

Suncall Group

Code of conduct

To All of the Suncall group employees

We have conducted corporate activities with the purpose of building good relationships with various stakeholders (interested parties: customers, local residents, governments, shareholders, etc.). Maintaining and expanding relationships is essential for the company's survival and development.

Corporate activities are the accumulation of the actions of each and every employee working in the company. Therefore, in order to be a company that is favorably accepted by various stakeholders, all employees must comply with laws and regulations, respect "social norms", and act in accordance with corporate ethics. The thoroughness of the "compliance" is essential.

It was more than 20 years ago that companies began to actively work on "compliance" in Japan. During that time, "compliance" has expanded its scope to corporate's "social responsibility" (CSR), and has become more sophisticated and complex. At the same time, social norms are also changing. What was "right" in the past may not be "right" in the present age. In that sense, "compliance" can be said to be "activities that should be continuously addressed on a daily basis, while responding promptly to the demands of a changing society, and incorporating them into our work and life.

"Compliance Promotion Activities" at Suncall have been promoted by the Compliance Committee, based on the thorough dissemination of the "Code of Conduct" established in 2003. We appreciate and recognize the daily activities and steady efforts of initiatives such as the "Compliance Reinforcement Week" at each workplace, and no major issues have occurred to date as the outcome of the high awareness from each one of you.

This "Code of Conduct" is organized into two categories, "CSR Policy" and "Code of Conduct", in accordance with the "increasing sophistication and complexity of CSR" and "changing in social norms" mentioned above. In other words, we have a "CSR policy" that shows our company's overall approach to CSR both inside and outside the company, and a "code of conduct" that shows that Suncall employees can act with an awareness of the practice of compliance.

This document titled "Suncall Group Code of Conduct" covers all the content that should be communicated to employees, including an explanation of the "hotline (reporting system)". This applies to all employees, including executives, employees, and temporary employees. Each employee is encouraged to follow this code of conduct as a guideline for daily work, and take sensible and responsible action in daily life as a member of the Suncall Group and a member of society.

Compliance Committee

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I Suncall Philosophy

I-1.

Management Philosophy
 TECHNO PROGRESS & CREATIVE CHANGE
技(Gi) 翔(Syo) 創(Sho) 変(Hen)

I-2.

Basic Philosophy of the Corporation
 (CORPORATE MIND IN MIND)

We define our business theme as

"To create technology-intensive precision products"

For society, it is our raison d'être to

"To provide wisdom and quality inside of the products we create,"

and we are targeting to

"Become a company with a strong corporate culture, internationality, and technological capability that makes a lasting impression to people's hearts."

Our corporate principle is to strive toward

"Prioritize public morality, Respect for people, Balanced management, Cosmopolitan Outlook, and Be one step ahead of the market. Esteem challenging mind (CHALLENGE), Pay careful attention (CARE), and Be Sensitive (SENSIBILITY); Be fair (FAIRNESS), Possessing a wider vision (FLEXIBILITY), and Be creative (CREATIVITY); Follow the rules (RULE), and foster the good teamwork (COOPERATION)."

For the people who get to be involved with us,

"We promise a higher performance leading to mutual profits."

And all of the above, we promise

"To supply suitable price, suitable quality, suitable machine (3S) to the customers.

"To conduct fair and open-door policy, and consistent transactions" to the suppliers.

"To provide fair performance evaluation and be a company that everyone take a pride" to the employees.

"To perform steady management and stable dividends" to the stockholders.

"To be a good neighbor" to the community.

II CSR Policy

II-1. Corporate Social Responsibility (CSR)

▶ Action with Corporate Social Responsibility (CSR) in mind

SUNCALL group's executive officers and employees shall always conduct responsible actions with CSR (Corporate Social Responsibility) in mind as a member of society.

II-2. Fair Trade and Ethics

▶ Compliance with laws and social norms

We shall respect and follow the laws and regulations, and obligate the social norms.

▶ Earning trust from customers and business partners

We shall earn the trust by responding sincerely to our customers and business partners.

▶ Handling Anti-social Forces

We shall have no relationship with antisocial forces that threaten social order and safety, and have no compromise on unreasonable demands. We shall correspond with a resolute attitude.

