

**NAGASE Group
Code of Conduct**

**NAGASE & CO., LTD.
Risk Management & Compliance Committee**

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Basic Compliance Policy

Based on our management policy that “We recognize our responsibility to society and offer beneficial products and services while maintaining the highest standards of integrity. Through our growth, we will contribute to society and enrich the lives of our employees.”, We hereby establish and execute the Basic Compliance Policy as follows.

This policy defines the behavior standards that NAGASE Group and its officers and employees will observe as they carry out their work.

We require our officers and employees to comply with these standards and team them to others by example—particularly to co-workers. Any danger of non-compliance must be addressed without delay, and officers or employees should identify the root cause of the issue, taking steps to prevent any recurrence.

1. Comply with applicable laws and regulations; conform to internal rules
 - Conduct business fairly and in good faith, in keeping with laws, company rules and social norms.
 - Conduct work in keeping with internationally accepted norms to ensure our growth as a global enterprise
 - Comply strictly with domestic and foreign laws including laws regarding bribery and competition laws.
2. Eliminate anti-social elements
 - We firmly reject any anti-social elements that threaten the public order and safety.
3. Provide useful products and services
 - Contribute to society through useful goods and services.
4. Respect employee personality and individuality
 - We foster a corporate culture in which employees can contribute with their independence and creativity.
 - We will protect employee health, respect their basic rights, and treat them fairly and without discrimination. We will provide a safe and enriching work environment for our employees.
5. Disclose information
 - We will ensure management transparency by fairly disclosing corporate information to our stakeholders, including our customers, suppliers, employees, and shareholders.
6. Protect the global environment
 - We recognize and perform on our responsibility to improve the environment.
7. Responsibilities to top management
 - The top management of all NAGASE Group members including NAGASE & CO., LTD., Ltd. shall take the lead to ensure that the business is administered “with the highest standard of dignity as a member of society”.

September, 2017
Kenji Asakura, President
NAGASE & CO., LTD.

September 1, 2017

NAGASE Group Code of Conduct

This Code of Conduct was revised on September 1, 2017, which was created on November 7, 2003 (revised October 1, 2012). This Code of Conduct defines the common standards governing the important conduct of all NAGASE Group companies based on the NAGASE Basic Compliance Policies to which all NAGASE Group officers and employees should refer in the course of executing their work duties.

Being ethical and faithful are the most important factors leading to compliance. Our officers and employees must make decisions considering the following points, which support NAGASE in our mission to provide beneficial products and services to society while maintaining the highest standards of integrity.

- 1) Comply with applicable laws and regulations; conform to internal rules
- 2) Avoid conflicts of interest or self-dealing
- 3) Do not abuse authority
- 4) Exercise reasonable judgment after collecting adequate information
- 5) Act in the best interests of the NAGASE Group

If you discover a violation (or potential violation) of the Code of Conduct above, promptly report such to your superior or to the relevant section. You may also contact the Compliance Hotline if no other routes for reporting are available. See “Compliance Hotline Rules” for details of the consultation and whistleblowing concerned.

1. Comply with Applicable Laws and Regulations; Conform to Internal Rules

(1) Compliance with Laws and Regulations

NAGASE Group complies with all applicable laws and regulations of the countries and regions in which it operates our business, and conduct our corporate activities based on ethics and the good common sense of society. There are a variety of laws and regulations; some set forth the responsibilities based on approvals or licenses to engage in specific businesses, while others set forth the responsibilities of a company as a member of society. Although we cannot discuss every law and regulation here, we want every officer and employee to understand that a serious violation could lead directly to risks affecting the survival of the company. We ask all to make sincere efforts to comply with laws and regulations that are relevant to his/her work duties.

When compliance is in doubt, please refer to NAGASE Group section in charge. You may also refer to an outside specialist or organization to inform your decision-making.

