gratitude in customer relations, aware that they each represent the Company, and engage in fair sales activities with a social conscience.

5. PR and advertising

Through PR and advertising activities, Sodick Group shall improve the value and recognition of its brand by giving wide publicity to the company's business policies, products, technology and other activities.

Then, by enhancing the popularity of and confidence in its brand, Sodick Group shall aim to promote sales and develop the business.

6. Product safety

Sodick Group shall ensure the safety of its products in all areas of business so that customers can feel secure when using the Group's products.

7. Management of information

Sodick Group shall ensure thorough processes for internally managing its confidential information acquired during its business activities, as well as the confidential information obtained from clients and others, and personal information of related parties.

8. Compliance with laws and corporate ethics

Sodick Group shall always comply not only with its legal obligations but also with corporate ethical responsibilities, or what might be termed business rules.

Compliance with laws and corporate ethics in every facet of business, both domestically and overseas is a basic precondition for Sodick Group to continue to exist as a corporate member of society, and is also at the core of business management. Sodick Group shall endeavor to maintain the trust of society through compliance with legal and ethical obligations.

9. Promoting the maintenance of free and fair competition

Sodick Group shall comply with antitrust laws in its business activities, not only in Japan but also overseas, and endeavor to maintain and promote free and fair competition.

10. Positive and strong relationships with business partners and related parties

Sodick Group strictly prohibits against giving or receiving undue benefits in commercial domestic and overseas transactions.

Sodick Group shall make correct judgments and act with restraint to avoid being misunderstood by society and damaging its reputation.

(a) Relations with purchasers

Sodick Group shall always aim to sell products at appropriate prices without giving excessive discounts to particular purchasers contrary to accepted norms.

Sodick Group shall ensure that entertainment of and gifts to purchasers are kept within common sense levels and must never grant favors such as individual, arbitrary rebates and commissions.

Payment of gratuities and sales promotion fees as official company expenses shall always comply with the ordinary approval rules of each department.

(b) Relations with suppliers

Selection of suppliers shall be based on reasonable criteria such as price, quality and delivery schedules.

It shall be prohibited, in principle, to accept entertainment invitations and gifts from suppliers, and these shall be declined or returned promptly.

(c) Relations with public bodies such as government agencies and local government authorities

Particularly in relation to entertainment and gifts, relations with staff from government agencies and local government, etc. shall be in accordance with the National Public Service Ethics Law and the National Public Service Officials Ethics Code.

11. Protection of intellectual property rights

Since intellectual property rights are rights pertaining to the by-product of human intellectual activity and relate to business confidence, they are given express legal protection. These rights include industrial property rights such as patents, utility models, industrial designs and trademarks, and copyright protection awarded to artistic works, computer software and so on.

Intellectual property rights are valuable resources in today's economic society and deserve wide-ranging protection internationally. Sodick Group shall use its best efforts in the creation and protection of the Group's intellectual property rights, and at the same time always respect and avoid infringing others' intellectual property rights.

Chapter 2 Sodick Group's relations with society

1. Harmony with the natural environment

Our natural environment is irreplaceable and is necessary for human survival.

Sodick Group's business activities rely on the many resources the Earth bestows on us, particularly its energy resources and the resources necessary for production.

On account of this, in order to protect the environment for future generations, Sodick Group shall do its utmost to ensure that its business activities and products in all parts of the world have the least possible impact on the global environment.

2. Information disclosure

Sodick Group shall disclose at appropriate times using appropriate methods the information truly needed by society, excluding trade secrets and information subject to a contractual confidentiality obligation. Sodick Group shall actively communicate with local society, ensuring that corporate activities are fair and transparent and do not deviate from social expectations.

Sodick Group shall take the initiative in conveying information required by all stakeholders including customers, business partners, shareholders, investors, employees, and the local community according to their positions and involvement with the company, and not merely information for which it has a legal requirement to disclose.

Through their daily communication activities, Sodick Group shall properly identify the kind of information required by each position, and respond with sincerity through each relevant department.

Further, Sodick Group shall handle requests for disclosure of information according to the following policy.

- Do not refuse without proper cause.
- Never make any statement that is contrary to fact.
- If something cannot be said, state clearly that this is the case.
- Do not give different responses to different people or disclose different contents depending on the requester.

3. Contribution to the community

Sodick Group shall endeavor to build close and cooperative ties with the local community, maintaining a positive relationship. In the event of a natural disaster, etc. Sodick Group

shall actively cooperate with the community in disaster prevention and relief activities.

