

# The Nichicon Group Code of Conduct

## Preamble

We shall obey this Code of Conduct while carrying out daily duties, recognizing the following particulars are essential for the sound development of the Nichicon Group Companies (hereinafter referred to as "Nichicon") and the reinforcement of the corporate value.

- Fully recognize the social responsibilities.
- Comply with the applicable laws and regulations and in-house rules in every aspect of conducting corporate activities.
- Observe workplace policies and act in accordance with ethical standards.

\*"We" shall be referred to as all the Nichicon's directors and employees(including employees, junior employees, contract employees, part-time workers and temporary staff; the same shall apply hereinafter).

## In revising the Code of Conduct

The board of directors of the Nichicon Corporation shall hereby revise the Code of Conduct, stipulating that all the directors, employees, suppliers, subcontractors and cooperating parties are treated with respect and dignity in safe working environments, and that all the duties are carried out in accordance with the responsible corporate ethics and the international criteria.

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## I. General Provisions

### 1. Basic Stance

- (1) We shall, in every aspect of conducting corporate activities, always comply with the applicable laws and regulations as well as in-house rules starting with this Code of Conduct, so as to ensure that all corporate activities conform to normal business practices and ethical standards.
- (2) We shall, in every aspect of conducting corporate activities, respect the basic human rights, dignity and privacy of all persons. We shall not discriminate against anyone on the basis of their nationality, race, ethnicity, sex, age, religion, beliefs, social class, family, properties, physical characteristics, physical or mental disabilities, pregnancy, political direction, participation in a labor union, or marital status.
- (3) We shall maintain fair, impartial and transparent relationships with all parties having interests in Nichicon and vice-versa, and conduct our dealings with them fairly and in accordance with the applicable laws.
- (4) We shall not act in any way that is injurious to Nichicon's rightful profits, and that damages Nichicon's reputation and honor.
- (5) We shall prepare and operate a system that allows the internal control to effectively function. And we shall hold accurately and fairly all the financial and accounting records in compliance with the applicable laws and regulations and in-house rules, and shall not perform unrighteous accounting processes nor act in such a way that leads Nichicon to incur a damage.
- (6) We shall respect the histories, cultures and customs of Japan and each country in the world, and contribute to prosperity and harmony in economy and society of each domestic region and overseas country through corporate activities.
- (7) We shall always be conscious of, and take pride in, ourselves as members of society and employees of Nichicon, and act with high moral and ethical character in accordance with socially accepted norms.

### 2. Responsibility to Comply with This Code of Conduct

- (1) We shall understand that all of the particulars laid out in this Code of Conduct are applied to us and faithfully carry them out.
- (2) Directors shall provide guidance and supervision to ensure that all of the employees in the Company comply with all of the articles in this Code. In addition, the management-level staff shall also provide the same guidance and supervision to employees under their directional divisions.

- (3) In order to ensure secure implementation of company activities in accordance with this Code, each business division shall prepare an employee manual outlining in-house rules and conduct, and carry out educational and other necessary and advisory activities to make sure the contents of this Code are known in detail to all employees in the division.
- (4) We shall recognize that, in case of breach of any article of this Code, we can be subject to disciplinary sanctions in compliance with the applicable laws, working rules, and the like.

## II. Relations with Customers, Suppliers, Business Associates and Competitors

### . Regarding Provision of Products and Services

- (1) We shall provide products and services while striving to satisfy our customers at all times.
- (2) We shall abide by the applicable laws and regulations at the time of manufacturing the products for sales and rendering any services.
- (3) We shall strive to secure and improve the quality and safety of our products and services.
- (4) We shall construct a quality management system to secure and improve quality and safety of any products and make continuous improvement by implementing the PDCA cycle.

### . Free Competition and Fair Transaction

- (1) We shall carry out all transactions fairly among all business interests or customers, suppliers, business associates and competitors based on free competition principles in accordance with the applicable laws such as antimonopoly or subcontract laws.
- (2) We shall not engage in any conduct that obstructs fair and free competition such as bid-rigging or cartel behavior, or take part in any meeting that leads to the restriction of free competition, or engage in any conduct that may be seen to do so.
- (3) Our relations with our customers, suppliers, business associates and competitors shall always be transparent and fair, and all transactions shall be carried out in good faith and in accordance with ethical standards.

### **3. Policies Regarding Dealings with Suppliers and Business Associates**

- (1) We shall always faithfully deal with suppliers and all business associates such as subcontractors on an equal and fair footing, and in accordance with the applicable laws and regulations as well as contractual terms.
- (2) We shall not unfairly deal with suppliers and business associates while taking advantage of our superior position.
- (3) We shall not pursue personal profit in carrying out purchase or procurement duties by receiving financial or other gift, favors or the like.

