

# **NAGASE GROUP CODE OF CONDUCT**

**Nagase & Co., Ltd.  
Compliance Committee**

December 2003

## Foreword

Hiroshi Nagase  
Representative Director, President & CEO  
Nagase & Co., Ltd.

Nagase & Co., Ltd. proclaims in its Management Philosophy that it will always *maintain good and fair business practices as a member of society* and places high importance on compliance with laws, rules and regulations. In order to make sure of this basic posture in the ever globalizing and diversifying business activities of the Nagase Group and increasing awareness of corporate social responsibility, we decided to establish *Nagase Group Code of Conduct* applicable to Japanese as well as overseas members of the group.

Now, companies and employees of the Nagase Group are required to work respecting this Code of Conduct. I hope you will respect the code as a matter of course rather than feel it as a constraint on you. Let me stress that the code compliant conduct of individuals and being an organization with self-curing functions that ensure prompt discovery and rectification of problems will make us gain trust and confidence from clients and other stakeholders. Trust and confidence are very important assets for the Group. We are committed to making these assets rich and firm through daily corporate activities.



## **Basic Compliance Policy**

The Nagase Group is a member of society and, as such, it is our duty to behave in a manner in keeping with this role by maintaining good and fair business practices and providing society with the goods and services it needs. Through continued growth and development, Nagase can improve the welfare of its employees, while making a contribution to society.

Based on this corporate philosophy, Nagase has adopted and will implement the following Basic Compliance Policy.

This policy defines the behavior standards that Nagase and its officers and employees will observe as it carries out its various business activities.

Officers and employees of Nagase must behave in accordance with these behavior standards and endeavor to disseminate them to those within the corporate organization, especially those with whom they work. If circumstances arise in which there is a risk that these behavior standards may be compromised, officers and employees must work to resolve problems without delay, and to improve operations by identifying the causes of problems and taking steps to prevent recurrences.

1. Compliance with laws, regulations and internal rules and regulations
  - Corporate activities will be conducted fairly and in good faith, in accordance with laws and rules, and without any deviation from social standards.
  - Business activities will be conducted in accordance with the rules of the international community to ensure the continuing growth and development of Nagase as a global enterprise.
2. Elimination of anti-social elements
  - Anti-social elements that threaten public order and safety will be met with firmness and resolutely eliminated.
3. Provision of goods and services that are useful to society
  - Nagase will contribute to society by supplying goods and services that are useful to society.
4. Respect for qualities and individuality of employees
  - Nagase will respect the autonomy and creativity of every employee and foster a corporate culture in which those qualities can be applied to corporate activities.
  - Nagase will protect its employees' health, respect their human rights, treat them fairly and without discrimination, and secure and provide safe and enriching work environments.
5. Disclosure of information to stakeholders
  - Nagase will strive to ensure transparency by fairly and actively disclosing corporate information to stakeholders, including customers, suppliers, employees and shareholders.
6. Preserving the global environment
  - Nagase recognizes its responsibility to maintain the global environment in a better condition and will act in accordance with that responsibility.

October 1, 2002  
Hiroshi Nagase, President  
Nagase & Co., Ltd.

November 7, 2003

## **NAGASE GROUP CODE OF CONDUCT**

This Code of conduct describes specific matters, based on the Basic Compliance Policies of Nagase & Co., Ltd., that provide the standards to be used as a particularly important code of conduct governing all Nagase Group companies. All Nagase Group officers and employees should refer to this code in the course of their corporate activities.

What is most essential for compliance within a corporation is the ethical and faithful behavior of its individual officers and employees. In carrying forward their business operations, the officers and employees must make business judgments by taking the following points into consideration and, as members of society, strive to offer products and services desired by society, by "activities set on the right track with integrity."

- 1) Compliance with applicable laws and regulations and conformity to internal rules
- 2) Avoidance of dealings for personal interests or personal dealings with the company
- 3) No deviation from or abuse of the authority given by the company
- 4) Reasonable judgment formed upon collection of adequate information
- 5) Reasonable belief that the best interests of Nagase Group are served

If, in consideration of the five points above, the Code of conduct is found or likely to be violated or any such case is detected, you should promptly report, contact or consult with your superior or a relevant section. Use the Compliance Help Desk if it is not possible to use the ordinary reporting routes to make such a report, contact or consultation.