II-3. Information Management

▶ Information management and confidential leakage prevention

We shall not illegally acquire or use trade secrets or other confidential information owned by the third parties such as customers and business partners. If duly obtained through business activities such as product manufacturing and distribution, we shall properly manage to prevent leakage.

▶ Protection of personal information

We shall obtain all personal information related to employees, customers, business partners, etc. in a legitimate manner, and strictly manage and protect the information.

▶ Prohibition against insider trading

We shall not conduct insider trading. We shall not leak insider information to customers, business partners, family, relatives, acquaintances, friends, etc.

▶ Protection of intellectual property

In addition to protecting our intellectual property, we shall value the intellectual property of others, and manage it appropriately to prevent unauthorized use and infringement.

II-4. **Environmental Conservation**

Through our business activities, we shall promote environmental management in order to contribute to both a prosperous society and environmental conservation.

II-5. **Safety and Health**

In order to prevent accidents and health problems from occurring during work, we shall promote the creation of a workplace environment which provides a sense of security and satisfaction to the employees.

II-6. **Quality**

We shall commit to quality to meet the expectations of our customers.

II-7. **Technology**

We shall plan, research and develop, and manufacture and distribute safe products; understand social demands and customer needs accurately with conservation of the global environment.

II-8. **Stakeholders**

▶ **Respect for Human Rights**

We shall respect the human rights of each individual and respond with dignity.

▶ **Environment creation toward self-actualization of the employees**

We shall strive to provide professional development opportunities for our employees to improve the skills and knowledge necessary to our business.

We shall focus on to create a pleasant, safe, and comfortable work environment.

▶ **Coexistence with Local Communities**

We shall place importance on awareness of being a member of the community, and initiate and preserve an attitude of progressing together.

▶ **Promotion of Communication with Society**

We shall make efforts to deeply listen to social voices through open and fair communication, and reflect these voices in our business activities.

III. Code of Conduct

III-1. Corporate Social Responsibility (CSR)

Action with Corporate Social Responsibility (CSR) in mind

We shall conduct responsible actions as a member of society with pride and awareness of being SUNCALL group's executive officers and employees.

We shall not only observe laws and regulations, social norms, and company rules, but also be aware of social common sense and manners, and make efforts to respond to social trust through making actions to be proud of as a part of business based on corporate ethics.

[Supplementary information] We should speak and act with common sense even outside the company. We should strictly refrain from incurring debts through gambling activities or illegal acts. As relates to alcohol consumption, we should maintain self-control so as not to allow alcohol to take control of our lives, and not force others to drink. Enjoy alcohol consumption within the bounds of common sense. As for cigarettes, we should be careful not to cause discomfort to others.

III-2. Fair Trade and Ethics

Compliance with Laws, Regulations, and Social Norms

We shall observe laws and regulations, and social norms.

We shall seek to be a company that is trusted in each country and region, conducting corporate activities in accordance with not only domestic, but also international laws and regulations, practices, and social rules and norms.

We shall understand and comply company regulations including office regulations and other company rules based on their purposes. Also, we shall improve and revise various rules according to changes in values of the times.

[Supplementary information] It is not correct to think that we can do anything as long as we do not break the law. The standards of social norms, ethical values, social common sense, and manners for social life alter with the times. We should always verify that our values correspond to these changes.

[Supplementary information] What are social norms?

Compliance with applicable laws and regulations of each country such as child labor, forced labor, wages, and working hours; respect for human rights, non-use of conflict minerals; freedom of association, the right to organize and bargaining collectively, and other laws, standards, and regulations around the world; furthermore, ban on any relationships with antisocial forces. (Underline details, refer to below)

[Child Labor]

- We do not use child labor.
- The working age shall be 15 years old, the minimum working age or the age at completion of compulsory education according to the applicable laws and regulations of each country, whichever is the highest.
- We do not use employees under the age of 18 for hazardous work.
- Vocational training and apprenticeship shall be allowed for employment only to the extent permitted by the applicable laws and regulations of each country.

