

NDK Group Code of Conduct

Under our corporate philosophy of contributing to social prosperity and world peace through our services to customers, which is based on our founding principles, it is our responsibility at NDK Group to pursue the contribution to best interests of our customers. At the same time, we must uphold high ethical standards and fulfill our social responsibility of helping to create a sustainable society. The creation of a sustainable society is essential to the continued growth and development of NDK Group.

The NDK Group Code of Conduct has been established as a guide to proper business conduct necessary to create a sustainable society. It has been formulated from NDK's corporate philosophy and ethical standards, and applies to both management and employees of NDK Group.

Both management and employees of NDK Group are expected to observe the following Basic Code of Behavior as a part of promoting this Code of Conduct.

Basic Code of Behavior

1. We will pursue the contribution to best interests of our customers according to our corporate philosophy that is based on our founding principles. At the same time, we will uphold high ethical standards and fulfill our social responsibility of helping to create a sustainable society.
2. We will comply with relevant laws and regulations in all our business activities.
3. We are aware of our mission and responsibility as one of the world's leading manufacturers. We will, therefore, make best effort to develop and offer useful, safe and reliable products and services that benefit society, to earn trust and confidence of consumers and customers, and to increase their satisfaction.
4. We are dedicated to free competition and fair trade, and will strive to maintain sound and normal relationships with political organizations and administrative authorities.
5. We will uphold and respect human rights, diversity, individuality, and personal characteristics, and provide a safe and pleasant workplace.
6. We are committed to and responsible for proactively and continuously undertaking initiatives to protect the global environment.
7. We will disclose or provide corporate information to stakeholders in a timely and appropriate manner.
8. We will take appropriate security measures to ensure that any information we may obtain in the course of business, including personal or customer information, is properly protected and managed.
9. We will firmly oppose anti-social forces or organizations and will not have any involvement with them.
10. We will respect the cultures and customs of the countries in which we operate, and strive to contribute to the development of such countries and our local communities.



Each of NDK group companies must declare its compliance with this Code of Conduct. Both management and employees of NDK Group are expected to understand and comply with this Code of Conduct. Board members and managerial staff of NDK Group particularly must demonstrate high legal compliance and ethical standards when carrying out their duties in order to be role models for their staff, and provide advice and guidance to their staff at all times to ensure their compliance with this Code of Conduct. To implement the Code of Conduct, each of NDK group companies must develop internal rules and manuals, provide training, and raise awareness.

Any member who violates the Code of Conduct will be subject to disciplinary action in accordance with the Staff Handbook or other rules.

(Remainder of this page is intentionally left blank.)

1. Legal Compliance and Fair Trade

1-1. Ensuring product safety

We must comply with laws and regulations applicable to product safety in each stage of product development, design, and manufacturing. We will make every possible effort to offer useful, safe and reliable products and services that satisfy customers. If there are any safety concerns about any of our products, we must promptly investigate the issue and take appropriate action.

1-2. Fair trade practices

We must comply with laws and regulations related to monopolization, competition, advertising, and exports to other countries, and any other laws and regulations related to fair trade in each stage such as sales promotion, sales, import, export, and transportation.

1-3. Fair sourcing of materials

We must comply with the relevant laws and regulations when we source materials. We will not abuse our position over our suppliers. We will work with our suppliers with the aim of ensuring mutual prosperity and benefit. Each of NDK group companies in Japan must comply with the Subcontract Act (Shitaukehō) when subcontracting manufacturing or repair processes.

1-4. Anti-bribery

We must ensure transparency in dealing with customers and suppliers. We prohibit bribery, corruption, extortion, embezzlement, and any other improper business practices. We must not give, promise, or offer any financial or other advantages to domestic or foreign public officials or quasi-public officials for the purpose of obtaining a business advantage or in return for a business favor. We must act responsibly and observe business practices and social conventions when we offer or receive hospitality or gifts to or from customers or suppliers.

1-5. Restrictions on conflicts of interest

We must obtain company approval in accordance with the approval procedures designated by relevant NDK group company before we engage in any transaction with customer, supplier, or any other third party ("Third Party") that might give rise to a conflict of interest between the Third Party and management or employee of NDK Group ("NDK Personnel"). Examples of conflicts of interest include a situation where a Third Party is an NDK Personnel or a relative of NDK Personnel, or where NDK Personnel or a relative of NDK Personnel serves as an officer of a Third Party. The NDK Personnel must report to his/her manager or senior position about such conflict of interest that might arise when engaging in any activity or transaction of the NDK group company.

