

Sanwa Group Compliance Code of Conduct

[Contents]

I. Basic Principles and Spirit

II. Scope of Application

III. Code of Conduct

1. Faithful Company Activities
 - (1) Responsibility to our customers
 - (2) Product Development
 - (3) Operations
 - (4) Production
 - (5) Quality Assurance
 - (6) Installation Design
 - (7) Installation/Maintenance Services
 - (8) Communication with Customers
 - (9) Advertising
 - (10) Finance and Accounting

2. Fair Activities
 - (1) Ethical Activities
 - (2) Pertinent Disclosure of Information
 - (3) Information Security
 - (4) Fair Trade
 - (5) Proper Management of Company Assets
 - (6) Exclusion of Antisocial Forces

3. Respect for Human Dignity
 - (1) Respect for Human Rights
 - (2) Safe and Healthy Work Environments
 - (3) Training of Personnel and Fair Evaluation

4. Relationship with Society
 - (1) Global Environment
 - (2) Social Contribution

Sanwa Group Compliance Code of Conduct

The code of conduct for the Sanwa Group, complied with by all officers and staff of the Sanwa Group ,summarizes what must be observed when translating the spirit and a set of values of "Our Mission," "Our Value," and "Principle of Business" of the Sanwa Group into specific activities.

We will act in accordance with this Compliance Code of Conduct to ensure that the Sanwa Group develops and grows sustainably and earns the trust of stakeholders.

I. Basic Principles and Spirit

1. The Sanwa Group must conduct company activities with top priority placed on the safety of the products and services that we provide.
2. The Sanwa Group will not seek profit through actions, which violate the compliance code of conduct.
3. All management personnel and supervisors of the Sanwa Group will take the lead in observing the compliance code of conduct, and will act in such a way as to be a good example for those staff under them.

II. Scope of Application

The compliance code of conduct for the Sanwa Group will apply to officers and staff (persons with an employee relationship) of all group companies.

This code of conduct determines fundamental behavioral standards for business activities, but does not encompass standards of behavior on all occasions. In areas not stipulated by this code of conduct, where we are uncertain how to decide what to do, we can fall back invariably on the spirit and values of "Our Mission", "Our Value", "Principle of Business", laws and social practices and, in light of our own ethics, act based on our own awareness.

III. Code of Conduct

1. Faithful Company Activities
 - (1) Responsibility to our customers
 - Fundamental Attitude

The Sanwa Group by conducting company activities from the customer's standpoint when providing products and services fulfills its responsibility to the customer.

- 1) We will courteously provide appropriate, accurate, fair, and understandable

information to our customers, even in case of such information being disadvantageous to the Sanwa Group, thus gaining their trust.

2) We will respond promptly to complaints from our customers, and make every effort to investigate the cause and prevent it from happening again.

3) In order that our customers can use our products safely and comfortably, we will provide accurate operating instructions through product labels and owner's manuals.

4) We will strive to increase the trust of our customers by strictly complying with the Antimonopoly Act, the Building Standards Act, and other laws, ordinances, regulations, industry guidelines and rules pertaining to the Sanwa Group's business activities (hereinafter referred to as "laws and regulations") and to internal company regulations.

5) When we receive information about a potential product-related safety issue, we will immediately verify the facts and investigate the cause. If it is concluded that there is a safety problem, we will quickly and accurately report it to the internal and external departments concerned and relevant outside organizations, and take action to ensure safety and prevent accidents.

(2) Product Development

■ Fundamental Attitude

The Sanwa Group develops products that will contribute to the creation of a Safe, Secure and Convenient living area, satisfying all customers.

1) When developing and improving products we will adhere to laws and company product safety regulation, considering the safety of users to be our top priority.

2) We genuinely listen to buyers and users to gather information from a broad range for feedback to product development.

(3) Operations

■ Fundamental Attitude

Every member of the Sanwa Group will conduct sincere, accurate and prompt business activities from the customer's perspective, with an awareness of his or her role as a representative of the Sanwa Group and a sense of gratitude.

1) We will keep promises made to customers to improve relationships of mutual trust, and will not make any promises to customers that we cannot fulfill.

2) We will accurately comprehend customer needs, and make efforts to provide products and services that will meet customer demands.

3) We will conduct fair business operations with all customers.

(4) Production

■ Fundamental Attitude

The Sanwa Group is engaged in daily manufacturing activities on the premise that it can contribute to society when its products help customers achieve a full and abundant life.