[Forced Labor]

- We do not use forced labor, or slave labor.
- We can ensure that all labor is voluntary, and our employees can leave their jobs freely.
- We do not require our employees to hand over passports, official identification cards or work permits as a condition of employment.
- All employees must be legally employed.

[Wages]

- We shall pay salaries to employees in compliance with applicable laws and regulations in each country regarding minimum wage, overtime, wage deductions, piece wages, and other benefits.
- We shall provide legal required payment.
- Salary and other payment, company benefits and deductions shall be communicated to employees in a timely and clear manner in compliance with applicable laws and regulations in each country.

[Working Hours]

- We shall comply with the applicable laws and regulations of each country and region that stipulate the determination of employees' working hours (including overtime), the granting of holidays and annual paid leave, and other matters.

[Freedom of Association]

- We recognize the right of employees to freely associate or not to associate in accordance with the applicable laws and regulations of the countries we conduct business activities.
- We shall ensure that employees have the right to communicate openly and directly with management without fear of retaliation, intimidation or harassment.

Compliance of the contracts

We shall respect contracts with customers and business partners, accurately fulfill our obligations in accordance with the agreements, and strive to build and maintain relationships of mutual trust through sufficient communication.

Compliance with competition laws (Antimonopoly Act, Unfair Competition Prevention Act, Subcontract Act, etc.)

We shall comply with the competition laws (Antimonopoly Act, Unfair Competition Prevention Act, Subcontract Act, etc.) of each country and conduct our business in accordance with sound and fair business practices. We shall not engage in violations, such as private monopolies, unfair trade restrictions (cartels, bid rigging, etc.), unfair trade practices, or abuse of a dominant position.

[Supplementary information]

Prohibition of abuse of dominant bargaining position

Abuse of a dominant bargaining position refers to the use of a company in a superior position, such as a subcontractor or a long-standing business partner, to make unreasonable demands or conduct forced transactions contrary to normal business practices.

Unless otherwise officially decided by the company, we shall not dispatch employees, request cooperation money, or demand personal matters (such as recruitment) to our business partners.

We should not force our business partners to acquire other companies' information and other companies' confidential information by using our superior position.

Earning trust from customers

For customers, we shall be aware of being representatives of SUNCALL, and always make a sincere, precise, timely, and trusted response.

We shall listen to every customer's voice, think from the perspectives of our customers, make customer-oriented responses, and intend to make creative suggestions to generate new values.

We shall respond sincerely to customer complaints, which will lead to quality improvement and recurrence prevention.

Establishing Relationships of Trust with Business Partners

We shall build fair and healthy relationships of trust with our business partners based on a wide range of mutual understanding, such as compliance with laws and social norms and global environmental conservation, and strive to strengthen partnerships while pursuing mutual development.

(Reference) Obligation of competition laws, and prohibition of abuse of dominant position



Fairness in opening doors

We shall provide equal opportunities, and fairly open our doors to business partners and candidates. We shall select suppliers by prescribed procedures, and conduct fair-trading.

Management of export transactions

In accordance with laws and regulations related to export transaction management, we shall conduct transactions with the products and technologies to be exported after confirming whether they are regulated items.

Responsible procurement of resources and raw materials

We shall conduct procurement activities in consideration of the impact on local communities of the use of raw materials (e.g., conflict minerals from Congo, conflict minerals (3TG), etc.) that may cause social problems such as human rights violations and environmental destruction, and shall avoid using them when there are concerns.

[Supplementary information] Congo's conflict minerals

Minerals (3TG: tin, tantalum, tungsten, and four mineral resources of gold + cobalt) produced in the Democratic Republic of the Congo and surrounding countries, and the minerals that fund the activities of armed groups in the region.

Business entertainment and gift-giving

We shall not offer or receive excessive business entertainment, gifts, money to or from customers, suppliers, and other business partners for the purpose of gaining or maintaining unfair profits or unfair preferential treatment. (Corruption prevention)

[Supplementary information] It is necessary to respond carefully even in the customary Japanese middle and year-end holidays. When eating and drinking together, please avoid placing a financial burden on the other party.

When providing entertainment, receiving entertainment, or responding to ceremonial occasions, please do not make decisions alone, but consult with your supervisor thoroughly.

