



C **OMPLIANCE**

HANDBOOK

Standards of Conduct

Purpose of this Compliance Handbook

As you are well aware, we are conducting business activities thanks to the support of our customers and many other people, inspired by their trust and expectations of us.

We have to make a continuous effort to live up to such trust and expectations and conduct ourselves accordingly.

In that sense, I believe this Handbook covers the rules and behaviors essential to the business activity as well as in the private life.

I also believe that our corporate social responsibility can be accomplished only when the following is adhered to.

- a) Each of us complies with laws, regulations and social norms
- b) Each of us realizes the importance of morals/ethics and maintains a correct and good conduct/behavior

We are highly conscious that we are closely linked to our customers and many other stakeholders and exist as a member of society.

So let's always keep this foremost in our minds and exhibit the conduct and behavior in accordance with their trust and expectations.

In Regards to the Publication of the Revised Compliance Handbook

Due to recent compliance cases within the MJC Group, thorough compliance measures are being implemented once again at all MJC bases (e-learning with the original content and training and so on conducted by an external instructor with content tailored to the legal system and circumstances in each region).

The newest revisions made to the handbook are a compilation of these efforts, with case studies at each base collected and efforts implemented by the entire MJC Group working together. And so while there are also content that is based on the assumption of laws that apply in specific regions, this is because globalization goes hand in hand with localization.

Also, through the work to revise the handbook, it was recognized that there are two types of content: (1) content that should be upheld by individuals, like respecting the human rights of others, and (2) content, such as occupational health and safety and managing working hours, where it is not just the responsibility of individuals to be vigilant but that workplaces should also take proactive measures to safeguard individuals from unlawful conditions. Efforts have been taken to ensure that the reader is made aware of these two types of content. Please use this handbook to ensure you remain compliant.

Micronics Japan Co.,Ltd.
Masayoshi Hasegawa,
President & Representative Director

Table of contents

Preface

Messages from our founder	2
Messages from our founder and Corporate philosophy.	3
Sustainability Policy	5

1 Healthy and Sound Work Environment

1-1 Respect for fundamental human rights.	6
1-2 Proper work environment.	8
1-3 Prohibition of harassment.	10
1-4 Protection of privacy	12
1-5 Safety and Health in the work environment.	14

2 Sincere Business Activities

2-1 Offering quality and safe products/services	16
2-2 Prevention of Misconduct.	18
2-3 Fair competition and trade	20
2-4 Compliance with Subcontracting Act.	22
2-5 Compliance with generally-accepted accounting principles	24
2-6 Recording and disclosing company information in a timely and appropriate manner	26
2-7 Prohibition of insider trading	28
2-8 Prohibition of bribery and/or inappropriate entertainment	30
2-9 Compliance with foreign trade laws and regulations	32
2-10 Compliance with Local Laws Overseas and Respect for Overseas Cultures and Customs	34

3 Safeguarding Company Property

3-1 Personal information management	36
3-2 Protection and exploitation of intellectual property.	38
3-3 Management and control of company information	42
3-4 Emailing	44
3-5 Utilization of information technology (IT)	46
3-6 Use of company-owned buildings, equipment, furniture and fixtures	48

4 Commitment to Society

4-1 Making efforts to protect the environment	50
4-2 Coexistence with regional community	52
4-3 Rejection of relationships with anti-social groups and individuals, such as crime syndicates	54
4-4 How to cope with inquiries from media and/or investors.	56

End of Handbook

Basic of basics	58
Notes for using this Compliance Handbook.	60
MJC Helpline Desk	61

Messages from our founder

To contribute to building a sustainable society in line with MJC Mission, “Contribute widely to society with electronic measurement technology,” we value the three spirits of our founder, who remains the driving force behind MJC Group’s growth to date. These spirits will continue to be preserved as part of MJC’s DNA and serve as unwavering beacons, guiding us like the North Star.

■ We value nature’s laws and principles.

To cultivate new fields and develop ourselves, the important point is not to be bound by past experience, common knowledge or conventional ideas, but to grasp the essence of things and keep up our minds focused on nature’s laws and principles in our decisions, actions and thinking. What we must do is act with maturity, morality and ethics to make the right decisions and take the right actions.

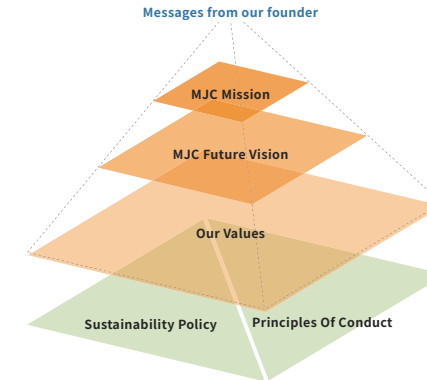
■ We value the three KAN, which are defined as 観 (observation), 感 (impression), and 勘 (imagination), to pursue human resource development.

Those who are dedicated to the development of products and technology must observe carefully and know the value of admiration, impressions and excitement, and the observation and impressions that imagination has produced. This leads to human resource development. Those who are involved in developing products and techniques must always remember to observe things carefully and emphasize the admiration, excitement, and inspiration obtained by observation. Moreover, observation and excitement drive intuition and lead to self-improvement.

■ We take these five steps for achievement: “Dream (or Needs),” “Foresee,” “Originality,” “Motivation,” and “Execution.”

The most important points for achievement are to make dreams come true, foresee consequences, look for originality, strive with motivation, and make efforts continuously for execution.

Messages from our founder and Corporate philosophy



1. MJC Mission

Contribute widely to society with electronic measurement technology

We uphold and aim to fulfil MJC Mission for our stakeholders*. Since our founding, we have explored and refined our technology and we have grown as a company alongside the ever-developing field. Under this mission, we will continue striving to contribute toward the development of a more affluent society.

2. MJC Future Vision

MJC YOUR Best Partner, MJC Anytime Anywhere

‘MJC Future Vision’, which expresses our long-term aspirations, has been consolidated into this ‘MJC Future Vision’ which is the same name as before, however, has been updated its contents in light of changes in the business environment. ‘MJC Future Vision’ expresses what MJC wants to become for our diverse stakeholders; to be the perfect business partner for our stakeholders and exist as the partner of choice regardless of time or place globally. With these aspirations in mind, we can contribute to a better future.

3. Our Values

QDCCSS + QDCCSS^{2.0}

The QDCCSS, our foundation, was created to earn the trust and confidence of our customers, and has continued to permeate our core values over the years. Furthermore, in light of changes in the business environment and employee feedback, we have established ‘QDCCSS2.0’ as a new set of values for growth. With our values as the driving force for growth, we can further strive to realise ‘MJC Mission’ and ‘MJC Future Vision’.

* Stakeholders include all parties who support MJC, including customers, suppliers, partner companies, shareholders, creditors, employees, local communities, and governments.

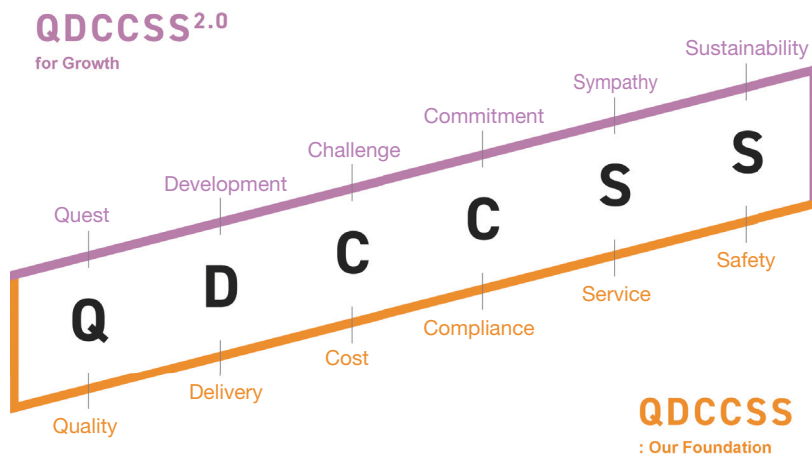
Expected Behavior

QDCCSS: Our Root Values

Q Quality	Commit to delivering technological innovation and maintaining high quality standards
D Delivery	Take delivery deadlines seriously (deliver peace of mind and consistency) to earn trust and confidence
C Cost	Build cost-focused processes to generate new value
C Compliance	Align your behavior with nature's laws and principles and comply with legal requirements
S Service	Deliver valuable services and surefire customer support
S Safety	Put safety first and contribute to a safe and secure work-place

QDCCSS^{2.0} for Growth

Q Quest	Always search for growth opportunities that will enhance the value of our organization
D Development	Develop top-class products that deliver the very best benefits
C Challenge	Set yourself ambitious goals, take action to achieve them
C Commitment	Meet expectations by keeping your promises and being accountable
S Sympathy	Show empathy and gratitude to our loyal customers
S Sustainability	Create positive environmental and social impacts to drive MJC's sustainable growth



To achieve a sustainable society, MJC Group is committed to the following sustainability policy.