### **1. Compliance with Laws and Regulations as well as Internal Regulations and Rules**

#### **(1) Issues of Compliance with Laws and Regulations**

The Nagase Group complies with all applicable laws and regulations of the countries and regions in which it operates, and conducts its corporate activities based on ethics and the good common sense of society. There are a variety of laws and regulations; some set forth the responsibilities based on approvals or licenses to engage in specific businesses while others set forth the responsibilities of a company as a member of society from a social viewpoint. Although it is not possible to refer to every law and regulation here, each and every officer and employee is advised to be firmly aware that a serious violation might directly lead to jeopardizing the survival of the company and to thus make sincere efforts to comply with laws and regulations that are relevant to his/her job duties.

When it is not clear whether something complies with the laws and regulations or not at the time of making a business judgment or whether there is any statutory control concerning a new business endeavor, make use of the section in charge within each Nagase Group or an external specialist or organization to avoid an uneducated judgment.

## **1) Compliance with Laws and Regulations Regarding Products and Services**

Nagase Group deals in many materials including chemicals etc. that should be handled with care. For example, we have many products and services for which a license is required for dealing within Japan and importing, such as "poisonous or deleterious substances." It is necessary to comply with laws specific to the industry that are relevant to such products and services and to implement procedures for license acquisition and registrations etc. without fail. Officers and employees must enforce thorough controls and operations in conformity to the applicable laws and regulations as well as internal rules.

Businesses that are subject to business law regulations are as follows:

Poisonous materials import and general sale; pharmaceutical import, sale and wholesale; medical device sale and import; construction; real estate business; sale of commodities investments; agrochemical sale; fertilizer sale and import; transport; warehousing; moneylending; alcohol manufacturing, import and sale; antique dealing; installment sales; door-to-door sales, etc.

In addition, certain qualifications, licenses, safety standards, quality standards, labeling methods, document delivery, periodic reports, compilation of transaction records, or other requirements may be stipulated depending on the transaction type, product or service.

Chemical Substances Control Law, Food Sanitation Law, JAS Law, Electrical Appliance and Material Safety Law, Household Goods Labeling Law, Waste Management Law, High Pressure Gas Safety Law, PRTR Law, Industrial Safety and Health Law, Fire Defense Law, Radiation Hazards Prevention Law, etc.

## **2) Compliance with Trade Laws**

As Nagase Group is widely engaged in foreign trade operations, violating an import and export law or regulation might lead to suspension of business activities that might result in a matter of survival of the company. Such a violation could not be excused as a simple mistake and you are required to carry out your job duties pursuant to applicable laws and regulations as well as internal rules.

Export transactions are regulated by export trade laws of Japan, the United States and other countries involved. When a Nagase Group company is to export or otherwise offer its product, service or technology outside the country, it must obtain such approvals or licenses from the government of Japan, the United States or any other country involved as required. Application of export trade laws is not limited to the export of manufactured products (goods). Offering technology via the Internet and offering personal knowledge (technical assistance) overseas are also subject to export trade controls by Japan, the United States and other countries involved. Exporting goods, services or technology without the necessary approval or license would constitute a statutory violation in many countries.

Similarly, applicable import laws must be complied with when conducting an import transaction. Many countries have established import trade laws of which violation might result in a penalty payment or imprisonment.

## **3) Compliance with Laws and Regulations Concerning Fair Competition**

Many countries have laws to protect consumer interests and to ensure sound growth of their

national economies through maintenance and promotion of “fair and free competition”. For example, cartel, a combination of business rivals to mutually control prices and sale volumes (bidding at pre-concerted prices is one of such activities), is prohibited as a statutory violation that entails not only the possibility of a severe punishment but also the imposition of a heavy fine, thus causing immeasurable damage to a violating company. In many jurisdictions, violations of the competition laws can result in personal fines and imprisonments for individuals responsible for, involved in, conduct that violates the competition laws.

In its business activities, the Nagase Group will abide by the competition laws of the respective countries. Described below are several of examples to be observed carefully.

- Do not attend any meeting among competitors (including meetings of trade organizations) in which price issues will be discussed.
- Never be party to an arrangement or agreement, written or not, fixing on price, sales conditions, profit margin, market share, market division or bidding conditions.
- Do not engage in any trade practice that constitutes resale price maintenance or restriction.
- Do not abuse the dominant bargaining position nor enter into an agreement containing unjust terms and conditions of trade.
- Be mindful that there are restrictions in some countries on price discrimination on sales to third parties and make sure that your sales practices conform to those laws.