### **4. Policies Regarding Dealings with Distributors**

- (1) We shall always faithfully deal with distributors on an equal and fair footing, and in compliance with the applicable laws and regulations as well as contractual terms.
- (2) We shall not engage in any unfair or improper conduct, including but not limited to exclusionary practices, undue discrimination and curbs on business activities, with regard to distributors.

### **5. Policies Regarding Entertainment and Gifts**

- (1) We shall not engage in any conduct that departs from healthy business practices or socially accepted norms with regard to giving and receiving hospitality, entertainment and gifts in our business relations.
- (2) We shall not engage in bribery with regard to elected representatives of government, members of public entities, government officials (including deemed civil servants), foreign officials or shareholders, nor shall we provide them with entertainment or gifts or otherwise engage in unreasonable activity that can be construed as granting profit or favor in order to gain improper business advantage.

### **6. Policies Regarding Import and Export**

We shall carry out the import and export of products, technologies, services, etc. properly by using procedures prescribed in in-house rules and in compliance with the Foreign Exchange and Foreign Trade Act and other applicable domestic and international laws and regulations.

### **7. Policies Regarding Publicity and Advertising**

We shall not employ factually inaccurate and misleading indications in our publicity, advertising or any other sales activities with regard to the quality, performance, specifications, etc. of Nichicon's products and services.

## **III. Relations with Shareholders and Investors**

### **1. Transmission of Corporate Information**

- (1) We shall disclose corporate information such as Nichicon's management decisions and business conditions to shareholders and investors in accordance with the applicable laws and regulations.
- (2) We shall always ensure that all corporate information made available is accurate, and disclose it at appropriate times and through proper and fair means, taking into account the need to preserve confidentiality.

### **2. Prohibition of Insider Trading**

- (1) We shall not buy or sell stocks, or conduct any other securities transactions, using unpublished information about Nichicon or any other company that was obtained in the course of carrying out our duties or business dealings.
- (2) We shall not use unpublished information about Nichicon or any other company so as to provide profit or favors to any third party.

## **IV. Management of Company Asset and Information**

### **1. Management of Company Asset and Proper Use thereof**

- (1) We shall properly manage the Nichicon's (tangible and intangible) assets in accordance with in-house rules, and shall not misappropriate the assets for personal use or purposes other than conducting duties.
- (2) We shall not engage in any activity that risks giving rise to inappropriate or compromised relations with suppliers, such as but not limited to receiving personal loans or debt guarantees from our business associates, or any of their directors or employees.
- (3) We shall not use the Nichicon's assets or expenses for personal purposes.
- (4) We shall be conscious of the possibility that Nichicon will be held responsible for actions in relation to business activities, even if those actions were authorized, and shall not engage in any activities exceeding authorized limits.

### **2. Handling of Confidential Information**

- (1) We shall strictly manage the Nichicon's confidential information and shall not disclose nor leak the information without adherence to prescribed procedures. We shall also not unduly use or harm the Nichicon's internal information system.

- (2) We shall not unduly or unrightfully use the Nichicon's confidential information. This shall also apply after we have left Nichicon.
- (3) We shall not use information about customers, suppliers, distributors and competitors that was obtained in the course of conducting business for anything other than warranted purposes. We shall also guard such information strictly to ensure it is not disclosed or leaked in accordance with in-house rules and the like.
- (4) We shall not access or obtain confidential information about customers, suppliers, distributors or competitors with improper means.
- (5) We shall take measures necessary to protect the computer network against the threat by computer viruses in order not to inflict damage on Nichicon or business associates like customers, suppliers and distributors.

### 3. Handling of Personal Information

We shall recognize the importance of the personal information protection, and obtain and use appropriately personal information in accordance with in-house rules. We shall also strive to protect and correct against leakage, loss or damage of such personal information by establishing necessary and adequate security measures.

### 4. Protection and Utilization of Intellectual Property Rights

- (1) We shall protect and maintain the results of research and development in the form of intellectual property rights (patent rights, utility model rights, design rights, trade marks, copy rights and business secrets), and shall strive to actively utilize those rights. We shall follow the prescribed procedures with regard to the licensing of those rights.
- (2) We shall respect the intellectual property rights of third parties, and shall not deliberately infringe or make improper access or use of those rights.

## V. Relations with Society

### 1. Environmental Protection

- (1) In order to preserve the global environment and contribute to the realization of the sustainable society, we shall strive not only to comply with the applicable laws and regulations and also to continuously reduce the environmental impact of our products throughout their life cycle from the procurement of materials to production, distribution, use, recycling and disposal.
- (2) We shall obtain permission, approval and registration necessary in conducting duties that may have environmental impacts, and observe requirements for operation and report of such duties.

- (3) We shall endeavor to eliminate without limit the wasteful spending of water and energy.
- (4) We shall appropriately manage and process toxic substances, waste water, exhaust gas or other wastes produced in the course of conducting duties.
- (5) We shall abide by laws, regulations or customer demands that are applied in regard with prohibition and limitation of usage of particular substances.