1) Compliance with Laws and Regulations related to Products and Services

NAGASE Group works with many chemicals and other materials and services, including those requiring careful or special handling. For example, we are required to obtain approvals or licenses under the Poisonous Material Control Law in Japan for many products and services to be dealt or

imported in Japan.

Certain qualifications, licenses, safety standards, quality standards, labeling methods, document filings, periodic reports, transaction record filings, or other requirements may be necessary, depending on the transaction type, product or service:

Officers and employees must be aware of, and enforce, compliance with local laws, as well as with company rules.

2) Compliance with Trade Laws

As we deal widely in foreign trade, violating import/export regulations might lead to an order of suspension that could threaten the survival of the company. Any violation is a serious matter. You must carry out your duties in compliance with local law and company rules.

Export transactions are regulated by export trade laws of Japan, the United States and other countries. When a NAGASE Group company is to export or otherwise offer its product, service or technology outside the country, it must obtain approvals or licenses from the concerned governments as required. Application of export trade laws is not limited to the export of manufactured products (goods). Offering technology via the Internet and personal knowledge (technical assistance) overseas is also subject to export trade controls in Japan, the United States and other countries. This law also applies to providing such to non-residents in Japan. Exporting goods, services or technology without the necessary approval or license constitutes violation of the law in many countries.

Similarly, applicable import laws must be obeyed when conducting import transactions. Many countries and regions have established import trade laws, the violation of which could result in fines or imprisonment.

3) Compliance with Fair Competition Laws and Regulations

Many countries have fair trade laws (Antitrust Law, Competition Law, etc.) to protect consumer interests and to ensure sound growth of their national economies. Cartels, that is the mutual binding agreement of price or sales quantity between or among competitors, are prohibited, and any company found in violation is subject to severe punishment and heavy fines. Such penalties could irreversibly damage the offending company.

The NAGASE Group obeys fair trade laws in the respective countries and regions in which we do business. The following are just a few examples of behavior that should be avoided:

- Information related to the price and sales quantity cannot be communicated between competitors.
- Never attend any meetings among competitors (including trade organizations) during which price issues will be discussed.
- Never be party to an arrangement or agreement, written or verbal, concerning fixing prices, sales terms, profit margins, market share, market divisions, or bidding.
- Never engage in any trade practice that constitutes resale price maintenance or restriction.
- Never abuse the dominant bargaining position or sign an agreement containing unfair terms

or conditions of trade.

4) Compliance with Insider Trading Laws

In the course of your duties, you may obtain information about NAGASE Group or a third party that has not been disclosed to the public. Using such information for personal financial gain or other benefits is not only unethical, it is against the law in many countries. Such “insider trading” may be punished by a heavy fines and/or imprisonment. By extension, the trust of the NAGASE Group will also be damaged. Inside information is defined as information not disclosed to the general public that ordinary investors would consider in making a decision to sell, buy or hold stock or other marketable securities.

Please refer to the following specific examples of the misuse of inside information:

- Information about NAGASE Group that might affect the share price of NAGASE & CO., LTD. Do not buy or sell NAGASE & CO., LTD. shares until after the public release of such information.
- Information that the NAGASE Group is considering a new business partnership or a new product. Such information might affect the share price of other companies (the other party in a business partnership). Do not buy or sell the shares of any companies involved until after the public release of such information.
- Information that could affect the share price of any supplier or business partner. Do not buy or sell the shares of that company until after the release of such information.
- Any share purchases using inside information made in the name of a relative or through another party is also not allowed.
- When inside information is to be given to officers or employees within the NAGASE Group, such information must be limited to only those individuals with a need to know. Inside information to be conveyed externally must likewise be limited to only those individuals with a need to know, such as a contact at a business partner.

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

NAGASE Group prohibits the offering and receiving of unjustifiable profits in the course of commercial transactions. Officers and employees are advised to make correct judgments and comply with the laws and regulations and internal rules such as the Basic Regulations for Prevention of Bribery.