- 1) We will observe laws and company regulations, and conduct ourselves keeping in mind that the ensuring quality of products is our number one priority. At the same time we will strive for improvements in the manufacturing process so that our products can be used safely, and will work toward improving quality.
- 2) We will make unrelenting efforts for manufacturing improvements and price reductions. Furthermore, we will achieve suitable delivery and fair prices that will satisfy customers by constructing a flexible system of production.

(5) Quality Assurance

■ Fundamental Attitude

The Sanwa Group always responds to customer demands, and moreover, engages in quality assurance activities to improve the level of customer satisfaction.

- 1) Whether in product development, sales, installation design, production, installation, or after-sale maintenance, we will pursue safety, security and convenience, and continue to work toward improvement by implementing a PDCA cycle to enhance quality assurance.
- 2) We will strengthen traceability management of the products provided to customers, conduct maintenance activities so that customers can confidently use our products indefinitely, and work to enhance product safety.

(6) Installation Design

■ Fundamental Attitude

The Sanwa Group pursues the coexistence of customer satisfaction and product safety, and provides high quality installation design.

- 1) We make suitable technical arrangements with customers, exerting efforts to substantially explain the installation of products, and at the same time, work to satisfy customer needs.
- 2) If the substance of the customer request surpasses the design scope determined for the Sanwa Group, or in the case of non-standard products, we will strive to meet the requirements of customers by ensuring safety in accordance with company regulations,

and we will not make products unless we are able to ensure their safety in accordance with such regulations.

(7) Installation/Maintenance Services

■ Fundamental Attitude

The Sanwa Group working together and cooperating with installers and service staff, mounts, inspects, and repairs products safely and efficiently, providing products and services which satisfy the customer.

1) To proactively prevent product-related accidents, we will follow the installation and inspection methods described in installation manuals and maintenance/inspection manuals.

2) To proactively prevent fire accidents and accidents resulting in property damage, we will make every possible effort to ensure safety and quality in installation and maintenance services.

3) We take preemptive measures to avoid work-related injuries and fires, and we expect perfection in supervision of construction to guarantee the safety and wellbeing of installers and service staff.

4) We are fully aware that our installers and service staff are important points of contact with customers, and will train them to be courteous and to provide higher-quality installation and service.

5) We will seriously entertain suggestions and opinions from installers and service staff, and working together with them, will strive to improve construction quality and accumulate construction technology.

(8) Communication with Customers

■ Fundamental Attitude

The Sanwa Group recognizes that questions, opinions, complaints, and other “voices of the customer” contain valuable information and suggestions, and incorporates them into subsequent business operations.

1) We eagerly welcome “voices of the customer” and accurately seek to grasp the content, then promptly and appropriately respond in good faith.

2) We faithfully communicate the “voice of the customer” to the department concerned, where it is useful for modifying and improving products and services.

(9) Advertising

■ Fundamental Attitude

The Sanwa Group, through advertising campaigns, keeps the public informed of our products, services, and technology, and in this way seeks to improve brand recognition and appeal.

1) In our advertising, we will appropriately display the quality, performance, prices and other aspects of our products and services in accordance with laws and regulations, and will not include content contrary to fact or expressions that will cause misconceptions on the part of the customer. Furthermore, we will not include any expressions that lead to social discrimination, expressions that would slander a third party or injure the dignity of an individual, or use advertising expressions related to politics, religion or other such matters.

2) We strive for advertisements that pursue creativity and innovation.

(10) Finance and Accounting

■ Fundamental Attitude

The Sanwa Group conforms to the laws and standards of corporate accounting and internal company regulations, and practices reasonable accounting procedures and produces timely financial statements.

1) We recognize that company financial statements are the accumulation of accounting procedures in our everyday business operations, and produce them in a timely and relevant manner in accordance with laws and standards of corporate accounting and internal company regulations.

2) We are conscious of costs at all times, and do our best to improve the soundness of our financial affairs.

2. Fair Activities

(1) Ethical Activities

■ Fundamental Attitude

The Sanwa Group, with each individual having a sense of self-awareness and pride and conducting himself/herself with propriety, behaves as a corporate citizen who complies with the law, thus gaining the confidence of society.

1) We will comply with all laws and regulations of the countries and regions where we conduct business.

2) We will conduct fair and free transactions with all business partners, and will not engage in bid-rigging, cartels or any other actions that violate competition-related laws

and regulations, including actions that could constitute abuse of a superior position under the Antimonopoly Act.

3) We will not engage in insider trading, or actions suspected of constituting insider trading, such as trading stocks or other securities using internal company information or non-public information of publicly listed business partners.

4) We will act with good sense regarding business-related customs and courtesies such as business entertainment and gifts, and will neither offer benefits contrary to laws and regulations, social norms or morals, nor accept offers of such benefits.