### 2. Social Contribution

We shall recognize, as a member of corporate citizens, the importance of the corporate social responsibility in every aspect of management, and contribute to development of the global society by means not only of the company's business and technologies but also the utilization of the management resources.

### 3. Contributions

With regard to making donations or other contributions, we shall abide by the applicable laws and in-house rules and give full consideration to their necessity, propriety and relations with the recipient.

### 4. Political Activities

We shall abide by the applicable laws and regulations with regard to political funds and donations, elections and other political activities.

### 5. Prohibition of Involvement in Antisocial Actions

- (1) We shall take firm action against, and have no involvement in, antisocial movements or organizations that pose a threat to social order or safety.
- (2) We shall not engage in any conduct that promotes the activities of antisocial movements or organizations.
- (3) We shall not engage in procurement, or usage in our products, of minerals in conflict mined by means of improper methods that significantly infringe on human rights or adversely affect the environment.

## VI. Relations with Employees

### 1. Labor

- (1) Nichicon shall respect the basic human rights and personal dignity of all employees. Nichicon shall deny the violation of human rights such as abuse, insult, mistreat with words, sexual harassment, power harassment or other defamation behaviors.

- (2) Nichicon shall not force all the employees to undergo improper labor. The employees can retire from work with their own will to the extent stipulated in the applicable laws and in-house working rules. Also, Nichicon does not request the employees the handover of identification, passport or labor permission that was officially issued as a condition for employment.
- (3) Nichicon shall not permit children, who are under minimum age eligible for work stipulated in the applicable laws, to enter the work force. Nichicon shall also not assign workers below the age of 18 to dangerous duties or duties at places that are detrimental to safety, sanitation or welfare.
- (4) In order to prevent employees from being overworked and strive to secure their health, Nichicon shall not allow employees to work exceeding the statutory working hours and overtime.
- (5) Nichicon shall pay wages to employees with pay statements or documents equivalent to such statements at statutory times. Nichicon shall not reduce wages as disciplinary measures that deviate from the range stipulated in the applicable laws.
- (6) Nichicon shall permit employees to select their own representatives to negotiate labor conditions in accordance with the applicable laws, and to organize an independent labor union for collective actions. Nichicon shall not place disadvantage with regard to working conditions or others at any employee who has participated in labor union activities.

## 2. Safety and Sanitation

- (1) We shall actively endeavor to create a safety-first working environment and participate in policies concerning the prevention of disasters and the countermeasures against emergencies.
- (2) We shall arrange a system with regard to procedures to prevent, manage, trace and report occupational accidents or illness, and prepare and conduct precautions or safety measures and continuous safety trainings or other proper methods.
- (3) We shall maintain sanitation facilities, employees' dormitories and cafeteria or other facilities to be always clean and safe.

# VII. Operational Structure

## 1. Operational Structure

- (1) The establishment and amendment of this Code of Conduct shall be decided by the board of directors of Nichicon Corporation, which shall be applicable to all of us.

- (2) The division in charge of supervising this Code of Conduct shall be General Affairs Division of Nichicon Corporation, which shall provide all divisions and departments with advice and suggestions regarding the implementation of the particulars laid out in this Code.
- (3) The general managers of Headquarters at Nichicon Corporation, and general managers of all other business facilities, shall be responsible for overseeing compliance with this Code.
- (4) We shall construct a management system to comply with this Code. The management system shall be designed to ensure the implementation of the following particulars and promote continuous improvements:
  - (a) Compliance with the applicable laws and regulations in relation to Nichicon's business and products, and dealing with customer requests.
  - (b) Conformity with this Code.
  - (c) Clarification and reduction of potential risks in company duties in relation to this Code.
- (5) In case we become aware of actions that violate, or appear to violate this Code of Conduct, we may report or discuss such violations with the general manager of the workplace, or directly with the general manager of General Affairs Division of Nichicon Corporation, or through the compliance hotline. Any employee making such a report or consultation shall not suffer any disadvantage from that fact.
- (6) We shall keep secrets of, and protect, any employee, customer, supplier, or other business associate who has made an accusation of violations of this Code of Conduct. Any accuser or reporter may express concerns without fear of reprisals.
- (7) A general manager at business facility, or the general manager of General Affairs Division at Nichicon Corporation, in the case of receiving a report or consultation by anyone with regard to violations of this Code, shall verify the facts and take appropriate measures, including preventive measures against recurrence.
- (8) This Code of Conduct shall be regularly revised with the procedures similar to those for establishment.

## 2. Inquiries

General Affairs Division at Nichicon Corporation shall be responsible for answering any questions regarding the articles in this Code.

Established on October 1, 2002  
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