Healthy relationship with Politics and Governments

We shall make political contributions and donations in accordance with the laws of each country, and strive to build transparent and fair relationships with politicians and government officials. We shall not engage in unfair collusion such as excessive entertainment and gifts, both public and private, and avoid suspicious relationships.

[Supplementary information] Gifts of money or goods to employees of government offices are prohibited by law. Even overseas, it is prohibited by law to provide benefits such as bribes to foreign public officials, so the same care must be taken as in Japan.

Handling anti-social force

We shall have no relationship with antisocial forces that threaten social order and safety, and we shall not compromise on unreasonable demands and reject resolutely.

[Supplementary information] When making a new contract or transaction, it is necessary to pay attention to whether the other party is involved in antisocial forces such as so-called organized crime groups. Not knowing is not an option.

III-3. Information Management

Information Management

We will not disclose confidential information such as trade secrets, customer information, technical information, etc. obtained through business activities such as the manufacture and sale of products, and the identity of our company. Treat all information as an important asset and strictly manage it, and we shall endeavor to never leak information to the outside (competitors, customers, business partners, mass media, acquaintances, family members, parents, relatives, etc.). We will not publish it to an unspecified number of people on blogs on the Internet, SNS, etc.

[Supplementary information] If confidential information such as trade secrets, customer information, and technical information is leaked, the company's profits and social credibility will be lost. In addition, there is a risk of counterfeiting and plagiarizing by outsiders if the company's product information is leaked or exposed.

Confidential Leakage Prevention Measurement

We shall pay attention on a daily basis to prevent the leakage of work-related information and data so that it can be accessed only by authorized people. For taking information outside the company or responding to provision or request for information from third parties, we shall provide great consideration, handle it with caution by consulting superiors, etc., and conduct prescribed procedures.

Support for e-commerce and protection against threats on computer networks

In order to communicate efficiently and effectively between customers, business partners, and within the company, it is important to exchange information quickly and with high accuracy. We strive to be e-commerce responsive and to prevent damage by taking defensive measures against threats on computer networks.

[Supplementary information] Example measures are shown below.

1. Protect the screen with a password when leaving your desk, and turn off the power source when leaving the room to prevent your PC from being used or glanced at by others.
2. Appropriately lock offices, manufacturing facilities, and lockers and cabinets at each workplace.
3. Store electronic data including confidential information on a server, etc., and make sure not to allow your PC to be stolen.
4. For taking in-house information outside the company, prescribed procedures are required. In particular, avoid exposure of important documents and important prototypes with extra caution, and provide consideration for protection against theft by storing documents and prototypes in a lockable place, etc. Organize and control customer-entrusted drawings and other materials on a customer-by-customer basis to prevent accidental leakage of information.
5. When sending e-mails outside the company, take measures to prevent the leakage by password-protecting attached files, etc., in consideration of the degree of secrecy.
6. Dispose of paper materials and information media by destroying them in an appropriate manner.
7. Conduct interviews with visitors in the lobby, a reception room, or conference room. In principle, visitors are prohibited from entry into offices and production floor.
8. If entry into office(s) or production floor(s) is unavoidably required, obtain specific permission, and then provide consideration related to security means and information leaks to the extent as much as possible.

Privacy Prevention

We shall obtain all personal information about our employees, customers, and business partners, etc. in a legitimate manner, strictly manage, use, and protect it to an appropriate extent.

[Supplementary information] In the event of a leakage of personal information, it will cause great pain and damage to the victim due to misuse. In addition, for those who cause an accident, there may be irreversible situations such as the burden of apologies and alimony, damage to corporate brand value, and loss of social credibility.



Prohibition of insider trading

We shall not conduct insider trading. Also, we shall not leak insider information to customers, business partners, family members, relatives, acquaintances, friends, etc. Before trading treasury stock, we shall always submit an "application for trading stocks, etc." to the company and obtain approval. [Supplement 1] Insider trading refers to trading of securities, such as stocks, of our company (including subsidiaries and affiliates: hereinafter referred to as "our company").