Further, Sodick Group shall take the initiative in actively promoting interaction with local society.

4. Compliance with laws and regulations

Sodick Group shall comply with laws and regulations of each countries where we operate business, and conduct corporate activities based on a social conscience and social norms.

The Sodick Group recognizes that serious violation of laws such as anti-trust law and unfair competition prevention law may directly impinge on the Group's existence, and vows to never engage in such activities.

In particular, Sodick Group solemnly accepts that compliance with the following types of laws and regulations is a vital requirement of the company and company group, and sincerely undertakes to comply with them.

(a) Foreign Exchange and Foreign Trade Law

Sodick Group shall comply with the "Security Export Control Program", and all persons engaged in export business shall maintain a constant sensitivity to international affairs.

(b) Financial Products Exchange Law

Sodick Group shall comply with insider trading regulations, and must never engage in behavior such as selling or purchasing shares before publicizing important corporate information it has become aware of that would influence investors' decisions.

Further, Sodick Group must never engage in account-rigging or other such behavior that would betray the trust of stakeholders and cause confidence in the company to be lost.

(c) Political Funds Control Law and Public Offices Election Law

Sodick Group shall comply with the Political Funds Control Law and Public Offices Election Law, ensuring openness and fairness in its political activities as a company and company group.

(d) Laws prohibiting corruption, etc.

Sodick Group shall never grant improper favors to public servants in relation to the performance of their duties, either in Japan or overseas.

5. Repudiation of anti-social forces

Sodick Group shall not have any involvement with individuals or groups that negatively influence the social order or sound corporate activities. In particular, those involved in management shall set the example by acting with propriety, without being intimidated by anti-social forces.

If a criminal organization or the like uses a product complaint or other such strategy to intimidate and/or try to extract an illegal financial benefit from Sodick Group (organized crime in civil disputes), Sodick Group shall act “with fortitude, without fear, without provoking, underestimating or making inappropriate statements and without giving in to their demands”. The Group shall respond as an organization without isolating individual employees.

Further, the assistance of the police and legal practitioners shall be utilized as much as possible.

Chapter 3 Relations between the company and employees

1. Respect for personal qualities and individuality of employees

Sodick Group shall work to maintain and improve its personnel system and employment conditions, valuing the personal qualities and individuality of each employee and enabling them to experience a sense of achievement in their work.

Further, staff evaluation shall be conducted objectively and fairly. Sodick Group shall acknowledge employees to be individuals offering distinctive talents, with a high level of specialist knowledge and creativity.

2. Respect for privacy

Sodick Group shall respect the privacy of each employee, being careful and thorough when dealing with personal information, and manage information appropriately.

3. Respect for human rights and prohibition of discriminatory treatment

Sodick Group shall ensure a sound work environment in which no person is harassed or discriminated against due to their ethnicity, beliefs, race, sex, religion, nationality, language, physical features, wealth, place of birth, or other such reasons.

In particular, Sodick Group views as unacceptable the kinds of harassment that are increasingly becoming social problems, including sexual harassment, power-based harassment and administering pressure to drink alcohol. If a problem occurs, Sodick

Group shall promptly investigate the matter and take firm measures to assist the victim and prevent recurrence.

4. Ensuring a safe and healthy work environment

Sodick Group shall place top priority on ensuring safety and health in all business processes, and for this purpose shall comply with all related laws as well as internal rules, regulations and so forth.

(a) Elimination of workplace accidents

The safety and health of people is more important than anything.

Eliminating workplace accidents requires compliance not only with legal obligations but also with company health and safety regulations, etc. Further, measures to eliminate potential problems shall be implemented at the organizational level, with all staff improving their ability to detect danger and hazards in the daily performance of their duties before they arise.

(b) Environmental protection and disaster prevention

It is the responsibility of a corporate group that has strong ties to the local community to comply with environment-related laws and regulations.

To protect the environment, surrounding places of business, and the environment of the local community, all Sodick Group staff shall implement the ‘Sodick Environmental Philosophy and Environmental Policy’ in their work.

Sodick Group shall formulate disaster prevention regulations for the prevention of disasters as well as the minimization of damage in the event of a disaster. These regulations shall be made use of in preventing disasters and minimizing damages.

5. The enactment of this “Sodick Group Corporate Code of Conduct (Compliance Guidelines)” and any repeal or amendment hereof shall be undertaken by decision of the Board of Directors.