1) Relationship with Business Partners

- Do not offer payments, gifts, entertainment or any other economic benefit beyond the socially acceptable level to officers or employees of business partners. Similarly, do not accept any economic benefits beyond the socially acceptable level from officers or employees of business partners. The ways these situations are viewed varies between each country and region. In addition, adequate verification is required as the provision of economic benefits between private enterprises is also regulated under the laws and regulations depending on the country or region.

- Any sales incentive or award must be offered according to company rules.
- Suppliers must be selected according to rational criteria such as price, quality, delivery time, attitude toward global environment issues, etc.
- Do not grant a favor to business partners or competitors for your personal gain.
- The purchase or acceptance of securities (including stock, stock options, etc.) from non-publicly traded business partners could violate laws concerning unjust enrichment. Always report your intent to purchase or receive such securities to the company, as the matter may be subject to company judgment.

2) Relation with Public Officials

No benefits such as gifts or payments may be given to public officials (including foreign national governments or local municipalities) or the equivalent for the purpose (or apparent purpose) of seeking favorable arrangements or actions related to their duties. Similarly, no promise or offer of such benefits may be made to such officials. If the use of payments to distributors and consultants, to illegally influence the staff of government agencies or their related staff to these is suspected, such payments shall be terminated.

In many countries, the law prohibits offering gifts or payments to public officials or the equivalent. Besides the laws and regulations in the countries and regions that each company of the NAGASE Group is located, take due notice that the laws and regulations of the countries and regions where you go to on business and also third countries such as the FCPA (The Foreign Corrupt Practices Act) in the US and the Bribery Act in England are also applicable in certain cases as well.

3) Fairness in Political Activities

NAGASE Group is committed to ensuring impartiality and fairness regarding political activities, in accordance with laws and regulations of the respective countries and regions in which we do business. The political donations, purchases of party tickets for fund-raising, and so forth are prohibited in principle. (except in private)

(3) Compliance with Company Regulations and Rules

Each NAGASE Group company has regulations and rules that set forth the code to be observed by every officer and employee according to local laws, regulations, and culture. Violations of these rules of conduct are more than one person's mistakes—they could lead to the company being subject to civil or criminal charges. Officers and employees must comply with regulations and rules established by local companies, including work rules and safety control regulations.

1) Trade Secret and Intellectual Property

Trade secrets such as expertise, information on technology and development, customer and sales price lists, etc. must be treated and controlled as valuable company assets. The same is true for trade secrets obtained from suppliers, business partners, or customers.

Similarly, intellectual property rights including patents, utility models, designs, trademarks, copyrights, artworks, and computer software must be treated as important company assets,

protected with the utmost care.

- Handling of company trade secrets

Unauthorized disclosure of company trade secrets could damage the interests of and trust in the company. Trade secrets are not limited to those in written form, but also include electronic media and physical goods, as well as verbal communication. Company trade secrets may not be disclosed or distributed without authorization by the company. When a trade secret is to be provided to a business partner, they must sign a confidentiality agreement in advance.

- Handling third-party trade secrets and intellectual property rights

Absolutely no attempt may be made to obtain trade secrets of any third party fraudulently. Such an act might constitute both criminal and civil violations of the law.

Infringement on an intellectual property right of a third party is against the law, and such could give grounds for a claim for damages. Therefore, you must conduct preliminary research and/or take other precautions.

2) Protection of Personal Information

Regarding the collection, management, use and disposal of personal information of the customers, officers, employees and so on, the relevant laws and regulations as well as internal rules such as the “Personal Information Protection Rules” etc., must be followed. Rule violations may be treated as not only a violation of laws and regulations but also as an illegal act under civil law.

3) Avoiding Conflicts of Interests

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

When there is a conflict of interests between companies, a decision in one company by an officer or employee in the aforementioned position could be a detriment to the other party. In such cases the employee should report the situation to their superior in accordance with company regulations, and should always act in the best interests of the NAGASE Group as a whole.

Corporate decisions made pursuant to company regulations or the Basic Compliance Policy must be given preference and executed accordingly.