1-6. Political donations and contributions

We must obtain company approval in accordance with the approval procedures designated by the relevant NDK group companies before we make political donations or contributions. We must not engage in any conduct that could be interpreted as collusive relationships with political organizations or administrative authorities. We will exercise caution so as not to engage in any misleading conduct.

1-7. Prohibition on insider trading

We must not engage in any insider trading that is regulated in various countries, including trading shares with using non-public information of NDK Group or other related companies that come or may come to our knowledge in the course of business.

2. Respect for and Protection of Human Rights

2-1. Respect for diversity and anti-discrimination

We uphold the Universal Declaration of Human Rights and the Ten Principles of the UN Global Compact. We will protect human rights and respect diversity, individuality, and personal characteristics of both management and employees in NDK Group. We must not engage in any conduct that could lead to unfair discrimination. We will not tolerate unreasonable discrimination on the basis of race, color, age, gender, sexual orientation, gender identification, ethnicity, national origin, disability, pregnancy, marital status, religion, or political affiliation. We will not tolerate discriminatory practices, violence, or sexual or other harassment.

2-2. Prohibition of forced labor

We prohibit forced labor exploitation in the form of slavery and must not employ anyone under the age of 15. We must comply with the relevant laws and regulations on late-night work or hazardous work when employing young workers over the age of 15 but under the age of 18. Board members and managerial staff of NDK Group must comply with the laws and regulations in force in the countries in which they operate when managing the working hours of their staff. We will make efforts to ensure that our staff's working hours per week, including overtime, do not exceed 60 hours. Furthermore, we must provide statutory holidays to our staff in compliance with the relevant laws and regulations of the respective countries.

2-3. Proper recruitment process

NDK group companies must comply with the laws and regulations of the countries in which they operate when hiring staff. We must provide terms and conditions of employment or must execute an employment contract, in a language that a new staff can understand. We must not retain an employee's original passport, driver's license, work permit, or any other original identification document with us. We must not improperly demand any money or anything of value when hiring staff.

2-4. Payment of minimum wage

Wage payable to employees of NDK Group must not be lower than the minimum wage allowed by law in the relevant countries. NDK group companies must pay allowances for overtime work or work performed on non-working days in accordance with the laws and regulations of their respective countries.

2-5. Labor unions

NDK Group companies must permit the establishment of and membership in labor unions in accordance with the laws and regulations of their respective countries. Similarly, we will respect the rights of workers who choose not to participate in such activities.

3. Health and Safety

3-1. Providing a safe environment

We will conduct workplace safety risk assessments and implement appropriate safety measures for machinery and equipment used by NDK group companies. We will address, deal with, and eliminate potential safety hazards by controlling design and technical aspects of the machinery and equipment, and providing training. We must comply with the designated procedures for using machinery and equipment.

3-2. Providing a clean and hygienic environment

We must keep our workplace clean and hygienic, and take appropriate action to deal with potential health and safety hazards posed by toxic chemicals. We must comply with the designated procedures for using chemicals and the designated rules for using protective gear. Facilities used by management and employees of NDK Group (e.g. dormitories, cafeterias, or restrooms), if any, must be kept clean and hygienic. Inhumane living conditions (e.g. dozens of people living in the same room) must not be tolerated.

3-3. Ascertaining work-related accidents, illnesses and injuries

NDK group companies must ascertain work-related accidents, illnesses, and injuries, and take appropriate measures. We must also take measures to prevent the causes of work-related accidents, illnesses, and injuries to a reasonable extent.

3-4. Response to emergency situations

We will identify potential incidents or accidents that can happen to us and prepare ourselves for any emergency situation in order to protect lives, prevent personal injury, and minimize damage to company property. We must take part in emergency evacuation drills required by related NDK company to the extent possible.

3-5. Consideration of work that may cause physical stress to workers

We will identify and give due consideration to work that may cause significant physical stress to workers in order to prevent accidents, illnesses, or injuries. We must act according to company rules, if any, applicable to work that may cause significant physical stress to workers.

3-6. Providing health and safety information

NDK group companies must provide information on workplace health and safety in a language that both management and employees of their companies can understand.

4. Environmental Protection

4-1. Environmental philosophy and policy

As stated in the NDK Group environmental philosophy and policy, we recognize the importance of reducing the impact of our business on the environment and creating a recycling-oriented society. We are committed to and responsible for proactively and continuously undertaking initiatives to protect the environment and preserve this precious Earth for all future generations.