1 To be a company that promotes conscientious development

Strive to fulfil social responsibilities and achieve economic prosperity.

2 To be a company that is trusted by its customers

Provide high-value products and services to customers.

3 To be a company that treats the environment and society with due consideration and gratitude

Strive to create a prosperous environment and cooperate with society.

4 To be a company where diverse and demonstrable abilities are showcased

Build a system that enables each and every employee to cultivate and demonstrate their diverse abilities.

1-1 Respect for fundamental human rights

Our promise

- We respect the fundamental human rights of all individuals we meet.
- We will never discriminate by race, nationality, religion, gender, age, social status, birth place, illness and/or disability.
We also will not discriminate against sexual minorities.

■ Accepting different ways of thinking

During our daily activity, you will have numerous chances to meet not only your fellow workers but also other people such as customers and people in the regional community who may have their own way of thinking and different values from yours. As an essential societal rule, we should accept such difference, face each other with respect and never negate a person's character or deny them of their dignity.

Further, often exchanging different views and stimulating one another serves as the solution for deadlocked situations and may even lead to better ideas which would otherwise not be conceived by a person working alone.

■ We eliminate all discrimination

If you face unfair discrimination or harassment that cannot be justified from a business standpoint, you will surely lose your smile and motivation to work. So we eliminate all discrimination and harassment so that we will be able to build the foundation of an environment where we can all work brightly and cheerfully.



Things you should not do

For example, the following actions are regarded as “discrimination” or “harassment”.

- Speak ill of the person simply because you don't like them.
- Ignore or isolate a person just because they made an objection at the meeting.
- Look down on a person due to their appearance, age and/or educational background.
- Make fun of a physical handicap or disability.
- Deny educational training or promotion opportunities, or set conditions that apply only to a specific person.
- Set irrational standards as conditions for employment, such as parents' profession or family status rather than applicant's ability or aptitude.



1-2 Proper work environment

Our promise

- We will provide reasonable pay for earnest work.
- For the sake of upholding health, we will eliminate excessively heavy work.

■ Earning reasonable pay

We receive a reasonable wage from the company by executing our predefined duties in good faith. Unpaid labor or overtime labor that is not paid in addition to one's wage is not allowed.

Therefore, we will reject all illegal practices such as overtime work without pay so that we will be able to maintain a proper work environment.

■ No excessively heavy work

Because of delivery requirements or monthly closing for accounting processes, it may be necessary to work overtime or on a holiday. However overtime work late at night or excessively heavy work on holidays for a prolonged period should not be allowed.

Excessively heavy work exhausts us both physically and mentally and may lead to mental depression and, in the worst case, be fatal.

So we will try not to engage in any excessively heavy work alone and, at the same time, we will not force nor allow others to do so.



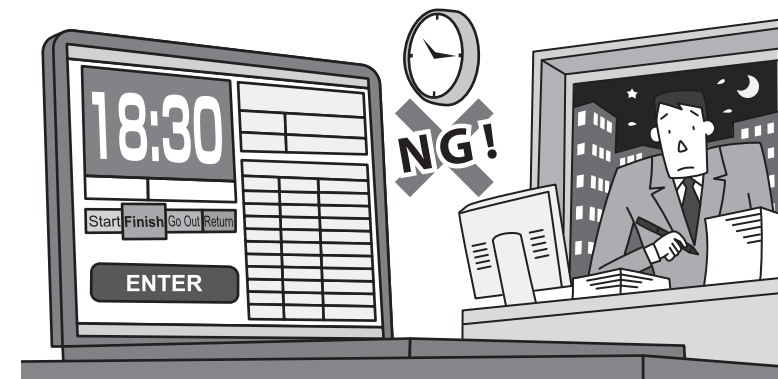
Things you should not do

- Force or allow your staff to work overtime without pay.
- Force or allow others to work late at night or on holidays exceeding the legal limit.
- Adjusting timecard stamping to distribute part of the overtime for the current month to the following month.
- Be hostile towards those who don't accept excessive overtime work late at night or holidays.
- Not allowing your staff to take paid leave.

Note : Regardless of if an individual is a regular employee, contract employee or part-timer, everyone has workers' rights which are provided in the applicable laws.

The Labor Standards Inspection Office demands corrective actions due to "hidden overtime" and "unpaid overtime"

Company H, a manufacturing company with factories and plants, instructed site managers to keep monthly overtime to less than 100 hours. In the end, the site managers underreported so that the monthly overtime hours would be around 100 hours. Not only did Company H receive a formal demand to take corrective actions, but this fact was published online, resulting in a drop in Company H's corporate value.



1-3 Prohibition of harassment

Our promise

- We will never conduct any act of harassment or act which could be regarded as harassment.
- We will maintain a harassment-free work environment.

■ We shall not conduct any acts of harassment

Harassment generally can be defined as “causing trouble to” or “annoying” other people. It can cause the victims much grievance and emotional suffering. Typical forms of harassment include sexual harassment, power harassment, maternity harassment and care harassment).

We take care not to harass or act in a way that could be perceived as harassment by others and strive to maintain a working environment free of harassment.

■ “Put yourself into the other person’s shoe”

Even though you may not intend to hurt someone, if such a person is hurt by your words or action, then you are guilty of harassment. This means that you may very likely be offending others too without being aware of it.

Please note that even teaching and guidance related to work duties can be regarded as harassment if excessive.

As each person has their own way of thinking and different degree of emotional sensitivity, your words may cause an individual to be deeply troubled, even if you don’t think anything of it. Therefore as the saying goes, “put yourself into the other person’s shoe”. (Think from the standpoint of other person.)

So let’s not judge matters based on your own standards alone but also exhibit kindness and sensitivity when interacting with others.



Things you should not do

Sexual harassment means verbal and physical conduct of sexual nature, as well as unwelcome actions or annoyance that is based on discrimination towards a certain gender. Typical examples of sexual harassment are shown below.

- **Touching or leering at a person’s body, telling sexual jokes and stories and attempting to have sexual relationship.**

Bullying (known as “power harassment” in Japan) means unwelcome actions and annoyance in the work place by high-ranking personnel against lower-ranking personnel and/or by those affiliated with a different group in terms of employment type (e.g.regular employee vs.part-timers). The following are typical examples of bullying.

- **Abusing, shouting, defaming, or acts of violence.**
- **Abusing, insulting, intimidating or shouting.**
- **Ignore or isolating a specific employee, not assigning staff job tasks excessively reprimanding staff for mistakes or oversights.**

Maternity harassment and care harassment refers to being treated inappropriately in the form of dismissal, refusal to hire, urging resignation and so forth on the grounds of pregnancy or childbirth, etc., or mental and physical harassment of an employee due to pregnancy, childbirth, child-raising or care. The following are examples of maternity harassment and care harassment.

Childcare leave can be taken by both men and women.

- **Saying unpleasant things to an employee taking care leave or vacation or to someone who is pregnant or recently returned from maternity leave.**
- **Dismissing, terminating an employment agreement, urging resignation or forcefully transferring an employee on the grounds of pregnancy, childbirth, etc.**
- **Acting cold towards employees who request childcare leave.**



1-4 Protection of privacy

Our promise

- We respect, and will not invade, employee privacy.
- We will not disclose employees' personal information unless there is legitimate reason or legal requirement.

■ You will not pry or interfere in the private life of employees

Privacy is not only about the right to keep your private life private and uninterrupted by others, but also about being entitled to verify the information others hold about you and demand correction or deletion of such information.