[Supplementary information1]

Insider trading refers to trading of securities, such as stocks, of our company (including subsidiaries and affiliates: hereinafter referred to as "our company, etc.") or business partners by executive officers or employees, etc. who have knowledge of the important managerial facts as a matter of duty before disclosure of the important facts. It also refers to trading of securities, such as stocks, of our company, etc., or business partners by those who have been informed of the important facts by executive officers or employees, etc., who have knowledge of their important managerial facts as a matter of duty before disclosure of the important facts. These include all transactions whatever their name is: family members, acquaintances, and others.

[Supplementary information2] Through work, sometimes you might come across important facts such as Suncall's financial results that have not yet been made public. Buying and selling securities such as shares of the Company, etc. for one's own economic gain corresponds to insider-trading.

In this case, not only will the person who engages in insider trading be subject to civil and criminal sanctions, but Suncall's social reputation will drop significantly.

[Supplementary information3] In April, 2014, the revised Financial Instruments and Exchange Act regulated not only the act of transmitting information, but also the act of recommending trading. It is prohibited for company officials who have knowledge of undisclosed important facts from transmitting information or recommending transactions to others for the purpose of making them gain profits (elude losses) by making them trade before disclosure.

Protection of Intellectual Property

We shall protect our intellectual property, and also value others' intellectual property.

More specifically, we shall consider how products under development can be privileged as our intellectual property and differentiated from others, while considering the likelihood of their infringement on others' rights.

We shall handle (transfer, grant, loan, disclosure, etc.) our and others' intellectual property with precaution, and conduct necessary procedures, such as approval of the right holder.

[\[Supplementary information1\]](#) "Intellectual property" means inventions, ideas, new plant varieties, designs, work and other things created by human creative activities (discovered or elucidated laws or phenomena of nature), trademarks, trade names and other items indicating goods or services used in business activities, trade secrets and other technical or business information useful for business activities.

(Intellectual Property Basic Law Article 2)

"Intellectual property" is protected by law as an "intellectual property right". It helps to avoid counterfeiting of other companies and to secure the superiority of the company.

[\[Supplementary information2\]](#) For example, "intellectual property rights" include:

Patent right:

Gives patentees the right to practice their inventions and protects their inventions.

Utility model rights:

Protect ideas related to the shape of an object, etc.

Design right:

Protect industrial design.

Trademarks/Trademarks/Service Marks:

Protect business credibility (brands) embodied in trademarks.

Copyright:

Protect the creative expression of thoughts and feelings (Copyright Law, Berne Convention, TRIPS Agreement). Distribution rights include reproduction rights, performance rights, performance rights, screening rights, public transmission rights, dictation rights, exhibition rights, distribution rights, transfer rights, rental rights, translation rights, and adaptation rights.

We should perform control and not to infringe on others' intellectual property rights such as by making illegal copies in-house of computer software and the like.



III-4. **Environmental Conservation**

We shall comply with relevant laws and company rules regarding the environment.

(Reference) Environmental Law, Recycling Law, etc.

We promote people and environment-friendly "manufacturing" through the construction and operation of an environmental management system that complies with ISO 14001.

In our daily work, each and every one of us strives to eliminate "unreasonableness, wastefulness, and unevenness", thoroughly conserves resources and energy, and aims to create an environment-friendly workplace.

In addition to complying with the environmental laws and regulations of each country, we strive to develop and manufacture products with excellent performance that are environmentally friendly, such as global warming prevention, resource conservation, and recyclability.

For the realization of the above statements, we shall ask for the understanding and cooperation of suppliers of materials and parts.

[Supplementary information] The above statements also include management of chemical substances included and disclosure of their information, and certification of non-inclusion of customer-specified prohibited substances.

III-5. **Safety and Health**

We shall comply with relevant laws and company rules regarding health and safety.

We shall make effort to prevent disasters and accidents, and report any deficiencies to superiors.

For buildings, on-site facilities, production equipment, etc., we shall establish the necessary safety standards and implement safety measures through periodic audits.

We shall prepare a manual for responding to accidents, fires, etc., and conduct drills regularly.

Assuming possible disasters and accidents, we shall prepare measures for emergency response, and make them thoroughly known in workplaces.