The revised Antimonopoly Act has been in effect since January 4, 2006. The revised law is aimed at toughening penalties to strengthen deterrence against cartels and bid-rigging, in which companies make arrangements regarding product pricing and volume, etc. and voluntarily restrict competition to protect their mutual interests. It is also intended to discourage these activities by facilitating detection.

The following four points are the main features of the revised Antimonopoly Act:

- 1) *Increased surcharge rate and expanded scope of conduct subject to surcharges*  
Surcharges are doubled compared with previous law, with additional charges for repeat violations and discounts for prompt disengagement.  
Activities such as restricting competition by controlling other enterprises or restraining the volume of purchase are also subject to surcharges.
- 2) *Introduction of a leniency program*  
Reduction of or exemption from surcharges if a violating company provides information to the Japan Fair Trade Commission before initiation of an investigation
- 3) *Revision of elimination measures and hearing system*  
The advisory system is abolished, and hearing procedures provide for review of elimination measure orders and surcharge payment orders.
- 4) *Introduction of compulsory powers for criminal investigations*  
As an administrative procedure, the Fair Trade Commission may obtain a search warrant based on a court order in addition to its investigation.

#### **4) Compliance with Insider Trading Regulations**

In the course of your job duties, you may sometimes obtain information on Nagase Group or a third party that has not been publicly disclosed. Using important, undisclosed internal information about Nagase Group or any other company for your personal financial or other benefits is not only against ethics but also against the law in many countries. Such an illegal transaction may be punished by a heavy penalty or imprisonment. Important internal information means the information that ordinary investors would consider in making a decision to sell, buy or

hold shares or any other marketable securities and that has not been disclosed to the general public .

Please refer to the following specific examples to avoid misusing internal information:

- When you know important internal information about Nagase Group that might affect the share price of Nagase Co., Ltd., a listed company, do not buy or sell its shares until after the public release of such information.
- When you know that Nagase Group is considering establishment of new business partnership or is going to release or make a decision to introduce a new product and such activities might affect the share price of another company, such as the counterparts of the said deals, do not buy or sell the shares of that company until after the public release of such information.
- When you obtain in the course of your job duties important internal information that would affect the share price of any business counterpart or partner, do not buy or sell the shares of that company until after the release of such information.
- Any share transaction using the aforementioned internal information in the name of your relative or through an acquaintance is also not allowed.
- Even when internal information is to be conveyed to officers or employees within Nagase Group, do not disclose to anybody except those who have the business need to know. Also, when internal information is to be conveyed externally, do not disclose to anybody except those who have the right to know the said information on reasonable grounds, such as a contact person of a company in a business partnership.

## **(2) Healthy and Sound Relationship with Business Counterparties and Public Administration**

Nagase Group prohibits the offering and receiving of unjustifiable profits in the course of commercial transactions. Officers and employees are advised to make right judgments and behave sensibly so as to prevent any misunderstanding by the general public or criticism that would discredit the company.

### **1) Relationship with Business Counterparts**

- Do not offer payments, gifts, entertainment or any other economic benefit beyond the socially acceptable level to officers or employees of business counterparties. Similarly, do not accept any economic benefit beyond the socially acceptable level from officers or employees of business counterparties.
- Any sales incentive or award under sales policies must be given pursuant to internal rules.
- Supplier selection needs to be made in accordance with rational criteria such as price, quality, delivery time, attitude toward global environment issues etc.
- Do not grant a favor to business counterparts or competitors for your personal gain.
- Acquisition of securities, such as stock, of unlisted business counterparties or acceptance of stock options of business counterparties might involve you with a problem of unlawful benefit offering. To avoid this, always make sure to inform your company in advance of such acquisition or acceptance, for it is a matter of corporate decision.

### **2) Relationship with Public Officials**

No benefit such as gifts or payments may be given to public officials (including foreign national governments and local municipalities) or anyone equivalent to public officials for, or apparent to be for, the purpose of seeking favorable arrangements or action related to their authority. Similarly, no promise or offer of such benefit may be made to such officials.

In many countries, offering gifts or payments to public officials or anyone equivalent to public officials is specifically prohibited by law.