When you obtain the personal information of employees for business purposes, you are required to follow the rules mentioned in the office regulation book (Employee Handbook) or give prior notice so as to avoid invasion of the employee's privacy.

■ You will not disclose employee's personal information to third parties

You must not disclose an employee's personal information to a third party without obtaining the employee's consent or having legitimate business reasons. Such non-disclosure policy is applicable even if the employee is no longer employed with the company.



Things you should not do

The following actions may be regarded as an "invasion of privacy".

- Giving someone's address or telephone number to another person without their consent.
- Opening the locker or the drawer of a desk which has been allocated to an employee, without justifiable reason.
- Investigating the employee's health beyond the extent necessary for business purposes and without the employee's permission.
- Investigating an employees' social status, permanent address, birth place, ideology, belief, religion and other matters which are not related to business needs.
- Not responding promptly to the request from the employee themselves for disclosing, correction or deletion of his/her personal information.



1-5 Safety and Health in the work environment

Our promise

- Each of us will make efforts to improve the safety and hygiene of our workplace.
- We will never force workers to engage in excessively heavy work or unsafe work.

■ We will make efforts to build safe and healthy workplaces

There should not be any cases of injury or illness while performing jobs. So each of us should make efforts to improve workplace safety and health.

If you have any concerns regarding your workplace, you are advised to report or consult with your colleagues, supervisor or MJC Helpline Desk (Please refer to page 61.).

■ We will not engage in overwork or unsafe work

We do not engage in or force unreasonably long working hours, even if necessary for business reasons. Long working hours impose a significant burden not only physically but also mentally.

If you feel unwell, consult a doctor immediately.

Additionally, never work in conditions where safety measures are not in place. Accidents can lead to loss of bodily functions or even death.

■ Preparing the environment for special work

You must comply with laws and regulations relating to workplace environments for special work (e.g. installing a local ventilation unit in workplaces where organic solvent is handled) so that workers can perform work safely.

Moreover, the results of a risk assessment on chemical substances must be shared with the workers who will be handling the said chemical substances.



Things you should not do

The following situations are typical examples of an unhealthy workplace.

- Dangerous or hazardous materials present in the workplace that are unrelated to the company's operations.
- Neglecting to manage overtime and making your staff work over the limit.
- Improper setting of temperature & lighting, noise and polluted air that causes discomfort.
- No enforcement of a no-smoking policy or no separate smoking section.
- No measures or facilities for workers to recover from physical and mental fatigue.

Case)

One young person who joined a large advertising agency committed suicide in his second year of employment. He was suffering depression due to prolonged overtime. This firm was charged for violating "Company's obligation of security" and ordered by the court to pay compensation for the amount of approximately one million JPY.



2-1 Offering quality and safe products/ services

Our promise

- We offer high-quality and easy-to-use products & services that meet customers' requirements.
- We offer products and services designed with safety, reliability and environment-friendliness taken into consideration.

■ We offer products and services created by putting ourselves in our customer's shoes

We offer products and services appreciated by our customers.

We always listen to our customer's opinions and requests, and try to assess our products and services thoroughly as if we are the customers in order to improve them.

■ We offer products and services designed with safety, reliability and environment-friendliness taken into consideration

It is our policy that our products and services should be used by our customers free of all safety-related concerns. We exert all efforts to provide safe, reliable and environment-friendly products and services as well as comply with laws, public guidelines and company policies.

■ We will faithfully respond to questions and inquiries

We take responsibility for the products and services we supply. So, even if we are asked by our customer about possible defects, we should faithfully respond. (Don't deceive the customer or make an excuse which is just convenient for ourselves.)



Things you should not do

The following products and services are typical examples of inferior quality and/or insufficient safety.

- Products and services being offered without sufficient prior safety and security checks.
- Not performing inspections or verifications required by company rules or law.
- Products which were designed without considering the impact on the natural environment when used or disposed of.

The following actions are considered to be inappropriate as disclosure policy and insincere response.

- Failing to disclose certain defects which came to light after the relevant product or service was released on the market.
- Concealing important matters on the contract or making them difficult to understand.
- Ignoring or falsely answering questions and inquiries related to products and services.



2-2 Prevention of Misconduct

Our promise

- We will conduct honest business activities and prevent fraud that is prone to occur in organizations.
- We will take the appropriate action to correct misconduct if we witness it, without turning a blind eye.

■ We Will Engage in Honest Business Activities

Misconduct such as fraudulent accounting and falsification of quality data will damage a company's social credibility and, in the worst-case scenario, cause the company to go bankrupt. To prevent this from happening, we will always maintain a sound work environment and conduct honest business activities.

■ We Will Promptly Report Misconduct If We See It

Much misconduct starts from something small and becomes bigger as we become desensitized to it. Therefore, when we see misconduct, we must not overlook even minor fraud. Of course, this also applies to major fraud.

If dealing with the matter alone is difficult, talk to your supervisor. If it is difficult to talk to your supervisor because they are either the perpetrator of the misconduct or on good terms with the perpetrator, use our whistleblowing system. In either case, take prompt action according to the situation.



Things you should not do

The following acts are examples of misconduct that does not comply with the rules and then damages the company or others:

- Falsifying application data to obtain certification.
- Falsifying performance inspections and quality inspection figures at the time of shipment.
- Making financial statements with contents that differ from the actual company balance.
- Shipping products that do not conform to standards due to reasons such as needing to meet deadlines.
- Falsely labeling the product size, weight, performance, etc.
- Conducting inspections without complying with the prescribed procedures.
- Unqualified individuals carrying out inspections.
- Delivering unacceptable products as a waiver without the customer's permission.



2-3 Fair competition and trade

Our promise

- We will not engage in any illegal trade or public regulations.
- We will not engage in business transactions that obstruct free and fair competition.

■ We will not engage in business transactions that obstruct free and fair competition

We will conduct business activities so that our customers choose our products and services on their own accord by improving the quality of our products, developing technologies, reducing prices, etc. However, we will not take acts that obstruct free and fair competition such as engaging in cartels and bid-rigging or unfair business practices.

■ Respect & fair treatment towards our sub-contractors (our partner companies)

We respect our sub-contractors as they are key to our ongoing business activities and therefore we treat them as equal and never take advantage of our superior position.



Things you should not do

The following actions or attempts to engage in the following actions are in violation of the law.

- Deciding on matters such as the price and sales volume through consultation with competitors.
- Asking raw material manufacturers not to supply such raw material to newcomers in the same industry.
- Offering extremely low prices only to the customers of our competitors in an attempt to entice them to us.
- We will not demand a subcontractor to redo work or reduce their fee without justifiable cause.
- We will not fraudulently obtain the confidential information of competitors.

Case-1) Payment of 425 million USD for a price-fixing cartel

There has been a succession of price-fixing cartel relating to auto parts uncovered in the U.S., with a tire manufacturer admitting to its participation in the price-fixing of anti-vibration rubber in February 2014 and agreeing to pay a fine to the U.S. Justice Department. This tire manufacturer had agreed to pay a fine for a separate cartel/bribery incident from several years ago, however it failed to report the price-fixing cartel concerning the anti-vibration rubber on this occasion, therefore the fine also includes punishment for this violation.

Case-2) Canceling an intent to order

Because of the immediate needs of some machinery parts, Company A placed a request with a sub-contractor to produce them before issuing an official purchase order (P/O). Later, due to a change in Company A's production schedule, it no longer required such machinery parts and refused to purchase the parts already produced by the sub-contractor, saying "We didn't issue an official P/O". However, according to the Sub-contract Act, such requests to produce machinery parts are considered an official P/O especially because adequate lead-time was not given from the beginning. As a result, Company A was obliged to take the parts and pay for them.

2-4 Compliance with Subcontracting Act

Our promise

- We will always engage in fair transactions with subcontractors in compliance with the Subcontracting Act.
- We will not force unfavorable conditions on subcontractors.
- Even in transactions to which the Subcontracting Act does not apply, we will endeavor to conduct transactions with partner companies in accordance with the aim of the Subcontracting Act.

■ We Will Comply with the Subcontracting Law and Engage in Fair Transactions

The Subcontracting Act is a law aimed at protecting the interests of subcontractors by prohibiting parent companies from using their dominant position to force subcontractors to accept unfavorable conditions.