In addition, we shall support employee to maintain healthy lifestyles through health-enhancing activities and guidance to prevent diseases at workplaces.

III-6. **Quality**

We shall control quality by recognizing that "quality is a major premise of our business".

We shall work toward developing technologies and innovating production engineering, satisfy both cost reduction and quality maintenance, and pursue cost-competitiveness.

III-7. **Technology**

Based on the increasing importance of technology in the three fields of environment, safety, and comfort, we shall accurately grasp the demands of society and the global environment and the needs of our customers, and embody them ahead of others, and have as many as customers to benefit from it.

III-8. Stakeholders

Respect for Personalities and Human Rights

We shall protect human rights and respect for personalities.

[Supplementary information] The concept of Suncall's symbol is "reliability as a company", and represents the consolidation of "technology", "information", "wisdom", and "people". "A company is its people."

We should not only develop the abilities of the executive officers and employees employed at SUNCALL but also respect their human rights, and aim to be an active group of people with fair evaluation, treatment, and place the right person in the right position.

We shall never accept unjustifiable discrimination and harassment.

[Supplementary information] We should respect the human rights of officers and employees; discrimination, harassment, unfavorable treatment, and employment/treatment based on status/status, age, nationality/registered domicile, gender, unmarried/married, religion, physical disability, etc. must not be reflected.

In addition, we do not ask employees to undergo medical examinations or physical examinations that may lead to unfair discrimination.

Environment creation toward self-actualization of the employees

We shall always strive for self-improvement, maximize our abilities, and strive to make the workplace a place for self-fulfillment.

[Supplementary information] Versatility and diversity of executive officers and employees are SUNCALL's greatest asset. Workplaces are a field of experience and a field of education through our duties. We should support the growth of each other, enhance our morale, and maintain workplaces where each other's self-actualization is achieved.

Safe, clean and comfortable working environment

We shall work to create a bright and comfortable workplace. Maintain a safe, clean, and communicative workplace where employees can work safely and efficiently. In order to keep orders in the workplace, we shall raise the morale to prohibit harassment related to human rights and personal activities related to politics and religion.

[Supplementary information]

1. We should be organized voluntarily.
2. It is prohibited to carry out political, religious, and personal activities other than tasks at workplaces
3. We should understand the Labor Standards Act and relevant laws and regulations, and should not do anything that violates laws.

Report, Communicate, Discuss System

As for information obtained internally and externally, we shall ensure reporting, communication, and discussion to appropriate departments in a timely manner, regardless of good or bad information.

Prohibition of sexual harassment

We take responsibility for our own actions and refrain from actions that may damage our credibility as members of society. Even in public places, we shall act and speak in a sensible manner that is appropriate for a Suncall officer or employee.

[Supplementary information] Sexual harassment is an act of making the other person feel uncomfortable or requesting a form of affection from him or her by sexually-oriented conduct.

Examples are given by explicit or implicit sexual requests, such that a superior forces someone to go with him or her by using his or her position at a workplace.

A particular example is to force a subordinate to have a relationship or make a sexual request on condition of his or her employment security, favorable treatment for personnel evaluation, etc.



Prohibition of power harassment

In the workplace, we shall not engage in words or deeds that go beyond what is necessary and reasonable for the job, and that are against the background of a superior relationship that harms the working environment of workers.

Pay close attention to your own behavior (physical/mental aggression, disconnection from relationships, excessive/small demands, personal infringement).

[Supplementary information] “Workplace power harassment” refers to an act of giving mental or physical pain to workers at the same workplace or worsening the work environment beyond the appropriate bounds of tasks against the background of the position, human relationship, or other superiority at the workplace. “Superiority” is wide-ranging in the background, not only from superiors to subordinates but also between seniors and juniors, between colleagues, etc. “Workplace power harassment” is an unforgivable act that impairs the dignity and personalities of workers. Also, not only those who receive it but also people and companies around them suffer significantly. For example, “workplace power harassment” includes such acts as:

1. Violence, injury (physical attack)
2. Threat, defamation, insult, verbal abuse (psychological attack)
3. Segregation, ostracization, neglect (isolation from human relationships)
4. Forcing of obviously unnecessary or impossible matters, disturbance of work (imposition)
5. Ordering of irrational, low-level work far from abilities and experiences, not giving work (underrating)
6. Excessive intrusion into private matters (invasion of privacy)

Distinction between business policy and private interest

- **Prohibition against using company equipment etc. for personal purposes**

We shall be aware that company property, including company facilities, equipment, fixtures, and systems, should be used for business activities, and shall not be used for personal benefits.