The Unfair Competition Prevention Law prohibits bribery (providing, offering or promising monetary or other benefits) of foreign public officials in order to gain an unfair business advantage. This applies to bribes made not only in Japan but also outside Japan, and to bribes made indirectly using subsidiaries, agents or others. Violators are subject to criminal penalties (up to 5 years of imprisonment and/or a fine of up to 5 million yen for individuals, and a fine of up to 300 million yen for corporations).

However, the Organisation for Economic Co-operation and Development (OECD) Convention on Combating the Bribery of Foreign Public Officials in International Business Transactions, which is the basis of this law, does not outlaw small facilitation payments intended to facilitate procedures in international commercial transactions, as they do not constitute payments made “to obtain or retain commercial transactions or other improper advantage.”

Based on the intent of the OECD Convention, the Unfair Competition Prevention Law can also be read as not considering these as payments made to obtain an “unfair business advantage.”

However, the Unfair Competition Prevention Law contains no article specifically mentioning small facilitation payments, and no action is exempt from penalties on the grounds that it constitutes a “small facilitation payment.” An essential condition for charges of bribery of a foreign public official under the Unfair Competition Prevention Law is that the action is intended to “obtain an unfair business advantage in international commercial transactions.” Therefore, specific individual cases that do not meet this condition will not be considered offenses; however, having the nature of a “small facilitation payment” does not automatically mean that the case lacks this condition or that it will not be subject to conviction.

Small facilitation payments are not recommended, but in the event that such payments are unavoidable, please take steps to ensure transparency, such as clearly accounting for the payment and keeping a record of the details. Payments made with the intent of bribery are illegal regardless of the amount.

**Concrete Examples of “Unfair Business Advantage” (Ministry of Economy, Trade and Industry, Guidelines for Preventing Bribery of Foreign Public Officials, January 29, 2007)**

1. Providing a benefit to a health and welfare ministry official of Country A with the intention of finding out the minimum bid price, which is not released in advance, in order to win a bid for a national hospital construction project in Country A:  
→ This constitutes provision of benefits to obtain an “unfair business advantage.”
2. Providing a benefit to an official of an inspection agency of Country B to obtain permission for equipment installation in a chemical plant built in Country B that does not actually meet environmental standards:  
→ This constitutes provision of benefits to obtain an “unfair business advantage.”

3. Providing a benefit to a customs official of Country C in order to have customs duties on the import of construction materials improperly reduced in Country C:  
→ This constitutes provision of benefits to obtain an “unfair business advantage.”  
On the other hand, if a small payment is made in order to have the procedure for tax reimbursement duly performed (a small facilitation payment) because there is no sign of the procedure being commenced even though it is clear that the tax should be reimbursed under the law of Country C, this may be considered not to constitute provision of benefits to obtain an “unfair business advantage.”
4. Providing a benefit to a public official of Country D with the intention of getting preferential treatment regarding permission to export products in order to obtain an advantage over competitors in Country D:  
→ This constitutes provision of benefits to obtain an “unfair business advantage.”  
On the other hand, if a small payment is made to have the procedure for permission duly performed (a small facilitation payment) when such procedure is not being performed according to law, this may be considered not to constitute provision of benefits to obtain an “unfair business advantage.”
5. Providing a benefit to a village mayor to get him to expedite procurement of food items necessary for one’s own lifestyle in Country E:  
→ Having someone expedite procurement of food items necessary for one’s lifestyle is not considered a provision of benefits to obtain an “unfair business advantage.”
6. Providing a benefit to an immigration official of Country F in order to have the issue of an entry or visitor visa processed promptly in an airport of Country F:  
→ When a small facilitation payment is made to expedite a routine administrative service, it may be considered not to constitute provision of benefits to obtain an “unfair business advantage.”

(Section omitted)

Note: Whether or not gift exchanges, entertainment, political donations, etc. are considered provision of benefits to obtain an “unfair business advantage” will be judged on a case-by-case basis depending on the particular circumstances, including the intention, amount and background.

### **3) Fairness in Political Activities**

Nagase Group is committed to ensuring impartiality and fairness regarding political activities as a corporation, in accordance with laws and regulations of the respective countries and regions. Note that company approval is required for political donations, purchases of party tickets for fund-raising, and so forth.