5) We will not engage in actions such as requesting business entertainment, gifts, money or other benefits from business partners for our own gain.

6) We will not offer benefits that constitute bribery, such as providing entertainment, gifts, money or other benefits to public servants, government officials or anyone in an equivalent position.

7) We take care to maintain sound relationships with governments and administrations, and will not make illegal or inappropriate donations or contributions that violate related laws and regulations, company regulations, or other relevant rules.

8) In conducting our global business activities, we will comply with laws and regulations related to imports and exports in Japan and other countries, and will not engage in indirect imports or transactions via third parties for the purpose of avoiding the application of such laws and regulations.

9) We do not engage in any activities (installing an officer or getting a place in a firm in competition with the Sanwa Group, or transactions which are in competition) for which there would be a conflict of interest between individuals and the Sanwa Group, or any activities where there is concern they might be conflict. If such a situation arises, or there is concern it might arise, it should be reported and discussed with the supervisor or concerned department and proper instructions received.

10) We follow common labor regulations and other internal company regulations, and do not conduct political, ideological, or religious activities on company premises without permission. Furthermore, even if conducted outside the company, it must be based on personal name. Company name or official position cannot be used for such activities.

(2) Pertinent Disclosure of Information

■ Fundamental Attitude

In order to gain and maintain a proper understanding and confidence from its customers, shareholders and other investors, and from the local community, the Sanwa

Group will proactively publicly disclose information as deemed necessary. Furthermore, the Sanwa Group will humbly accept appraisals and demands from the community, and make effort to incorporate these into business operations.

1) We will make timely and pertinent disclosures of company information regarding financial affairs and business operations, in accordance with the Financial Instruments and Exchange Act, securities exchange regulations, and other laws and ordinances.

2) In order to improve the transparency of our business operations, we will not stop with the information disclosure of the preceding paragraph, but will proactively publicly disclose information as deemed necessary.

3) We will work to ensure the credibility and appropriateness of financial reports by establishing and operating internal control systems so that financial reporting is carried out fairly in accordance with the Companies Act, the Financial Instruments and Exchange Act, securities exchange regulations, and other applicable laws and regulations.

(3) Information Security

■ Fundamental Attitude

The Sanwa Group fully recognizes the importance of the information it possesses, and pays careful attention when handling it, and makes efforts to manage it properly.

1) We manage trade secrets and other information properly, and make efforts to prevent information being leaked or used improperly.

2) We follow the Private Information Protection Law and other laws and internal company regulations regarding personal information acquired from customers, company staff and business partners, and pay careful attention handling it.

3) We will not misappropriate the confidential information of other companies, and will not obtain such information through wrongful means.

4) We will use company information systems only for business, and will not use them for personal purposes.

5) When using company information systems, we will adhere to information security regulations and other specified company regulations.

6) We will not talk about the company's important information in public places where we may be overheard.

7) If we disseminate information via social media, etc., we will not post confidential information or other proprietary information of our company or other companies, regardless of whether we are in a public or private setting.

8) We will not disseminate information that constitutes slander, discrimination, defamation, or other infringement of rights of Sanwa Group employees or third parties.

(4) Fair Trade

■ Fundamental Attitude

The Sanwa Group observes the related law in procurement activities, and creates mutual trust with suppliers based on fair and impartial principles. Furthermore, we seek to be good partners with our suppliers as we help each other with a goal of growing together through ongoing business.

1) We do business fairly and impartially with suppliers in the procurement of instruments, raw materials and services, and will not use a superior position to conduct transactions that are burdening and unfairly disadvantageous for suppliers.

2) Whether in Japan or overseas, we seek opportunities to do business with suppliers who are superior in quality, cost, lead time, supply capacity, technical expertise, and environmental policy, and select suppliers based on fair and reasonable standards.

3) We will urge business partners (suppliers) not to engage in human rights violations such as child labor and forced labor, and will work with them to promote respect for human rights.

(5) Proper Management of Company Assets

■ Fundamental Attitude

The Sanwa Group will properly use the company's tangible and intangible assets and make efforts to protect them.

1) We will use company assets appropriately and efficiently, and will guard against their loss, theft or leakage, whether they are tangible or intangible assets.

2) We will not use company assets for personal, non-business purposes.

3) We will respect intellectual property including patents, design rights, utility model rights, and trademark rights

4) We assign appropriate value to the inventions and creations of officers and employees, and seek to acquire, manage, and effectively use those intellectual property rights.

5) We make efforts to prevent infringement on the intellectual property rights of the Sanwa Group, and at the same time, respect the intellectual property rights of other persons.