[Supplementary information] For example, it is prohibited to use expendable office supplies, equipment and fixtures, and information technology devices (computers, software, printers, etc.) of the company for personal benefits.

- **Protection of Company Assets**

We shall protect corporate assets. We shall use corporate assets, such as facilities, equipment, fixtures, corporate information (including electronic data), intellectual property, and trade secrets, in-house irrespective of whether they are material or immaterial, and shall not take them outside the company without approval (or illicitly) or divert them on a private basis, and shall keep them secret. (Prohibition against illicitly taking out corporate assets, and prohibition against diverting intellectual property)

[Supplementary information] If there is a need to take them out, necessary in-house procedures (submission of a signed sworn statement, etc.) should be conducted, and permission should be obtained in advance by following company regulations and rules.

In addition to taking-out of documents related to company business, the same applies to mail delivery of Word, Excel, and other electronic data.

[Supplementary information] For example, it is not permitted to access any software purchased for company business via a home PC.

We shall draw a line between public and private in managing information (including electronic data).

[Supplementary information] For example, we should not use both privately owned data and data related to company business on a mobile device (tablet or smartphone).

- **Prohibition of Conflict of Interest Transactions**

We shall avoid conditions in which the interests of each individual (family) and those of the company presumably conflict with each other.

We shall refrain from having a personal stake with business partners or competitors. We shall refuse inappropriate personal profit sharing, and we shall not make an inappropriate response or request.

[Supplementary information] For example, it is prohibited to offer or receive money and goods in association with business transactions, provide expediency to particular companies, (for relatives of) find employment at competitors, conduct insider-trading, and so on.

This is because giving priority to individual profits may cause conflicting interests with SUNCALL.

Coexistence with Local Communities

In the case where a natural disaster, accident, or incident occurs in the neighborhood, we shall first make a swift response placing top priority on human life, and act so as to minimize damage.

[Supplementary information] One example of this is promoting voluntary participation in social contribution activities, such as making preparations to actively respond to emergency requests demanded by local communities, such as emergency disaster countermeasures.

We shall develop business that respects the history, culture, and customs of the region, and strive to coexist with the community.

[Supplementary information] We should be aware of being a member of the community, pay attention to words and deeds outside the company, and refrain from such words and deeds that may cause a feeling of discomfort or distrust to local residents.

We shall focus our eyes on each area's social challenges toward local community development, and aim at social contribution activities that will lead to resolutions in cooperation with the community.

Promotion of communication with society

We shall disclose useful information, such as information related to management, finance, environment, society, and social contribution to stakeholders in an accurate and timely manner. Also listen carefully to the voices of society through open and fair communication and reflect it in our business activities.

