

JEOL Code of Ethics and Conduct

The JEOL Code of Ethics and Conduct is a guideline for the actions of the executives and employees of JEOL Ltd., defining the norms of behavior with regard to compliance with laws and regulations, and proper observation of the moral and ethical standards of society.

Compliance with Laws and Regulations

As our business activities continue to globalize, we will act with a high moral sense, in addition to strictly complying with applicable laws, regulations and rules, both inside and outside Japan, respecting human rights and being considerate of the local culture and customs in each region.

1. Understand and comply with international rules, laws, company regulations and other applicable rules
2. Understand the relevant rules and regulations directly related to each business. In addition to diligently implementing all required procedures, such as obtaining approvals and submitting notifications, always be alert to prevent any form of illegal activity in all dealings.
3. Respect social norms and standards, be fully aware of business ethics, and always act with an appropriate sense of responsibility and decency as a member of society.

Respect for Human Rights

Respect for basic human rights as well as respect for personal diversity, individuality and personality. Create an open and respectful workplace environment that is safe and supportive.

1. Elimination of discrimination
 - (1) The dignity and individuality of each executive and employee will be respected. Actions that attack personal dignity or any form of discrimination based on factors such as sex, age, nationality, race, ethnicity, beliefs, religion, social status, lineage, disease, disability, interests, education, or family will not be tolerated.
 - (2) There must be no actions that violate human rights, such as physical violence, verbal attacks, slander, character-assassination, forcing people to work by intimidation, bullying, or spreading of rumors.
2. Respect for the basic rights of labor
 - (1) Respect the basic rights of all executives and employees as expressed in the principles of the UN Global Compact, based on the laws and labor practices in each region.
 - (2) Do not use forced labor or child labor. Do not procure goods or services from companies that employ forced labor or child labor.

- (3) Fully comply with the Labor Relations Act, and carefully manage work days and working hours. There must be no compulsion to perform work tasks that require excessive labor or forced overtime work.
3. Prohibition of sexual harassment
Eliminate unreasonable work practices and customs based on gender differences. Do not engage in behaviors that may be interpreted as sexual harassment, or use sexual innuendo or behaviors that are offensive to others.
4. Prohibition of abuses of power
Improper use of power or authority in the workplace can damage the dignity of individuals, degrade the workplace environment, and create employment anxiety. Such behavior will not be tolerated.
5. Respect for diversity
The diverse values of individual executives and employees will be respected, and support will be provided to enable them to improve their abilities and expertise through their work, and to achieve personal growth.
6. Protection of privacy
The privacy of all people in the workplace will be respected, and all employee personal information will be handled appropriately. Diligent effort will be made to prevent accidental or malicious loss, tampering, or leaks of personal information.

No Connections with Antisocial Forces

There must be no direct or indirect connection with antisocial forces or organizations that pose a threat to the safety and order of society. There will be steadfast cooperation with the police, industry associations and local business regarding such antisocial forces and organizations.

1. Deal resolutely with antisocial forces, such as organized crime or extortion groups, as well as organizations or individuals associated with such anti-social forces. Do not respond to any demands from such individuals or groups. Do not conduct any business, nor have any relationship with such individuals or groups.
2. In accordance with the Anti-Organized Crime Group Law and other relevant laws, there must be no antisocial activity conducted using such individuals or groups to obtain profit or gain from any company or individual.

Fair and Honest Dealings

Strict compliance with the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade and other laws and regulations to maintain fair competition (hereafter, Antitrust Laws). Respect fairness, transparency and free competition, which are basic principles of free-competition, and engage in appropriate dealings.