### **(3) Compliance with Internal Regulations and Rules**

Internal regulations and rules of each Nagase Group company set forth the code to be observed by each and every officer and employee of the company under the laws, regulations, culture and customs that it should abide by in the society in which it operates. Any behavior deviant from internal regulations and rules may not merely a mistake or misconduct of an individual officer or employee but lead the company to a statutory violation or hold the company liable to its business counterparties. Officers and employees must comply with regulations and rules established by the company, such as work rules and safety control regulations.

## **1) Trade Secret and Intellectual Property Management**

Trade secrets such as know-how, information on technology and development, customer lists and sales price lists, whether they are of our own, or provided by suppliers, business partners or customers, must be managed strictly as valuable assets of each company.

Similarly, intellectual property rights including patents, utility models, and designs, as well as trademarks, copyrights, artworks and computer software must be managed as important assets of the company and be protected with the utmost care.

### **- Handling of trade secrets belonging to the company**

Unauthorized disclosure of the company's trade secrets would damage the interests of and trust in the company. Trade secrets are not limited to those in written forms, but also include those in electronic media and embodied in physical goods as well as those which may be conveyed verbally. Trade secrets of the company may not be disclosed or distributed without authorization by the company. When a trade secret is to be provided to a business counterpart, it is necessary to enter into a confidentiality agreement in advance.

### **- Handling of trade secrets and intellectual property rights of third parties**

Absolutely no unjust attempt may be made to obtain trade secrets of any third party. Such an act might constitute not only merely a statutory violation but also a tort under civil law.

Infringement on an intellectual property right of a third party is naturally against law, and it may give grounds for a claim for damages. Therefore, cautious steps, such as conduct of preliminary research, must be taken.

## **2) Averting Conflicts of Interests**

Some officers or employees may have decision-making authority or be able to influence decisions in multiple companies. In such cases they must be careful about averting conflicts of interests.

When there is a conflict of interests between companies, a decision in one company by an officer or employee in the aforementioned position is naturally disadvantageous to the other. In such cases they may not act on their personal judgment; instead, they should report the situation to their superior in accordance with internal regulations and should always act on a decision as an organization so as to serve the best interests of the Nagase Group.

Also, corporate decisions made pursuant to internal regulations or this Code of conduct must be given preference and be observed.

### **3) Use of Corporate Assets**

Either within or outside of work hours, officers and employees may not use the company's tangible and intangible assets (such as office automation equipment, phones and company cars) and expenses for personal purposes.

### **4) Proper Accounting Processing**

Entries into books and invoice slips must be kept accurate pursuant to applicable laws and regulations as well as internal regulations. No false or fictitious record may be entered.

### **5) Appropriate Use of Information Systems**

The company's information systems must be used for business purposes only. A password should be set up for personal computers used by officers and employees to prevent information leakage. Note that the company may have access to the data and e-mails on the computer hard disks used by officers and employees as necessary.

### **6) Upon Retirement from the Company**

When retiring from the company due to reaching the retirement age or for any other reason, officers and employees must return to the company all documents and media (floppy disks, tapes, CD-ROMs, etc.) that may contain trade secrets belonging to the company and other information obtained in the course of their job duties, together with all other corporate assets. Also, the ownership of intellectual properties created by them during employment remains with the company after their retirement.

Retired officers and employees of a Nagase Group company need to obtain prior approval of that company to disclose or use, in their new job, the Nagase Group company's trade secrets or any other information obtained in the course of their job duties at that company.

## **2. Rejection of Anti-Social Elements**

Nagase Group firmly distances itself from any individual or group that has a negative influence on social order and sound corporate activities. In particular, those in managerial positions will take the lead in behaving conscientiously against such elements without fear. An act by organized crime groups of meddling in a product-related complaint with various excuses or attempting to gain illegal financial benefits via threats is called extortion. Under the basic principles of "not fear," "not pay" and "not use" assisted by the police and legal professions, Nagase Group is committed not to leaving individual officers and employees isolated but to taking organized corporate measures against extortion.

## **3. Offering Socially Useful Products and Services**

### **(1) Development and Offering of Products and Services with Adequate Safety Precaution**

Damage to life, body or property of our users due to product defects should be avoided at all costs.

To ensure product safety, careful attention needs to be paid to the safety of our products and services at every single stage of business operations such as research, development, planning, design, production, sales and after-sales service. Specifically applicable safety laws, regulations or public guidelines, if any, must be strictly complied with.

It must be ensured that information on product safety and handling instructions (including information obtained from suppliers) are conveyed to users, users' operators and end customers without fail.