The main contractor and subcontractor are good partners that help each other prosper. We will always comply with the Subcontracting Act and engage in transactions with fair relations with subcontractors.

■ We will understand the four obligations and the 11 prohibited acts of main contractors

The Subcontracting Act outlines the scope of transactions to which the Act applies, as well as the four obligations and 11 prohibited acts that must be observed by main contractors. We engage in transactions by complying with these.

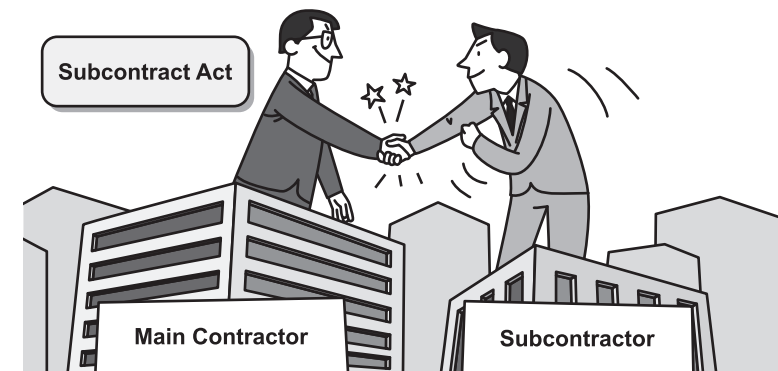
Four obligations	Issuing documents Stipulating payment deadlines for subcontracting fees Creating/saving documents of transaction records Paying overdue interest
11 prohibited acts	Refusal of acceptance, delayed payment of subcontracting fees, reduction of subcontracting fees, unjustified returns, buying at a low price, forced purchase of goods or use of services, retaliatory measures, early settlement of compensation such as payment for supplied materials, issuing bills or promissory notes that are difficult to discount or negotiate, unjust requests to provide economic benefits, and unjust changing or redoing of payments terms



Things you should not do

The following actions are examples of violations of the Subcontracting Act:

- Placing an order by telephone and not issuing the documents to the subcontractor.
- Setting the subcontract fee to an amount significantly lower than usual (Even if the subcontractor agrees, it may be a violation of the Subcontracting Act).
- Refusing to accept ordered products.
- Not paying the subcontract fee by the payment deadline.
- Reducing the fee decided when placing the order despite no fault of the subcontractor.
- Having a subcontractor provide services free of charge (e.g., have a subcontractor help display products, etc. free of charge).



2-5 Compliance with generally-accepted accounting principles

Our promise

- We will process accounting work in accordance with Accounting Standards.
- We will never engage in improper bookkeeping or acts of accounting fraud (window dressing).

■ We will engage in correct accounting procedures

Accounting procedures must comply with relevant laws and regulations and should be precise and thorough.

A company's funds and assets should be properly controlled and recorded so that any diversion or usage other than that originally intended are avoided.

As for expense settlement, the purpose of the transaction and the amount of such expense payment should be identified by attaching the original bill or receipt.

■ We will eliminate any improper accounting practice

We should not forge accounting information. Also we should be careful not to record inaccurate or vague accounting information as it may mislead people. Once such wrong accounting information is found, it will destroy the creditability of the financial statements and may lead to the company being fined and the persons in charge being sentenced to jail.

In order to enable the company to have a solid foundation upon which to fulfill its legal and social responsibilities, such improper accounting practice or any act which may cause the company damage should never be allowed.



Things you should not do

The following acts are considered to be improper accounting procedures or accounting fraud.

- To change the contents of an invoice from the actual amount to a different amount in line with a customer's request.
- To book the revenue from paper trading (unreal transaction) in order to conceal the company's insolvency.
- Falsifying records of the company's business and financial performance.
- To engage in false bookkeeping or book-entry that may be misleading.
- To own assets or liabilities which are not disclosed on financial statements.

Case) Software company found guilty of window-dressing (account-rigging)

Despite having an excessive net asset debt of minus 400 million yen, a software company was subjected to a compulsory investigation by the Securities and Exchange Surveillance Commission on the grounds of reporting fictitious sales and submitting a fraudulent financial report stating its net assets to be 398 million yen.

The company went bankrupt and the chairmen and president suspected of violating the Financial Instruments and Exchange Act. (for fraudulent financial reporting) were arrested.



2-6 Recording and disclosing company information in a timely and appropriate manner

Our promise

- We will record all business-related information as precisely as possible.
- We will disclose our business-related activities in a timely and appropriate manner and contribute to society.

■ To record business-related information as precisely as possible

It is essential for any company to fulfill its legal responsibility in recording all the business-related information, such as results of quality inspections and/or production history. Especially listed companies are required to disclose a certain level of business-related information. So it is important to record all business-related information as precisely as possible so that all the stakeholders (customers, shareholders, employees, suppliers and sub-contractors, and people in the same regional community) will be able to promptly obtain such information with accuracy, and in a sufficiently-comprehensible way.

■ To disclose business-related information in a timely and proper manner

In order to establish a good relationship and obtain trust from stakeholders, a company, as a member of society, should be proactive in disclosing its business-related activities and details of its social contribution activities.

Since the ultimate purpose of disclosure is to inform stakeholders about what the company is doing and gain support, it is not sufficient to provide biased or unilateral information. It is highly recommended to utilize more positive means for enabling more effective and efficient bilateral communication such as sending out questionnaires, conducting monitor surveys, establishing opportunities for opinion exchange, inviting stakeholders to the plant & office tour and/or announcing the information online.

In disclosing information to an unspecified large number of people, we must indicate the purpose and expected outcome and gain approval regarding the content to be disclosed beforehand.



Things you are encouraged to do

The following actions are considered as timely & appropriate recordings/disclosures.

- Recording correct and precise data according to the facts and avoiding any omissions.
- Providing precise, yet simple and straightforward descriptions in order to avoid misinterpretation and misunderstandings.
- Disclosing negative information such as the occurrence of defective products if necessary.
- Implementing strict security measures over company information in order to avoid loss, leakage, theft and/or unauthorized use, as well as making sure to delete or destroy information when it is no longer required.
- Initiating bilateral communication with stakeholders in addition to unilateral disclosure in order to reflect stakeholders' opinions in business operation.
- For information to be disclosed to an unspecified large number of people outside the company, we will carry out an in-house check before its disclosure to check whether there is any content that infringes on the rights of other companies and whether the content improves our brand image and corporate value.



2-7 Prohibition of insider trading

Our promise

- We will not tell or leak undisclosed company information which we came to know learnt about through business, even to our close friends or family members.
- We will not sell or purchase the shares of our own company, affiliated firms and business-related firms such as customers and/or subcontractors, based on undisclosed information which we learnt about through business.

■ Undisclosed information should not be leaked or spoken

As employees, we have opportunities to learn about certain undisclosed information concerning our own company and/or business-related firms such as customers or sub-contractors through our daily business operations. If we leak or speak out about such disclosed information to others, those who have received such information will have a better chance of selling or purchasing the shares of that company, thus making the stock market unfair.

We should be careful not to reveal such undisclosed information, even to close friends or family.

■ Do not sell or purchase corporate stock or other securities based on non-public information

“Insider trading” means the selling or purchasing of corporate stock based on important undisclosed information such as a merger plan and/or new product development, which will undoubtedly influence stock price once such information is made public. Insider trading is illegal and punished severely.



Things you should not do

The following actions are regarded as insider trading.

- Buying one's own company's stocks under your family member's name upon obtaining inside information concerning your company.
- Purchasing shares of your friend's company upon receiving inside information from your friend.
- Buying shares of your parent company upon obtaining information such as your parent company has been successful in developing an epoch-making new product that has not yet been made public.
- Selling stocks of a company upon obtaining inside information indicating deteriorating business performance.
- Leaking information related to new product development by your company to your close friend, so that your friend may purchase your company's stock.

Case) Insider trading committed by broadcasting company employee

An employee of a broadcasting company obtained information from a computer terminal in his workplace that a restaurant chain was about to acquire another restaurant chain and traded stock of the said restaurant chain, which was illegal. This employee was dismissed as disciplinary action.



2-8 Prohibition of bribery and/or inappropriate entertainment

Our promise

- We will never commit bribery nor entertain public servants such as government and municipal officials, including former officials.
- We should be extremely careful when we offer entertainment or gifts to our clients as well as when we receive the same from those involved in the business.