1. Based on the principles of free competition, eliminate unfair and illegal methods and comply with competition laws both inside and outside Japan. Act in accordance with proper corporate ethics, sound business practices, and social norms while conducting fair competition and trading.
2. No discussion or agreements on pricing, quantities or production facilities with others in the same industry or industry associations. Do not engage in activities that raise suspicion of such collusion, such as formation or participation in cartels, bidding consortiums or associations, promises, agreements or exchanges of information.
3. In cases where the customer is a public or government agency, do not engage in illegal acts, such as actions to obstruct the bidding process or adjustment of orders, nor in any activity related to such acts, or actions that raise suspicion of such activity.
4. In sales activities, do not engage in practices which involve an abuse of an advantageous position, such as putting undue pressure on customers or setting conditions for dealings with the company.
5. Do not engage in any unfair business practices, such as transactions with unreasonably different conditions compared to a third-party, collaboration with other companies and refusing to deal with specific business entities and new entrants to the business, forcing the resale price to be maintained, or setting sanctions on the sales price of delivered goods.
6. Do not use or acquire the trade secrets of other companies by unfair or illegal methods. Do not acquire or use the trade secrets of other companies if you know that they were obtained by unfair or unauthorized methods.

Appropriate Purchasing and Procurement

In addition to building good partnerships with vendors and business partners, and concluding fair contracts and agreements, work to continuously improve mutual understanding and trust, with a long-term perspective.

1. For purchasing, do not engage in practices to force specific conditions or disadvantage to the vendor by taking advantage of a stronger position in the transaction; do not abuse a stronger position to engage in improper behavior or to seek personal benefit.
2. Treat all vendors and suppliers fairly. Do not exert influence to confer special treatment to specific vendors/suppliers regarding the assessment and selection of vendors and suppliers.
3. Observe all laws and regulations in transactions with vendors, and perform sound and proper purchasing and procurement. Fully understand the laws related to subcontracting, and exercise care to avoid improper behavior such as delay of payment, etc. in the execution of contracts and transactions.
4. The selection of vendors and suppliers must be conducted properly and fairly,

with due consideration of fair and highly-transparent disclosure of information, strict compliance with laws and social norms, respect for human rights, elimination of unfair discrimination in employment, abolishment of child labor and forced labor, consideration of the environment, and fulfillment of social responsibilities.

5. For procurement activities, do not seek to acquire the trade secrets of a vendor or third party using inappropriate methods. Do not disclose or leak any personal or confidential information in your possession unless the prescribed procedures are followed.

Thorough Management of Information

Except in cases where disclosure is permitted or required by law, all information obtained in the course of your work, including customer information, must be protected and handled as confidential information.

1. Thoroughly implement information security measures, and do not engage in or allow unauthorized use, illegal use, personal use or illegal access to confidential information.
2. Strictly manage all confidential information, including information obtained in the course of your work and trade secrets, in accordance with the law, and prevent any leaks to outside entities. Confidential information obtained during your employment must not be used or disclosed to another person, even after retirement from the company.
3. When company confidential information will be disclosed to a third party, take the appropriate measures to preserve confidentiality, such as concluding a non-disclosure or confidentiality agreement according to the prescribed procedures before revealing any information.
4. Do not attempt to acquire information about a third party by unfair or illegal methods. Information about a third party will be managed with strict contractual compliance, and must not be disclosed or leaked to any other person or entity unless the prescribed procedures are followed.
5. Handle all personal information appropriately for the collection, recording, management, use and disposal. Conduct proper management to prevent loss, tampering or leaks of such information. When obtaining personal information, use lawful and fair methods, and obtain only the information that is actually necessary. Furthermore, it is not permitted to divert acquired personal information for any use other than the purpose disclosed when it was acquired.

Prevention of Insider Trading

Strictly observe all relevant laws, and properly manage critical information that is not disclosed internally, in order to prevent the risk of insider trading.

1. Exercise appropriate caution to prevent careless leaks of insider information

before the official announcement.

2. Before buying or selling stocks of the company, affiliates, business partners, etc., verify whether there is any information that is not publically available (insider information) that affects the investment decisions of the investors.
3. Those with access to insider information must not buy or sell shares and/or bonds in the company, affiliates or business partners until the information is publically announced.

Use of Company Resources

Company assets and resources, including tangible and intangible assets, such as the company information systems, company information, and corporate property, must be properly managed, and not used inappropriately.