## **(2) Prevention of Damage Spreading**

When a defect is found in products, quick steps must be taken to prevent the damage from spreading. Information on the defect must promptly be provided to product users and, if need be, counter-measures such as a product recall must be taken.

## **(3) Prevention of Recurrence of Accident and Trouble**

When an accident or trouble occurs regarding products or services, find out its cause and appropriately store and utilize the records to prevent recurrence of such accident or trouble. Each section of the company is advised to establish a system that guarantees that such information is fed back in a prompt fashion.

## **(4) Communication to Suppliers**

When a complaint is received from a distributor or end user, etc. concerning products or services procured by Nagase Group from a third party supplier, such information must be fed back to the supplier without fail to draw its due attention to product and service safety at every stage of business operations such as research, development, planning, design, production, sales and after-sales service.

When a defect is found in products, such information must be passed on to the supplier and quick steps must be taken to prevent the damage from spreading.

# **4. Respect for Personality and Individuality**

## **(1) Respect for Human Rights and Prohibition of Discriminatory Treatment**

Nagase Group and its officers and employees respect the personality and individuality of each person and do not harass or discriminate on the grounds of race, belief, sex, religion, nationality, language, physical feature, wealth level, or place of origin, etc. Nagase Group and its officers and employees also respect the history, culture and customs of each region.

In particular, company will tackle the issue of sexual harassment in the workplace, which is now recognized as a social problem, so that we may not allow such incident to take place, willfully or not. If a problem concerning discriminatory treatment arises, it will be promptly looked into, relief will be provided to the victim, and firm steps will be taken to prevent recurrence such as

disciplinary measures.

## **(2) Respect for Privacy**

Nagase Group and its officers and employees respect the privacy of each person and pay scrupulous and closest attention in handling personal information, thereby striving to manage such information properly.

## **(3) Securing Workplace Safety and Hygiene**

Nagase Group gives the highest priority to securing safety and hygiene and establish safe and hygienic work environments. It also strives to understand and comply with laws and regulations regarding work-related safety and hygiene of each country in which it conducts its business operations. Should an event of a disaster occur in the workplace, the damage will be kept to a minimum and recurrence will be prevented.

# **5. Disclosure to Stakeholders**

## **(1) Fair and Prompt Disclosure of Corporate Information**

Nagase Group communicates with society by disclosing information needed by society in a timely and appropriate fashion, except for its trade secrets or the information held under non-disclosure obligations. It thereby maintains the fairness in and transparency of its corporate activities never to deviate from social norms. Obviously, information truly needed by society is not limited only to the information required to be disclosed by law. Nagase Group proactively releases a whole range of information that is needed by those who are concerned with Nagase Group in their respective ways, including customers, business counterparties, officers and employees, shareholders, investors and local communities. In the course of day-to-day communications with those people, officers and employees are expected to understand properly the information needed by them and to address their needs with honesty and integrity.

## **(2) Media Relations**

Information provided to mass media such as newspapers, magazines, radio and television, and security analysts is oftentimes interpreted as an official response of the company and published as such. It is the role of public relations staff to provide clear and accurate information to the public serving appropriately under internal rules or with authorization by the company. Making contact with or answering inquiries from the media deviating from such procedures and authorization is not allowed.

# **6. Global Environmental Conservation**

Nagase Group cannot continue its business activities without facing global environmental issues and it is one of Nagase Group's significant management challenges to find ways to tackle environmental issues. Recognizing that this is a corporate task expected as a matter of course, all

Nagase Group companies are committed to promoting environmental conservation activities and working hard to achieve harmony with the environment through such business activities as "environmentally-conscious business development" and "eco-business creation." When evaluating projects or operations, their impact on environment will be considered as a fundamental criterion.

## **Supplementary Provisions**

### **Scope of Application**

1. This Code of conduct applies to all Nagase Group companies, all officers and employees of Nagase Group, personnel who work at Nagase Group under a staff dispatch agreement, personnel on loan to Nagase Group and other personnel equivalent thereto.

2. Nagase Group refers to the following companies:

- 1) Nagase & Co., Ltd.,
- 2) companies of which more than 50% of the voting rights are directly or indirectly owned by Nagase & Co., Ltd., and
- 3) companies which have agreed with Nagase & Co., Ltd. to adopt this Code of conduct.