

Taiyo Kogyo Conduct and Action Guideline for directors and employees

Management philosophy of Taiyo Kogyo Co., Ltd. is “to serve the society through our business activities”, and we have been doing business keeping the philosophy in mind and trying to build favorable relationship with various related parties around our company. Recently the society take a critical view of activities of corporation and business persons.

Our company will be criticized by the society and will lose trust and credit which we earned for many years, if we make inappropriate actions as a member of the society, such as violation of laws and rules. And, of course, the employee will get legal and social sanction and the family will become unhappy.

So, to avoid such things from happening, we will swear that we will observe all related laws and regulations and will not deviate from social standards and norms, and make it as our code of conduct.

I. Right action.

This guideline is made for giving guide to right action, and it defines what kind of action every employee should take.

We must always observe laws and rules and act properly and honestly with sincerity and we must be responsible for our actions under any circumstances.

(I-1) Things every employee must observe:

Every employee is required to observe laws, regulations as well as intra-company rules and regulations such as work rules. Under any circumstances, we must follow laws and regulations, and must avoid actions which might be improper using common sense and making good judgement.

You must draw the line between public and private affairs, and try best to make actions of good sense. When you are in doubt, make sure of following points:

- ① Aren't you violating the laws and regulations?
- ② Are you in compliance with company philosophy and vision?
- ③ Are you observing standards and norms?
- ④ Are you ethical?
- ⑤ Will it be supported by customers and the society?
- ⑥ Is the action the one in which the other party's situation is considered?

- ⑦ Won't you be ashamed of if your family find your action?
- ⑧ Isn't the action shameful to you and the company?
- ⑨ Don't you mind if your action is reported on newspapers?

Do not make the action if one of your answers is "No" to above questions

② ③ ④ ⑤ ⑥, and if one of your answers is "Yes" to above questions

① ⑦ ⑧ ⑨.

If you can't judge or have no confidence, consult with your superior for decision.

(I-2) Business record and financial record

You are expected to make accurate record for all business and financial records. It includes not only financial statements but also procedures recording such as quality record, working hours, expense processing and bills for various charges.

- Make record in proper classifications within the accounting period for all accounting processes.
- Make sure your report to the authority is complete, fair, accurate and timely.
- Falsify the document is prohibited.
- Do not distort original meaning of accounting process.
- Handle with care on information for its accuracy. Do not make intentional false statement, do not make unjust business deals, and do not falsify the business record document.

(I-3) Company assets

Do not use company assets for the benefit of individual. Every employee must be responsible for use, protection and management of company assets.

Examples of company assets:

- Cash of the company
- Products of the company
- Telephones, Fax machines and multifunction machines
- Vehicles
- Company seal
- Computer system and software
- Working hours of employees and business results

(I-4) Use of Information

Do not divulge company confidential information to non-related others.

It includes business contracts, price information, marketing information, technical information and information about employees.

Examples of confidential information:

- Raw materials of the products and producing method
- Price setting of the products and manufacturing costs
- Company business results, business principles, strategy
- Personal information of employees and that of suppliers and customers
- Financial data
- Information about merger and acquisition
- Technical specifications
- Information about invention

II. Respect for human rights

Respect for human rights is basic rule for business activity, and we must make completely sure that it is necessary to realize sustainability of the local society where we do business.

- Respect each other's thinking and position so that every employee can work vigorously.
- Do not make discrimination and harassment due to race, sex, skin color, nationality, family origin, religion, age, disability, sexual orientation, gender identity, etc. so that we can maintain good working environment.
- Never make harassment such as violence, sexual harassment, power harassment, and pregnancy discrimination and never let those be done.
- Try to maintain and improve safe, healthy and good working environment.

III. Relationship with stakeholder

To maintain good relations with stakeholder is indispensable for the success of our company. We deal with all related groups and individuals fairly and legally.

- We will consider what are products and services which are valuable to our customers and we will supply high quality products.

- We will cope with claims and point outs from customers quickly, sincerely and properly.
- We will proactively grasp needs and issues of customers and try to solve and improve those.
- We will enhance corporate value by supplying appropriate information timely to the stockholders and by doing business activities in healthy and transparent manner.
- We will promote resources saving, energy saving and recycling to maintain good environment.

Ryuichi Nakagawa

President and Representative Director

Taiyo Kogyo Co., Ltd.

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