1. Company assets must only be used for legitimate business purposes. There should be no other use or activity that diminishes the value of company assets, such as use of company funds or resources for private purposes.
2. Be mindful of the need to always use company resources efficiently, and to keep them in a state where they are always available for use, for both tangible and intangible assets. Handle all resources appropriately to prevent damage, loss, theft, etc.
3. There are no benefits granted such as access to or use of company assets related to the exercise of specific stockholder rights.
4. Company information systems may only be used for business that is recognized by the company, and should not be used for personal business.

Protection of Intellectual Property

The intellectual property rights of the company (including patent rights, utility model rights, trademarks, design rights, etc.) are important corporate assets. Intellectual property rights are actively acquired in order to enhance business competitiveness, and these rights must be carefully protected and actively utilized.

1. Strict compliance with laws related to patents, copyrights and other intellectual property rights.
2. For inventions arising during manufacturing or development activities, strive to protect the intellectual property rights of the company by promptly submitting patent applications, and taking appropriate measures against infringement.
3. When obtaining information about the intellectual property of a third party, it must be done in a fair and lawful manner.
4. Respect the intellectual property rights of others, and do not do anything to infringe on such rights.
5. Intellectual property rights created in connection with duties at the company are recognized as being the property of the company, within the scope stipulated by the relevant laws. Abide by all company regulations and instructions to properly

protect and utilize these rights.

Proper and Accurate Accounting

Accounting and handling of taxes will be conducted correctly and properly in accordance with the relevant laws and regulations, accounting standards, as well as the internal regulations and procedures for handling expenses.

1. Work to eliminate fraud in accounting, such as false or fictitious reporting, or accumulation of “off the books” assets, and make every effort to ensure sound and transparent corporate accounting.
2. Comply with the relevant laws and standards for accounting, make and archive timely and accurate accounting records, including company transactions, asset status, and expense statements, and conduct the proper accounting procedures and reporting.
3. Work to maintain and improve the accounting system so that accounting information can be disclosed promptly and accurately.

Export Control

For the import and export of technology and products, investigate and comply with the relevant import/export laws and regulations. The export of our own technology and products should not be connected with any illegal development or production of drugs, weapons or armaments.

1. Do not export items prohibited for export, and do not import prohibited items.
2. When exporting physical goods (such as products or parts) or providing technical information that is subject to export controls, perform the appropriate import/export clearance procedures as stipulated by company regulations and the relevant export laws.
3. Verify the intended use of the goods and technology, and the final customer when a transaction is made, in order to prevent the use of the delivered items for the development or production of ordinary weapons or weapons of mass destruction.
4. Comply with the laws and regulations related to import and export control in the region where the business activities are conducted.
5. Establish a compliance program on export control, and implement strict management through procedures stipulated in the compliance program.
6. Do not handle products or raw materials that are produced, manufactured or shipped under conditions that violate human rights, such as through use of forced or child labor.

Handling of Business Courtesies and Gifts

The giving and receiving of business courtesies, such as gifts, meals, entertainment, etc., is permitted within the scope that complies with the relevant laws and regulations, as well as the internal rules of the each party; but, only in cases where it

is a necessary business activity, and conforms to reasonable social custom and sound business practices.

1. Do not offer or accept any courtesy or gift associated with an illegal or dishonest request. Do not accept any courtesy or gift from anyone as compensation for complying with an illegal or dishonest request.
2. When receiving or providing a gift, meal or entertainment, proceed with appropriate caution, including consulting with and reporting to a superior.
3. Be aware of the social norms, and do not engage in behavior that may lead to misunderstanding. If a proffered gift or entertainment seems unusually lavish, decline it immediately.
4. Do not offer gifts or entertainment to civil servants or other persons in similar positions.

Relationships with Political Entities

Maintain healthy and sincere relationships with public institutions and public servants. In addition to complying with the relevant laws and regulations, be diligent in preventing corruption.