■ We should never commit bribery towards public servants

It is prohibited by law to entertain or offer gifts to government or municipal officials.

Private citizens engaged in business of a public nature are called “Deemed Public Servants” and are also prohibited from being entertained or receiving gifts. We will never entertain or give a gift to public servants in the broad sense in exchange for certain special treatment.

We should refrain from presenting gifts to government officials or inviting them to dinner which could be interpreted as motivated by our expectation to receive special treatment.

■ We should be careful regarding entertainment and gifts even in the private sector.

Offering /receiving entertainment or gifts among business-related persons should be carried out within the range of firm business practice and common sense. We will also not receive gifts and/or entertainment from suppliers of materials and services.



Things you should not do

The following cases are regarded as bribery.

- Entertaining a person in charge of purchasing in a government or municipal office and ask him to award a contract in the tender business.
- Sending a gift to a police officer you are acquainted with and asking him to cover up a traffic violation.
- To give items to a parking inspector in exchange for overlooking illegal parking. (Note: In Japan, a private parking inspection firm undertakes such a task for the police station and parking inspectors are regarded as “Deemed Public Servants” while they are on duty.)

The following cases are regarded as inappropriate entertainment and/or gifts.

- Sending expensive gifts which exceed generally-accepted price levels.
- Entertaining clients at establishments which may be contrary to public order and morals.
- Donating money to suspected anti-social groups such as crime syndicates.

Case) Request to the mayor to leak the target ordering price

A director of a construction company approached the mayor of the city and offered 14 million JPY in exchange for leaking the target ordering price for the municipal health and resort facility to be constructed in the city.

This case was taken to court where the director was found guilty and sentenced accordingly.



2-9 Compliance with foreign trade laws and regulations

Our promise

- We will comply with foreign trade laws and regulations in Japan and those countries where we conduct business operations.

■ Complying with laws and regulations related to exports and imports

We have to comply with the import and export related laws and regulations of the countries where we conduct business operations.

If we violate such laws and regulations, the company may have certain administrative sanctions imposed upon it, such as an import/export ban in addition to a criminal penalty, such as a fine to the company and imprisonment of the directors or employees.

It is not necessary to understand all the contents of laws and regulation related to import and export as they are complicated. However it is highly recommended to have knowledge regarding what kind of laws and regulation exist for the product and business you are handling.

Please note that such import and export laws and regulations are applicable not only for the finished products but also for samples under development as well as trade among domestic offices and overseas branches/subsidiaries of a company.

Generally speaking, export control laws and regulations cover not only the finished product but also chemical materials, technology, software, design as well as information written in operation manuals.



Things you should not do

The following acts are examples of violating trade-related laws and regulations:

- Not correctly declaring the product name, price, place of origin, quantity, etc. when exporting/importing
- Importing prohibited goods such as narcotics, designated drugs, firearms, explosives, and explosive materials
- Exporting products or technologies without verifying their intended use or end user, knowing that they may be used for weapons or arms purposes
- Not declaring to the forwarder that the shipment contains dangerous goods for air transport, such as lithium-ion batteries (IATA's Dangerous Goods Regulations)

The following actions are prohibited at MJC:

- MJC prohibits the export of products, product samples, repair parts, etc., outside of Japan in travel bags or suitcases (hand-carry exports). The following cases, however, are excluded:
 - *1 When taking hand tools home as your own professional equipment for after-sales support such as when conducting repairs.
 - *2 When taking home a laptop computer used for work in the office for your own use.
- Exporting goods or providing technologies without conducting an export control classification before doing so.
 - * Export control classification: Determining whether goods or technologies are subject to export controls. If they are subject to export restrictions, an export permit from the Minister of Economy, Trade and Industry is required.

2-10 Compliance with Local Laws Overseas and Respect for Overseas Cultures and Customs

Our promise

- We will adhere to the laws and regulations of other countries and regions.
- We will understand and respect the cultures and customs of other countries and regions.

■ We Will Comply with Overseas Laws and Regulations

Today, it is common for companies to communicate with foreign countries and establish overseas offices for business development. Depending on the country or region, the contents of laws and regulations may differ from those in Japan, and local subsidiaries may have their own internal rules and policies.

We shall, while complying with the laws and regulations of each region, adhere to the internal rules and policies established by each company.

■ We Will Understand and Respect Cultures and Customs

When doing business overseas, we will, of course, adhere to the laws and regulations of the country, but this alone is not enough. In some cases, it may not be possible to make appropriate decisions and act based on domestic business customs and common sense.

We will understand and respect the culture, customs, and values unique to each country and region. We will treat people with respect and act in good faith. Doing so will facilitate the development of our business, and in turn will also contribute to each other's economic, social, and environmental progress.



Things you are recommended to do

It is desirable that you understand the local culture and customs by taking the following actions:

- Reading and listening about and experiencing local history and culture first-hand.
- Actively communicating with the local people to become familiar with their values and customs.
- Always upholding your pride as an MJC (Group) employee when you act.
- Understanding that 'culture and customs' differ between your own country and other countries, and acting appropriately. (Be careful as even actions (gestures, etc.) that are fine in Japan may be considered locally as lacking common sense).

Case)

A Japanese national taking pictures at a military-controlled facility in a foreign country was detained on suspicion of espionage. When taking pictures abroad, be very careful about the type of place you are visiting.

Compliance with Local Laws & Regulations



3-1 Personal information management

Our promise

- We will properly manage and handle personal information in accordance with company rules.
- We will never use personal information for purposes or under conditions other than those originally set forth when such personal information was obtained.
- We will not remove the personal information from the company or leak it to other parties without obtaining the appropriate prior permission.

■ Proper handling of personal information

Personal information is information by which it is possible to identify a certain individual or distinguish the individual from others. Typical personal information may include name, address, phone number and e-mail address.

It is imperative for us to understand the importance of personal information and handle it in an appropriate manner so that we will be able to maintain a relationship of mutual trust with employee, customers and subcontractors.

In providing personal information to a third party, the consent of the individual is required. (The same goes for MJC Group companies)

*The individual's consent is not required in the case of outsourcing or joint utilization.

Be aware that the handling of personal information may differ depending on the region.

■ Improper usage and leaking of personal information is forbidden

Personal information should not be used for any purpose other than the original purpose stated at the time such information was obtained, or beyond the promised scope as agreed by the provider of such information.

Please note that once personal information is leaked by improper handling, the company that leaked such information will undoubtedly lose its trust and reliability which will take a long time and great effort to recover.

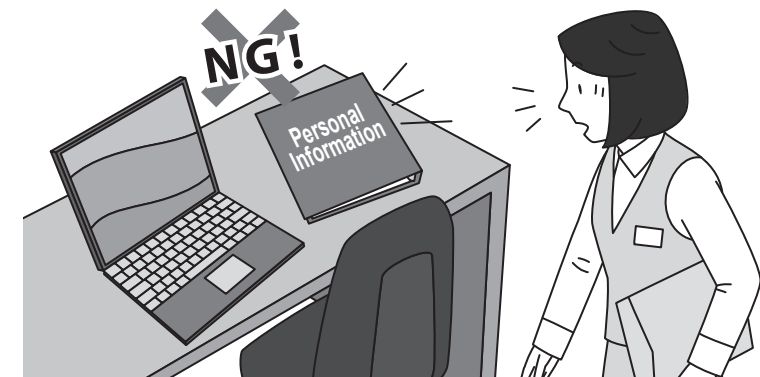
Please also note the person whose personal information was leaked will be left vulnerable to unwelcome invitations, offers, solicitation and even the risk of becoming a victim to fraud.



Things you should not do

The following actions are regarded as leaking or misuse of personal information.

- Removing the list of your customers or employees from company premises without prior permission. Also providing such lists to parties outside of the company without prior permission.
- Printing the personal information of your customers or employees or recording it on storage media, such as a USB memory, without prior permission.
- Writing the personal information of customers or employees without their permission on an online homepage or bulletin board.
- Disposing of documents containing personal information in the same manner as ordinary trash instead of shredding them.
- Using or disclosing personal information for a purpose other than the one originally intended.
- Submitting contact information of an employee immediately upon receiving an inquiry from a police officer without consulting with the appropriate personnel in the organization.