4) Use of Corporate Assets

Officers and employees may not use the company's tangible or intangible assets (such as office automation equipment, phones and company cars) and expenses for personal purposes at any time.

5) Proper Accounting

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

6) Appropriate Use of Information Systems

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

7) Retirement from the Company

When retiring from the company upon reaching retirement age or for any other reason, officers and employees must return to the company all property, documents and media (including, but not limited to, any devices such as USB flash drive, CD-ROMs, external hard disks, records, data, notes, reports, proposals, lists, correspondence, email messages, specifications, drawings, blueprints, sketches, laboratory notebooks, materials, flow charts, equipment, other documents or property, or reproductions of any of the aforementioned items) that may contain company trade secrets, as well as other company information obtained in the course of their job duties. Retiring officers and employees must also return any other corporate assets. Any intellectual property created by an officer or employee during employment remains the property of the company.

Retired officers and employees of a NAGASE Group company must obtain prior approval before disclosing or using NAGASE Group trade secrets or other company information at any new places of employment.

2. Eliminate Anti-Social Elements

NAGASE Group firmly distances itself from any individual or group that has a negative influence on social order and sound corporate activities. In particular, persons in managerial positions shall set an example in behaving conscientiously against such elements without fear. An act by organized crime groups to extract illegal financial benefits through product complaints, etc. is extortion. We will act against extortion “without fearing, without paying, and without using,” working with the police and legal professionals. We are committed to supporting our officers and employees, acting as a single, organized corporation in dealing with such individuals or groups.

3. Provide Useful Products and Services

(1) Develop and Offer Useful Products and Services with Adequate Safety Precautions

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

To ensure product safety, we must pay careful attention to the safety of our products and services at every single stage of business operations. This includes research, development, planning, design, production, sales, and after-sales service. We must comply with all applicable safety laws, regulations, and public guidelines.

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

(2) Prevent Further Damages

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

(3) Prevent Recurrences

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

(4) Communicate with Suppliers

When we receive a complaint about a third-party product or service offered by the NAGASE Group, we must immediately contact the third-party supplier. Together NAGASE Group and the third-party supplier should look at safety issues in all stages of product creation, including research, development, planning, design, production, sales, and after-sales service.

When a defect is found in a product, information must be passed to the supplier. Issues must be resolved quickly to prevent damage from spreading.

(5) Respecting the history, culture and traditions of each country and region

NAGASE Group respects the history, culture and traditions of each country and region in its business activities in these countries and regions. It obeys the relevant laws and regulations applicable to each respective country or region and strives to take fair and just actions. In addition, it places the sustainable development of each respective country or region in its vision, contributing to economic, social and environmental progress.

4. Respect Employee Personality and Individuality

(1) Respect for Human Rights, Eliminate Discrimination

NAGASE Group and its officers and employees respect the personality and individuality of each

person. We do not harass or discriminate on the grounds of race, religious creed, gender, religion, national origin or ancestry, language, physical appearance, wealth, place of origin, or any other basis protected by national or local law or ordinance or regulation.

NAGASE Group and its officers and employees also respect the history, culture and customs of each region.

The company shall address issues of sexual-, “power” or any other unlawful harassment in the workplace. We shall not explicitly or implicitly allow any such behavior. We will promptly investigate reports of discrimination, offering aid to victims, and taking steps (including disciplinary measures) to prevent discrimination in the future.

(2) Respect for Privacy

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

(3) Establishing an Environment to Draw out the Strengths of Employees

NAGASE Group has created safe and hygienic work conditions to establish an environment to draw out the strengths of employees. We are also aware of local laws and regulations regarding workplace safety and hygiene, conducting our operations accordingly. Should a workplace accident occur, we will do our utmost to minimize damage and prevent a recurrence.

We will also strive to create a workplace that allows every individual employee to work with conviction and motivation. We will not only comply with labor laws related to working hours but also support both the work and private life of the employees (work-life balance) by realizing diverse ways of working and by making use of a variety of leave systems and so on. For employees who need pregnancy, childbirth, infant care and family care support, we will strive to achieve a balance between these needs and work, and create a workplace environment that delivers a fulfilling life for our employees.