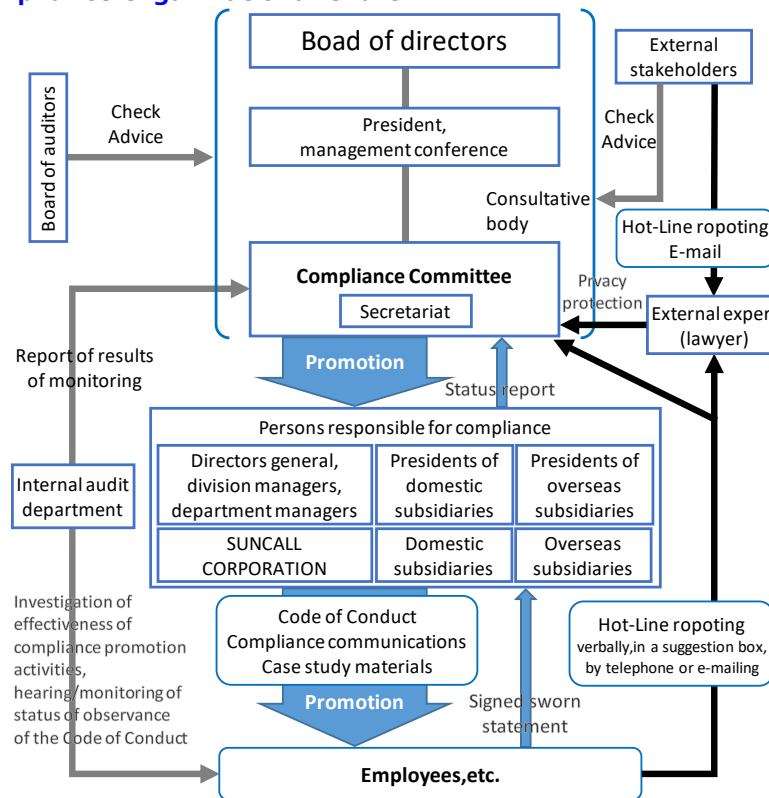
Timely and accurate information disclosure to investors and funders

We value the trust of our investors and funders, and shall strive for conscientious corporate communication by disclosing appropriate and sufficient information to all relevant stakeholders in a timely and appropriate manner.

[Supplementary information] The above statements intends to improve management transparency and secure credibility by timely and appropriate disclosure, good or bad to SUNCALL, irrespective of the impact on the company's stock price.



IV Suncall Compliance Organizational Chart



V Compliance Keywords

- **CSR (Corporate Social Responsibility)**

Corporate social responsibility

- **Compliance**

To observe not only laws and regulations but also social norms and corporate ethics, and fairly proceed with corporate activities in order to keep corporate social responsibility and meet the expectations of various stakeholders.

- **Compliance Regulations**

Stipulations regarding SUNCALL's general compliance structure

- **Code of Conduct**

Established for each and every employee in the SUNCALL Group to be aware of compliance and act in a sensible and responsible manner (this book).

- **Signed sworn statement of compliance**

All employees' swearing observance once a year via e-learning

- **Hot-Line Regulations (reporting system)**

System for each and every employee to consult with or report to the nerve center of the company when detecting compliance violation (violation of laws and regulations, violation of corporate ethics, violation of company rules, etc.) in-house; which is linked to early detection and correction of misconduct, etc.

- **Compliance communications**

To transmit information and compliance related information from the Compliance Committee to all employees.

- **Stakeholders**

Interested parties (customers, local residents, administrative authorities, stockholders, etc.)

VI Hotline (Reporting System)

If you detect any acts in violation of the SUNCALL's Code of Conduct or have any doubts, which may be difficult to solve by yourself or at the workplace, you should communicate by any of the following methods.

Early detection and correction of misconduct, etc., prove useful for minimizing problems and protecting society.

Reporting method

- (1) Put a document in the compliance suggestion box equipped in each domestic plant (which will be opened by the Secretariat of the Compliance Committee).
- (2) Report verbally or by telephone or e-mailing to the Secretariat of the Compliance Committee (person in charge of reception: the manager of the personnel and general affairs department or the manager of the general affairs section)
- (3) Report by e-mailing to our legal adviser
- (4) Report by e-mailing to the audit committee member (This is given to the fact that there might be difficulties to report or consult with the organizational reporting line or (1) to (3) hotlines.)



Upon receipt of a report

For researching the facts, sufficient consideration is given to the protection of privacy of reporters to prevent them from being identified in-house.

The Hotline Regulations define the protection of reporters, etc., as follows:

- (1) The company should not handle reporters, etc., against their interests on the grounds of their consultation or reporting.
- (2) The company should take appropriate measures to prevent the work environments of reporters, etc., from worsening.
- (3) If reporters, etc. are handled against their interests or harassed (a so-called act of retaliation), the company shall place sanctions on the person(s) who is involved in the act in question in accordance with the "Employment Regulations."

Eligible users can use the hotline anonymously.

However, please note that feedback cannot be given.

SUNCALL Group's Code of Conduct

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Compliance Committee

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