3-2 Protection and exploitation of intellectual property

Our promise

- We understand the importance of intellectual property, respect the rights of others, and properly manage our own rights.
- We understand the value of intellectual property and appropriately use it.
- We promptly notify the company of any intellectual property created in connection with our duties.

■ We understand the importance of intellectual property.

Intellectual property is intangible property such as inventions, designs, brands representing trust, trade secrets, and copyrighted works such as music, which are the result of intellectual creative activities.

The value of intellectual property can only be ensured when it is subject to proper protection and management. If you fail to follow the procedures necessary to protect your rights or manage them sloppily, your work may be copied by a third party and your rights may be extinguished.

Therefore, we must respect the intellectual property of others and properly manage and protect our own intellectual property rights.

■ Types of intellectual property rights

Various intellectual property rights are protected by individual laws, as well as by the laws of the respective countries and treaties. For example, while they are called Industrial property rights, patent, utility model, design, and trademark rights must be registered in each country, and copyrights are automatically recognized in the member countries thereof by treaty, while rights such as trade secrets, domains have no registration system.

■ Respect the intellectual property rights of others

If an employee infringes on the intellectual property rights of others, MJC may be subject to claims for damages or be forced to suspend selling services and products, which may cause inconvenience to customers and loss of trust. In addition, individuals and business managers may face severe penalties, including criminal penalties, for infringement. If your product infringes or may infringe the intellectual property rights of others, you must promptly report it to the Intellectual Property Division.

As for actions you can take when marketing a new product, you should research in advance the rights of other companies, such as patent rights for related technologies or trademark rights in the class to which the product belongs, to avoid infringing on the intellectual property rights of third parties. Since patents and trademarks must be registered in each country, it is necessary to research the rights in each country where the new product will be manufactured or launched.

If the research reveals that there is a possibility of infringement of any third party's rights, you should consider ways to avoid such infringement, refrain from using the infringing technology, etc., obtain a license from the relevant third party, or take other action.

■ Properly protect our own intellectual property

Appropriate protection of intellectual property rights, such as the company's technology and brand, will help companies gain and maintain competitiveness and increase corporate value. For industrial property rights, it is desirable to obtain rights in each country where the product is manufactured or sold. Trade secrets must be properly managed.

If you publish your invention or idea before filing an application with the Patent Office, you will not be able to obtain a patent or other rights. The application process must be completed prior to publication.

It is necessary to apply for and obtain registration of a trademark for a name, logo, or mark to be used when selling a new product or providing a new service, in order to prevent imitation by others.

You must obtain rights to patents, trademarks, etc., in the countries where you intend to use them, manufacture our products, or do business in the future.

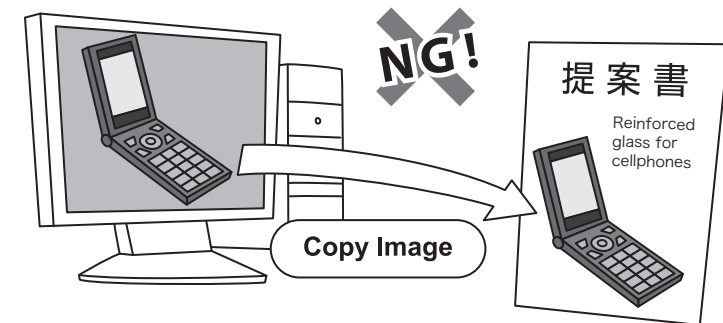
Trade secrets must be properly managed in accordance with the rules established by MJC. Note that the intellectual property may lose its value as intellectual property if it becomes freely available to anyone due to a failure to properly manage it.

In addition, it is necessary to pay attention to whether your intellectual property rights are being used by others without permission, and to promptly report such infringement to the Intellectual Property Division when such infringement is discovered.



Things you should not do

- Providing or disclosing trade secrets owned by the company to third parties without permission.
- Creating, or asking others to create, imitations of other companies' products, services, brochures, etc., in the course of business.
- Copying and using text, photographs, or other materials from newspapers, books, or the Internet without stating the source or without permission.
- Purchasing or using any product, knowing it to be a counterfeit or pirated product.
- Duplicating copyrighted software or installing it on company computers without permission.
- Manufacturing and selling products without investigating other companies' patents.
- Selling products or services by naming the product or service without conducting a trademark search of other companies.
- Publishing inventions at an exhibition, in a newspaper or magazine, on the Internet, or in any other public domain prior to filing a patent application.



3-3 Management and control of company information

Our promise

- We will properly manage company information in accordance with established internal rules.
- We will make all efforts to prevent our valuable company information from being revealed or leaked.

■ Company information has to be properly managed and controlled

Information is a necessary asset for the company just like a fund and human resources that enable the company to keep running. You will be able to make good use of information by properly managing it and maintaining its accuracy and completeness.

Also such company information is strictly for business operations, therefore private use is prohibited.

■ Company information has to be carefully handled in order to avoid it being revealed or leaked

Company information includes some confidential information such as new product information, production know-how and certain confidential information related to our customers. Whether intentional or not, once confidential information is revealed or leaked, it will often result in causing great damage to the company, such as loss of competitive power or creditability. Also we should be careful to avoid unintended leaking of information caused by virus-infected computers, sending e-mails to the wrong address or losing one's computer by forgetting it on the overhead baggage rack of a train, etc.



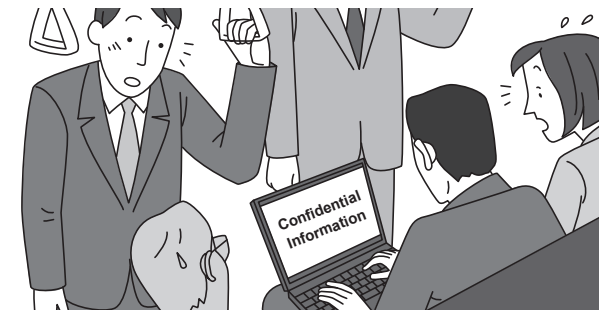
Things you should not do

The following actions could all potentially lead to the revealing or leaking of company information.

- Obtaining certain company information in an unauthorized manner or removing such information from company premises without permission. (If the purpose of revealing or leaking company information is to make a profit or cause damage to the company, then it will be judged as an illegal conduct.)
- Posting photos or videos taken in-house and information about or the activities of another company on a personal social media account.
- Leaving a PC in the overhead baggage rack of a plane or placing it on a luggage shelf in the train unprotected.
- Discussing confidential matters in an elevator or restaurant surrounded by many outsiders.
- Discussing confidential information when you are with your family or closes friends.
- Taking your PC out of the office when you plan to attend a drinking party even if you have obtained a permit to do so.

Case)

Recently, there have been reports of cases in Japan where unacquainted foreigners have approached and invited people in a friendly manner in fluent Japanese to a restaurant or the like and manipulated or coerced the invitee to leak company information once they feel as though they have formed a friendship.



3-4 Emailing

Our promise

- We use email in accordance with company rules.

■ We must use email communication appropriately

Emailing is a very convenient form of communication, however, at the same time, there is a risk of leaking confidential company information. So we should use it appropriately to avoid the leaking of such confidential company information.

■ Recommended manner to avoid risk of information leakage

Please ensure all addresses are correct before sending emails.

When using “Reply-to-All” function, before sending please ensure that it is appropriate for all the planned recipients to read the contents of your email.

When sending emails with data files attached, it is recommended to compress (zip) the message which can be decompressed (unzip) either by using a password preselected by the sender and receiver, or a password informed separately, in order to avoid the potential risk of information leakage caused by sending messages to the mistaken address or phishing.

If sending large-capacity files outside the company, use a system for sending/receiving a large amount of data.

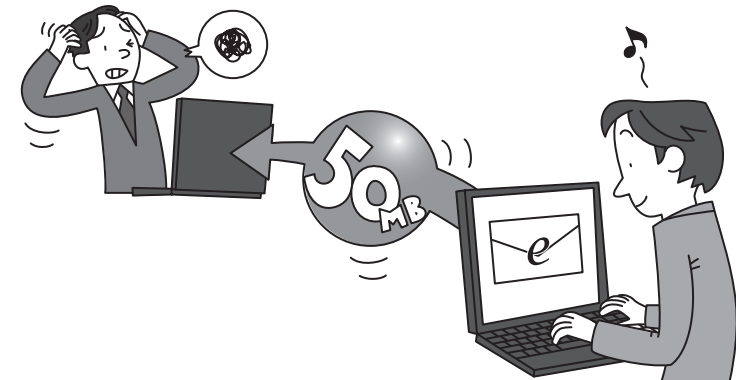
When you receive an email from an address which is either strange or suspicious, please do not read such messages but simply delete it.