5. Disclose Information

(1) Fair and Prompt Disclosure of Corporate Information

NAGASE Group communicates with society by disclosing information in a timely and appropriate fashion. Such disclosure does not include, however, trade secrets or information held under non-disclosure obligations. We hold to fairness and transparency in our business, observing social norms. Information useful to society exists beyond that covered by legal statute. We actively release a range of information useful to customers, business partners, officers, employees, shareholders, investors, and local communities. In the course of day-to-day communications, officers and employees are expected to understand what information these parties require, and to address these needs with honesty and integrity.

(2) Media Relations

Information provided to media (including as newspapers, magazines, radio and television) and security analysts is oftentimes interpreted as an official response of the company and published as such. It is the role of public relations staff to provide clear and accurate information to the public according to company rules and with the authorization of the company. Employees may not make contact with the media or analysts or answer media/analyst inquiries outside of company rules and specific authorization.

6. Protect the Global Environment

NAGASE Group cannot continue its business activities without facing global environmental issues. This is one of our most significant business challenges. As a matter of course, all NAGASE Group companies are committed to protecting the environment and to achieve harmony through business activities (eco-friendly activities, eco-friendly products). We always consider the environmental impact of products and services during the planning stages.

7. Responsibilities of top management

The top management of all corporate members of the NAGASE Group including NAGASE CO., LTD. shall take the lead in following this Code of Conduct and strive to ensure that the business is administered with “the highest standards of integrity as a member of society”. When an act violating this Code of Conduct is committed, the top management themselves shall take the relevant corrective measures to prevent recurrence. In addition to fulfilling its responsibilities to promptly disclose and explain information accurately, it shall impose severe measures including appropriate punishments for any violations committed.

Supplementary Provisions

Scope of Application

1. This Code of Conduct applies to all NAGASE Group companies, all officers and employees of NAGASE Group, personnel who work at NAGASE Group under a staff dispatch agreement, personnel on loan to NAGASE Group and other personnel equivalent thereto.
2. NAGASE Group refers to the following companies:
 - 1) NAGASE & CO., LTD.
 - 2) companies of which more than 50% of the voting rights are directly or indirectly owned by NAGASE & CO., LTD. and
 - 3) companies which have agreed with NAGASE & CO., LTD. to adopt this Code of Conduct.

Product Safety Principles

The NAGASE Group Code of Conduct states that one of the most important priorities for NAGASE & CO., LTD. and our affiliates is to meet our social responsibility to deliver safe, reliable products and services to our customers. This is true whether we make the products ourselves or import them from overseas.

1. Comply with laws, regulations, and corporate rules

We comply with the Consumer Products Safety Act and other related laws. Further, we exercise strict management according to our Code of Conduct, ensuring product safety.

2. Create and observe corporate rules

NAGASE & CO., LTD. has created and observed corporate rules regarding product safety. We continue to improve rules and practices, actively working to ensure the safety of customers who use our products.

3. Product Safety Promotion System

We have created an internal system to ensure that we comply with all product safety regulations, as well as our own company rules. This system covers safety in all aspects of our business processes: research, development, planning, design, production, import, sales, and after service. We conduct scheduled internal audits, adding employee training and/or revising company rules and systems as deemed necessary.

4. Preventing Accidents due to Misuse, etc.

NAGASE & CO., LTD. provides safety information and usage cautions helpful in preventing accidents caused by misuse or lack of care.

5. Accident Response

NAGASE & CO., LTD. takes all measures necessary to recall products and/or limit damages in the event of a product-related accident. At the same time, we gather information, quickly informing customers and related parties. We also file reports with relevant government agencies according to law.

6. Prevent Recurrence

In the event of a product-related accident, we research and identify the underlying cause, creating records that we use as a basis for preventing a recurrence.