1. When dealing with government officials or organizations, politicians or political organizations, do not make any expenditure, in any form (gift, payment, entertainment, etc.) that is contrary to laws, regulations, sound business practices or social norms, including bribes, or grants, promises or offers of inappropriate profits.
2. Strictly refrain from actions that may be misunderstood, such as close relationships with specific political groups or individuals, and strive to maintain sound and healthy relationships.
3. When making donations to political groups or individuals, strictly comply with the Political Fund Control Law, Public Offices Election Law and other relevant laws and regulations, and maintain proper and transparent relationships.
4. Do not provide false information (such as fraudulent estimates) to government officials or organizations (including former employees)
5. Do not engage in any action to obstruct public bidding processes, collusion or manipulation of orders, or any action that raises suspicion of such activity.
6. Do not offer money or any other benefits to public officials of foreign nations in order to obtain unfair advantage or profit for the business in international transactions.

Product Quality / Safety

Recognize that ensuring the safety and quality of the products and services offered by the company is a corporate social responsibility, and strive to ensure the quality and safety throughout the entire life cycle, including product development, manufacturing, logistics, and sales.

1. Develop and provide products and services that are useful to society, from the customer's point of view, and fulfill the responsibility to provide safe, quality products and services by ensuring product safety.
2. Provide the appropriate information, including clear and understandable instructions and labels, on the safe use and quality maintenance of the products, so that the products and services can be used safely.
3. Comply with relevant laws and contractual obligations related to manufacturing and development activities and quality assurance.
4. Establish and operate an appropriate quality management system.
5. Work to provide the latest and best technology through safe and superior products to meet customer needs, by making efforts to respond appropriately to changes in the technical environment, promote advanced research, continuously seek technical innovation, and develop the technical foundations while improving technical capabilities.
6. If any problem arises with the safety or quality of a product provided to a customer, respond promptly and sincerely. Work to quickly verify the facts, clarify the causes, and thoroughly implement measures to prevent recurrence.

Healthy Work Environment

All executives and employees will work together to create a work environment in which each individual can fully utilize their abilities, with mutual recognition of various values and ways of thinking, striving to build a workplace that offers motivation, reward and facilitation of the work activities.

1. Comply with all laws and regulations related to labor and work conditions, including employment, human resources, tasks, and wages.
2. Support “work-life balance” between the work and private activities of executives and employees through initiatives like implementation of diverse working styles and flexible leave systems.
3. Respect the diverse qualities of each individual, and make your best effort, while continuously striving to improve. Managers will make efforts to expand the abilities of subordinates by providing fair and appropriate management, guidance and training.
4. Respect the duties and contributions of others, and communicate frankly to foster a free, open-minded workplace climate where frank interaction is not hindered by organizational barriers.
5. Comply with the laws and regulations on safety and hygiene, to ensure health and safety in the workplace. If there is any accident in the workplace, ensure that the specified procedures are implemented to minimize the scope of any accident or disaster, and to prevent recurrence.

Environmental Protection

Recognize our responsibility to protect the environment, and be fully aware that proactive measures to deal with environmental issues are an important aspect of our business activities, while working to achieve a sustainable society.

1. Comply with international standards, laws, regulations, agreements, guidelines and voluntary standards related to environmental protection.
2. Be proactive in efforts to ensure the proper handling of chemical substances, and measures to limit the generation of wastes. Actively work to reduce the environmental impact of our business activities, such as through energy conservation, and the use of renewable energy.
3. In order to achieve a sustainable society, it is necessary to provide products and services that are environmentally sensitive, and contribute to reducing the burden on the environment, with consideration for preservation of biodiversity, recycling of resources, and prevention of global warming. This effort must extend throughout all stages of business activities, from procurement of raw materials, product R&D, design, production, logistics, sales, and through the product use, maintenance and disposal phases.
4. Conduct timely and appropriate assessments in order to reduce the environmental impact for activities such as new locations, relocation, capital investments, product planning, development design, and purchases of new parts and raw materials.
5. Assess the possibility that environmental problems will occur, and strive to prevent them. If an environmental problem does occur, promptly take the appropriate measures to minimize the impact on the environment.
6. Be proactive about publically disclosing the pertinent information on the environmental activities of the company, and work to maintain good communication.