Things you should not do

You must not do the following when using email:

- Send confidential company information to your private address such as your home.
- Inconvenience the recipient by attaching large volume data files.
- Send libel or slanderous messages.
- Opening an email from an unfamiliar or suspicious address.
- Use “non-standard characters” (platform-dependent characters) or “half-width katakana” which often causes garbling.



3-5 Utilization of information technology (IT)

Our promise

- When we utilize information technology, we have to properly use it in accordance with the established company rules.

■ Proper utilization of IT

Information Technology (IT) is a necessary and convenient tool to conduct various business operations.

But IT may cause a lot of damage to the company if incorrectly utilized. So the company's internal policy specifies the rules on situations that require special attention, such as leaking, destruction, alteration and rewriting, erasing of information assets and virus-infection as well as unauthorized access to certain websites.

Also a Chief of Information Management is assigned per Department (Office) and is responsible for the overall management of IT in the company.

If you have any questions related to the operation of IT, please refer to the company policy or contact the Chief of Information Management.

■ Understand that your message reaches people around the world

Unlike email and phone calls, disclosing information or making statements on SNS has the potential to reach people the world over. Please understand that inappropriate information disclosure could go viral instantly and is difficult to fully erase, and always disclose information on a timely and appropriate basis.



Things you are recommended to do

The following actions are regarded as proper utilization of IT.

- Adding information handling restrictions to information assets in accordance with the information categories stipulated in the company rules (MJC Strictly Confidential, MJC Confidential, Internal Use Only).
- Storing electronic-data files for the confidential documents and similar with a password or in special folders which necessitate access authorization.
- Obtaining approval from the appropriate person who manages company information when you plan on removing certain company information from the company (the person who may grant such approval could vary according to the confidential level and nature of the information).
- Obtaining prior approval from the chief of information management when you are going to record and save the confidential information on a USB memory stick and/or CD-R.
- Borrowing a company-owned computer when you have to use it outside the company for business purposes. It is prohibited to use privately-owned computers for business purposes.
- Using the Wi-Fi in one's home or a public Wi-Fi connection on a company device is prohibited.
At home, use the pocket Wi-Fi router distributed by the company, and in all other places, in principle, use a smartphone tethering connection.
*A Wi-Fi router will be supplied only in the event of working overseas of frequent usage
- Tidying up your desk before leaving the office. Locking your computer when leaving your desk. (Windows Logo Key + L).
- Making sure that the ID and password you are using are not known to others.
Passwords should be of a sufficient length, difficult to guess, and be changed regularly.
Do not use IDs or passwords used by others.
- Avoiding installation of unauthorized software into computers for business use.
- Do not make careless posts to SNS or on Internet blog services.

Use of company-owned buildings, equipment, furniture and fixtures

Our promise

- We will utilize company-owned buildings, equipment, furniture and fixtures only for the purpose of corporate activity in accordance with company rules.
- We will never use articles lent by the company for private purposes.

■ We utilize company owned buildings, equipment, furniture and fixtures in accordance with company rules

Buildings, equipment, furniture and fixtures owned by the company are the valuable assets of the company. If these assets are lost, damaged or cannot be used in normal condition as a result of ignoring company rules, the company's activities will be hindered and the customers inconvenienced.

So we will carefully utilize buildings, equipment, furniture and fixtures in accordance with company rules.

■ We will utilize articles lent by the company only for the purpose of corporate and business activity

We will utilize the articles lent by the company only for regular duties and works and other activities which have been authorized by the company.

To use these articles for private purposes or to sell them without permission is regarded as not only a violation of office rules, but also a criminal act.



Things you should not do

The following actions are regarded as the private use of company assets.

- Using company facilities such as a conference room for a purpose entirely unrelated to business activities.
- Utilizing a computer for a purpose which is entirely unrelated to your duty and work (e.g. participating in online auctions or dealing stock purchase or sales).
- Using office supply items, such as batteries, pens and envelopes for a purpose which is entirely unrelated to business activities, or taking such items home.
- Borrowing company-owned furniture or fixtures without prior permission even if it is not used.
- Selling the unused give-away without permission (or giving them to your close friend).
- Using the company car for a non-business-related purpose.
- Using a mobile phone lent by the company for a purpose which is entirely unrelated to business activities.



4-1 Making efforts to protect the environment

Our promise

- We will comply with environmentally-related laws and regulations.
- We will endeavor to reduce the negative impact on the environment in all aspects of our business activities.
- We will endeavor to protect the environment by first implementing acts familiar to us, such as environment-friendly driving (green driving) or purchasing eco-products (green purchasing).

■ Compliance with environmentally-related laws and regulations

To leave a beautiful planet earth for future generations, the conservation of our natural resources and protection of the environment is a matter of urgency.

Although it is not necessary to learn all the laws and regulations related to the environment, you should fully understand and comply with the laws, regulations and restrictions applicable to our business activities.

■ Reducing the negative impact on the environment

To reduce the negative impact on the environment, let's control and restrain greenhouse gases, hazardous chemical material and/or waste. Also let's encourage activities to save energy, efficiently use natural resources and recycling through sorted collection of garbage and refuses.

■ Starting with familiar acts like environment-friendly driving and purchasing eco-products

Let us proactively begin with acts already familiar to us instead of waiting for someone to do something. For example, let's try to purchase energy saving equipment, practice environment-friendly driving, and disconnect the plug of electrical appliances and equipments not in use.



Things we should keep in mind

For example, the following activities contribute to the protection of the environment.

- Endeavoring to plan, design and develop products which have less negative impact on the environment.
- Conserving energy.
- Encouraging the "3 R(s)" (Reduce, Reuse and Recycle).
- Always requesting a designated service provider (waste treatment, collection, and transportation company) to collect, transport, and dispose of industrial waste.
- Paying attention to the safety, health and environment of consumers (such as switching to more environment-friendly raw material).
- Controlling the output of waste material, noise level, waste water within the limit specified by law &/or ordinances and pursue further reduction of such output.
- Introducing and using technology to prevent global warming and energy-saving equipment or attempting to practice "green driving" such as "gentle acceleration" and "no engine idling".
- Sorting and recycling waste.
- Reducing electricity consumption by setting the air-conditioner at relatively high temperatures when cooling and at lower temperatures when heating, as well as by turning off unnecessary lights in the office.



Things you should not do

- Assigning the transportation of industrial waste to a party that is not a qualified waste treatment, collection, and transportation company.



4-2 Coexistence with regional community

Our promise

- We will make efforts to build and maintain good relationships with regional communities.
- We will realize coexistence and mutual prosperity with regional community by conducting business activities planned based on a deep understanding of the regional community's specific situation.

■ Building good relationships with regional communities

The relationship between corporations and regional communities is inseparable. A good relationship with the regional community where we live and work can be built by our sincerity and their trust. In other words, if we behave in a highly ethical way and positively involve ourselves in the regional community, we will win their trust and thus build a good relationship.

■ Realizing coexistence and mutual prosperity with regional communities

Corporations are a part of a regional community. If each of us behaves with responsibility as a good citizen and a member of society and endeavors to contribute to the community, we will surely be accepted by the regional community and, in this way, secure coexistence and mutual prosperity. So let's positively participate in activities that contribute to the development of the regional community.



Things we should keep in mind

For example, the following actions are considered activities which aim at coexistence with the regional community.

- Complying with laws & regulations and attempting to maintain an ethical & sincere attitude.
- Behaving well in private activities too, by recognizing that you are always under the scrutiny of the community.
- Building workplaces which are safe and durable against disasters for the benefit of employees, business partners and the people in the regional community.
- Finding common ways of thinking or common values with people in the regional community and incorporate it into business activities. (Their perceptions of us can be obtained through real dialogue with people in the regional community.)
- Proactively participating in the events held in regional community, such as season- festival, athletic events and/or volunteer work like cleaning roads.