4-2. Control of chemicals

We must ensure that our products do not contain any chemicals prohibited or restricted by law or do not contain more than the permitted quantity of such chemicals. We must comply with applicable labeling requirements.

5. Handling of Information and Assets

5-1. Disclosure of corporate information

We must disclose to our stakeholders, including shareholders and investors, information that we are required by laws or related regulations to disclose, and we must also disclose information that we determine should be disclosed, in accordance with the company's procedures and in a correct and timely manner.

5-2. Information management

We must not disclose or divulge to any third party or use for any purpose other than for business purposes any personal information that may come to our knowledge in the course of business, unless we are permitted to do so by company policies or rules. The same applies to customer information that may come to our knowledge in the course of business. While employed by NDK company and thereafter, we must not disclose or divulge to any third party, or use beyond the extent necessary to perform our

job duties, any confidential information of the NDK Group or any confidential information that we may receive from customers or suppliers, unless we are permitted to do so under the relevant agreements or by company rules. Furthermore, we must respect third party intellectual property rights and must not unlawfully or improperly obtain or use any third party's trade secrets.

5-3. Protection of assets

We must properly maintain and manage the NDK's assets in accordance with company rules and must not use such assets for any purpose other than for the designated business purposes. We must not charge any personal expenses to NDK company.

5-4. Use of information systems

We must use the company's information system in accordance with the information security policy that is separately provided, as well as other company rules, and must not use the same for any private purposes. We must use the information system properly and strive to prevent information leaks or theft, or virus infections.

6. Minerals Procurement Policy

If products manufactured or sold by NDK Group contain tantalum, tin, tungsten, or gold ("Conflict Minerals"), the NDK Group will make efforts not to use Conflict Minerals that directly or indirectly finance armed groups that seriously violate human rights in the Democratic Republic of the Congo and adjoining countries ("Covered Countries"). We will also request our suppliers not to use the Conflict Minerals in the supply chain that directly or indirectly finance armed groups that seriously violate human rights in the Covered Countries.

7. Anti-Social Forces Elimination Policy

We will not have any involvement with anti-social forces or organizations and will not engage in any anti-social behavior. We must firmly oppose anti-social forces and must not have any relationships whatsoever with them. We will never give into unreasonable demands that may be made by anti-social forces. We, as an organization, must stand resolute against anti-social forces. Each of NDK group companies must ensure the safety of both management and employees when dealing with anti-social forces. If we become aware of any instance where we may become involved in anti-social forces, we must promptly report it to managers or relevant departments.

8. Contribution to Local Communities

We recognize that it is important to respect and understand the cultures and customs of the local communities in which we operate in doing business. We will, therefore, respect their cultures and customs and strive to understand the circumstances surrounding the local communities. We will also contribute to the development of the regions in which we operate.

9. Promotion and Dissemination of Code of Conduct

9-1. Maintenance and improvement of ethical standards

We recognize that the creation of a sustainable society is essential to the continued growth and development of the NDK Group and that we should, therefore, promote this Code of Conduct. In order to uphold high ethical standards and fulfill our social responsibility, we must maintain and further improve our ethical standards. For this reason, we will attend training sessions held within each of NDK group companies and take other constructive steps to gain a better understanding of this Code of Conduct and other relevant laws and regulations.

9-2. Assessment and improvement

NDK group companies must from time to time verify and assess whether this Code of Conduct is being promoted and disseminated, and endeavor to make further improvements, if necessary. We are also expected to make efforts to assess and improve, if necessary, the ethical standards of their suppliers in the supply chain.

9-3. Reporting duties

Employees may report on violations of this Code of Conduct to their superiors, and raise or report concerns to internal or external hotlines in accordance with the whistle-blowing policy that applies to the NDK Group, or other related procedures. NDK group companies must keep the whistle-blower's identity and the information given by him/her confidential in accordance with such policy. The whistle-blower must not be treated unfairly.

9-4. Consulting superiors and seeking advice

If we are unsure of or concerned about whether a contemplated action conflicts or is likely to conflict with this Code of Conduct, we will seek advice of superiors or the relevant departments.



10. Application

This Code of Conduct applies to all NDK group companies. NDK group companies may modify a part of the expression in the Code of Conduct to suit the local laws and regulations, business practices, labor conditions, or values in their respective country or region, but are not permitted to make any changes that may deviate from the original intent of the Code of Conduct.

NDK group companies must provide the Code of Conduct in a language that both management and employees can understand.

(Remainder of this page is intentionally left blank.)

(Revision history)
December 1, 2015

First edition established