(6) Exclusion of Antisocial Forces

■ Fundamental Attitude

The Sanwa Group has no relationships with antisocial forces.

- 1) We will stand resolutely against any pressure from antisocial forces or groups, and block any relationships with them by firmly refusing to respond to unfair and unreasonable requests.
- 2) We will cooperate with affiliated organizations to exclude antisocial forces.
- 3) We will confirm that transaction partners are not antisocial forces, and will provide for clauses on exclusion of antisocial forces in related contracts when necessary.

3. Respect for Human Dignity

(1) Respect for Human Rights

■ Fundamental Attitude

The Sanwa Group stands firmly for the respect of human dignity, and recognizes the diverse worth in individuals. We respect individual character and personality, and go beyond the requirements of the law in avoiding discrimination. Furthermore, we will respect the basic rights of employees, including freedom of association and the right to collective bargaining, in accordance with laws and regulations.

- 1) We respect the human rights of each individual based on the Universal Declaration of Human Rights and other international human rights standards.
- 2) We respect individual diversity, and do not engage in unfair discrimination on the basis of gender, gender identity, sexual orientation, age, nationality, race, ethnicity, language, skin color, beliefs, religion, social status, disability, property, place of birth, or other individual characteristics.
- 3) We will not permit, under any circumstances, forced labor, including uncompensated labor through violence or intimidation, compulsory labor at wages below the minimum wage, child labor below the minimum employment age, and human trafficking.
- 4) We will not tolerate inappropriate behavior, including bullying, slander, hostile language and threats, nor any form of harassment, including sexual harassment, power harassment, and harassment related to pregnancy, childbirth, childcare, or nursing care, regardless of whether it takes place in or outside the workplace, or whether the harassment is physical or psychological.

(2) Safe and Healthy Work Environments

■ Fundamental Attitude

The Sanwa Group will exert maximum efforts to ensure workplace health and safety, and to maintain pleasant work environments where every employee can work with enthusiasm.

- 1) We will maintain work environments with consideration for physical and mental health, comply with laws and regulations concerning occupational safety and health, and work to achieve the goal of zero occupational accidents and occupational disease.
- 2) We will comply with labor-related laws and regulations and proactively take measures to correct excessive working hours.
- 3) We strive to build relationships of mutual trust, place importance on teamwork, and aim to create positive workplaces, while working to realize a workplace culture in which employees can freely exercise their creativity.

(3) Training of Personnel and Fair Evaluation

■ Fundamental Attitude

The Sanwa Group considers its personnel its most valuable management resource, and engages in various endeavors to manifest the abilities possessed by employees to the greatest extent and help them achieve self-fulfillment. In addition, by linking employees' performance and results with fair evaluation and compensation, we help them to grow into human resources who are motivated to take on challenges.

- 1) We make efforts so our employees can aim for creation of new values, and improve their abilities.
- 2) We view the roles we are given as opportunities for growth, and will continue to tackle any challenge without fear of failure.

4. Relationship with Society

(1) Global Environment

■ Fundamental Attitude

The Sanwa Group seeks harmony between people's lives and the environment around the world, and will take a global viewpoint in responding appropriately to environmental issues, including climate change, and will contribute to social sustainability by conducting business activities and providing products and services with consideration for the environment.

- 1) We will adhere to environmental laws and regulations and other requirements and maintain communication with stakeholders in the countries and regions where we do business.

2) We will promote energy and resource conservation, waste reduction and recycling, and strive to make effective use of water resources in all business processes, including development, sales, design, procurement, production, logistics, installation and maintenance services.

3) We will promote development of products that help to mitigate and adapt to climate change and solve environmental problems, and will strive to raise the level of our technologies.

4) We take the initiative to acquire knowledge related to environment issues, and strive to raise our awareness of environmental preservation.

(2) Social Contribution

■ Fundamental Attitude

The Sanwa Group in conjunction with Our Mission and Our Value engages in activities for making contributions to society, making full use of its originality. Furthermore, we have arranged a support system for employees who want to do volunteer work, and in addition, when a natural disaster or other major disaster occurs, we proactively consider support actions for recovery of the affected region or donation of monetary assistance.

1) We seek to make broad contributions to society by expanding interaction with the local community, and proactively participating and cooperating in local community activities.

2) We contribute to the development of the local community through employment and acquiring of raw materials.

3) Through our products and services, we will strive to prevent, reduce and repair damage caused by natural disasters, thereby helping to maintain a safe and secure local community.

4) When a natural disaster or other major disaster occurs, through cooperation with the region affected, we participate to the full extent of our ability in support activities as quickly as possible.