4-3

Rejection of relationships with anti-social groups and individuals, such as crime syndicates

Our promise

- We will not have any relationship with anti-social groups and individuals.
- We will not accommodate unreasonable demands from anti-social groups and individuals.

■ No involvement in the activity of anti-social group and individuals

SO-KAI-YA (those who make trouble at stockholders' meeting) and BORYOKUDAN (crime syndicates) are parties which engage in anti-social activities and threaten the security, peace and order of society. We should take a firm stance in rejecting any relationship with such anti-social groups and individuals. Since some anti-social groups pretend themselves as though they are running normal firms or organization, it is better to check first the background information of any firm and organization if you deal with them for the first time.

■ No accepting unreasonable demands from anti-social group or individuals

If you receive a demand from such an anti-social group or individual, it is important for you to take a firm stand and reject such a demand without making any form of compromise. If you give them money, gifts or some assistance even once, they will take advantage of it and demand the same repeatedly or escalate it.

We should never deal with such groups or individuals whatsoever. And, for this purpose, let's make it a practice to follow the "SAN-NAI Principle*" (Three "Not to do" principle) that is "NOT pay money", "NOT request their services" and "NOT fear them".

*SAN-NAI Principle: Quoted from "Chapter of Corporate Behavior" by Nippon Keidanren (Japan Business Federation)



Things you should not do

For example, the following actions with anti-social groups and individuals, etc. are considered as having a relationship with an anti-social group or individual (SO-KAI-YA, BORYOKUDAN and so on).

- Paying money when receiving unreasonable demands.
- Paying money, offering gifts and/or services.
- Purchasing goods.
- Subscribing to journals and magazines issued by an anti-social group and individual, or placing advertisements in such journals and magazines.
- Making business transactions with a firm related to an anti-social group.
- Asking to act on behalf of our company.
- Providing certain benefits to an anti-social group and individual for their exercise of shareholder's right.

If you receive a request to engage in an anti-social activity or from an anti-social force or are contacted by a suspicious organization, seek advice/report the matter to your supervisor or the MJC Helpline Desk (see P.61) and try to resolve this matter promptly.

Please also keep close contact with the police and appropriate administrative organization to eliminate such anti-social groups and individuals.



How to cope with inquiries from media and/or investors

Our promise

- We will consult with our superior when we receive an inquiry from the media, financial analyst, lawyer and government or municipal office rather than responding to them based on our own judgment.

■ Consulting with a superior first

We, as a stock market listed company, sometimes receive inquiries from the media like journalists, magazine company, radio and TV station, financial analyst, institutional/individual investors, lawyers and government /municipal offices.

Once you respond to the media or to the individual, your response may be understood as the official stance of our company and could spread widely in society even if it is in fact your individual opinion.

When we receive an inquiry, we do not answer it at our own discretion, but instead, first consult with our supervisor.

While it depends on the type of inquiry, basically, it is appropriate for the department in charge of investment relations or public relations or the legal, general affairs, or accounting department to give a response.

If there is no department in charge of investment relations, public relations, or legal affairs, it is appropriate to ask the General Affairs Department to respond. However, if an article about the company is to be published in various media, it could impact the overall branding of MJC, so ask the department in charge of investment relations and public relations at MJC about the content of the article.



Things you should not do

For example, the following actions are considered as being inappropriate responses.

- At the time some media or investors are calling by phone requesting an interview. The employee who answers the phone by chance responds with vague and unclear information.
- Upon being approached by the media or investors for their coverage and inquiry, the employee who is approached, without conveying such coverage or inquiry to the individual in charge, responds with their own opinion because it was a familiar subject to them.
- Redirecting the phone call and/or handling it with an irresponsible attitude.
- Spreading rumors and speaking carelessly in a slanderous way of another company.



Basic of basics

Let's be careful



- When going out, let's use a password lock function on your company computer or cell phone which you use to make external calls. And, let's delete information such as phone numbers which are no longer in use.
- When leaving the office, let's straighten up our desks.
- When temporarily leaving the office, let's lock our computers.
- When leaving the conference room, let's make sure that everything written on the whiteboard is erased.
- Let's promptly retrieve all documents printed from a photocopying machine/printer and avoid leaving them there.
- Let's keep your ID and password unknown to others. Make sure that your password is of a sufficient length, is difficult to guess, and is changed regularly.
- Let's be cautious concerning invitations to "easy money-making plans" and/or solicitation involving excessively favorable conditions.



Things you should not do

- Drive a car under the influence of alcoholic or in a drunken condition.
*Due to volume of drinks or each individual's constitution, alcohol may stay in the body in the next morning. So don't drink too much if you plan on driving the next day.
- Bet money or goods on mahjong or golf as this constitutes as a crime even if the amount being bet is small.
- Smoke or discard cigarette butts while walking, as people in the vicinity are watching.
- Check a worker's attendance/absence or direct/supervise their execution of tasks if the said worker belongs to a subcontracting company (they are different from those temporarily dispatched workers affiliated with an agency).
- Solicit the office for some specific external group which is entirely unrelated to the operation of the company.

- Falsify expenses receivable from the company when settling public transportation expenses which do not require receipts (train fare, bus fare).
- Goods and services purchased or used by employees for personal use must not be reimbursed as a company expense.
- Use company money* temporarily for private use.
*Company money such as an advance for business trip.



Things you are encouraged to do

- Greet each other cheerfully.
- Improve "HO-REN-SO"* communication to create cheerful and open office atmosphere.
*HO-REN-SO : HO = HOKOKU (報告) = Reporting
REN = RENRAKU (連絡) = Contacting
SO = SODAN (相談) = Consulting
Note) HO-REN-SO means "spinach" in Japanese (therefore this acronym is easy to remember for Japanese people)
- As a member of society, act with common sense and attempt to improve moral sense/behavior.
- Wear suitable attire during office hours.
- Be considerate of your health by paying attention to your diet and doing moderate physical exercise (neglecting your health will ultimately interfere with your work).
- Remember "safety first" while you are at work and especially at the beginning and the end of the work as everybody tends to become careless or relaxed during such times.
- Consult and confirm with the superior or department (office) in charge whenever you are doubtful regarding any business-related matter (refrain from making a spontaneous decision in such situation).

1. This handbook's purpose

This handbook was compiled to provide concrete examples of MJC Group's stance on compliance, and indicates the underlying principles that MJC Group employees should adhere to in their everyday tasks.

So whenever you are not sure of a compliance issue, please refer to this handbook.

2. Who does this handbook apply to?

This handbook is for all persons who work at MJC Group, including contract workers and part-timers.

3. How should you respond to violation?

Please report immediately and honestly if you discover someone in the company is violating the compliance obligations described in this handbook or if you have done so yourself.

Those who know of compliance violations or acts that could potentially be compliance violations can consult (report) the MJC Helpline Desk on the next page either via their supervisor or directly.

Penalties against employees who act in a way contrary to the contents of this handbook may be determined and administered according to the rules of company employment. On the other hand, company directors and auditors may be judged and penalized according to applicable laws and regulations.

4. Enactment and revision of this handbook

Enactment, revision and abolition of this handbook shall be at the discretion of MJC's General Affairs Department.

■ MJC Helpline Desk contact information

■ Consultation/Reporting Desk D-Quest, Inc.

WEB

① For PCs: https://www.helpline.jp/mjc_helpline/

② For cellphones: https://www.helpline.jp/mjc_helpline/cel/

Note: The ID and password are the shared ID and password.

The company code and shared ID and password are published on the MJC company portal.

■ How MJC Helpline Desk works

Cases raised by a whistleblower will be investigated by the external help desk to verify if it is fact or not, and the investigation result shall be forwarded to the council at the related MJC department (office).

Once the council determines it a violation against compliance obligation, a correction order will be issued.

The whistleblower shall be informed by the helpline desk of the investigation result and provided with a plan for coping with the case.

However, in the event of an anonymous report or the contact details of the whistleblower are not clear, it will not be possible to report the results of the investigation and actions taken. That being said, it is possible to check the status of the investigation, etc. if the whistleblower accesses D-Quest again.

The whistleblower shall be protected under the "Whistleblower Protection Act" and shall not receive be disadvantaged in any way as a result of consulting with or reporting to the helpline desk.

Micronics Japan Co., Ltd.

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