Social Responsibility

Respect the local culture and customs in each region, and work to establish good communication and to earn the trust and cooperation of the local community. Work to obtain an understanding from the local community about the company's management policies and business activities, and work to fulfill our responsibility as a member of that community.

1. As a corporate citizen, build and maintain good relationships with the local society from the perspective of co-existence and joint prosperity, through the business activities. In addition to continuing, proactive participation in various activities of the society, make active social contributions through initiatives like support for disaster recovery, prevention and relief activities.
2. For the business activities abroad, respect the culture and customs of each

region, and comply with the international rules, and relevant laws applicable in each country. Act with due consideration for mutual sustainable development, in harmony with the local society.

3. In order to respond to market expectations and needs, and achieve mutual growth with society, conduct all corporate activities with a priority on fairness, transparency and trust, while maintaining good communication with customers, shareholders, business partners, and the local communities.
4. Disclose corporate information properly and promptly. Fulfill the responsibility for accountability to society by making efforts to obtain the understanding of shareholders and investors through proper and proactive Investor Relations (IR) activities.

Fair Disclosure of Corporate Information

In order to earn the proper understanding and trust from customers inside and outside Japan, shareholders, investors, business partners and other local communities, disclose corporate information, such as company management policies, financial reports and information about the status of business activities, appropriately, proactively and in a timely manner.

1. Actively disclose corporate information appropriately and in a timely manner, including any negative or unflattering information, in order to achieve honest and transparent communication with stakeholders and fulfill our accountability to society.
2. Select the appropriate methods to obtain a proper understanding from the customers, investor and local society in the relevant countries and regions where business activities are conducted. Build trust and good will for the company to create an environment for sound business development and sales promotion.
3. In addition to earning the trust of society as an “Open Company” through the active and fair disclosure of corporate information, comply with internal company regulations related to the management of confidential information, and do not engage in insider trading.
4. Comply with the laws of the region and internal regulations regarding advertising and sales activities. Eliminate misleading descriptions, and use honest and appropriate wording and expressions in accordance with the social morals and public order. Never use any language or expression that defames or damages another company’s image or product, or any language or terminology that is associated with discrimination.

Diligence

1 . Education, training and improvement of internal mechanisms

The company will work to strengthen the effective in-house systems to ensure a sufficient understanding of the Code of Conduct, and compliance with laws and the

corporate code of ethics by all officers and employees of the company. Efforts will be made to ensure a thorough understanding and practice throughout the company through measures including education and training.

2. Handling of violations

Any behavior that is in violation of this code may result in sanctions or dismissal by the company, based on the extent of the violation and the stipulations in the Employee regulations and other internal rules.

Internal Reporting System

1. Internal Reporting

If you discover any illegal or inappropriate activity, or learn of a risk of such activity, report it to the Compliance Reporting Office, according to the separately prescribed procedures.

2. Investigation and Corrective Action

When a report is made through the internal reporting system, the company will investigate the facts of the matter, and if necessary, take the appropriate corrective measures, as well as actions to prevent recurrence.

3. Whistle-blower Protection

Except in cases of false reports, reports intended to slander another person, or for other improper purpose, persons who report inappropriate activity (whistle-blowers), and any others involved will not be subjected to punishment or persecution by the company, or its executives and other employees simply for asking about or making a report.

Scope of Application / Revision / Revocation

1. Revision /Revocation

Revisions or revocation of all or any part of this Code of Ethics and Conduct will be based the decision of the Board of Directors.

2. Enforcement

This code enters into effect as of April 1, 2018

3. Scope of Application

This code shall apply to all executives and employees (including executive officers, full-time and part-time employees, as well as commissioned workers) of JEOL Ltd.

end