

Corporate Code of Conduct for Pacific Metals Co., Ltd. and its Group Companies

Established April 20, 2007

Revised January 11, 2008

Revised October 10, 2012

The Corporate Code of Conduct gives shape to the Corporate Code of Ethics in the corporate activities of Pacific Metals Co., Ltd. (“the Company”) and its Group companies and sets forth matters that should be put into practice in daily work activities. Officers and employees of the Company and Group companies will comply with this Corporate Code of Conduct in the execution of their duties.

I. Responsibility to Society

1. Compliance with laws and regulations

The Company and its officers and employees will comply with the Financial Instruments and Exchange Act, Political Funds Control Act, Public Offices Election Act, and laws and regulations prohibiting bribery, etc., and will conduct themselves based on compliance, social norms, and social decency.

2. Contributions to local communities

We will coordinate and cooperate closely with local communities and maintain favorable relations with them.

3. Conservation of the global environment

We will comply with treaties, laws, and regulations for the protection of the global environment and strive for environmental conservation. We will also promote the conservation of energy, reduction of waste, and recycling.

4. Insulation from antisocial forces that threaten social order and safety

We will have no association whatsoever with any individuals or groups that would adversely affect social order or sound corporate activities.

(1) We will not give simplistic responses, such as paying money, to antisocial forces.

(2) We will be duly cautious of any advances by antisocial forces disguised as business transactions.

5. Information disclosure

In accordance with the relevant laws and regulations and as otherwise required, we will make timely disclosures of the Company’s financial details, the state of its business activities, management plans, and other relevant information to shareholders, investors, and other stakeholders, with the exception of trade secrets and information that is subject to contractual obligations of confidentiality.

6. Prohibition of insider trading

(1) The Company will not cause its officers, representatives, employees, or other workers to engage in insider trading on the Company’s account.

(2) The Company will strive to establish the necessary information control structures to prevent insider trading by its officers, representatives, employees, or other workers themselves.

II. Business Activities

1. Provision of valuable products

The fact that the products provided by the Company are needed by society is the foundation of the Company’s existence. To ensure the strength of that foundation, we will strive to improve product development and manufacturing technologies.

(1) Consumer relations

We will provide products of high quality that meet consumer needs.

(2) Compliance with relevant laws and regulations

We will provide safe products in compliance with the Product Liability Act and other relevant laws and regulations.

2. Sound, amicable relations with business partners and other associates

We will strictly forbid the provision or receipt of undue advantage in our transactions.

Officers and employees must make correct decisions and be temperate in their actions, to ensure that there are no misunderstandings or unwarranted judgments made by the community.

(1) Customer relations

Business entertainment and gifts extended to customers must be within the bounds of social decency and anything that exceeds such bounds must be refused or returned. In addition, no favors, such as personal rebates or commissions must be given or received.

(2) Supplier relations

Selection of suppliers will be based on reasonable (economically rational) criteria such as price, quality, and delivery times. Any business entertainment or gifts received from suppliers must be within the bounds of social decency. Anything that exceeds such bounds must be refused or returned.

(3) Relationships with associated companies, partner companies, etc.

Transactions with associated companies (subsidiaries and affiliated companies) and partner companies, etc. will not be given unfairly special treatment compared with the terms of fair and transparent competitive transactions with third parties. In addition, business entertainment and gifts will be prohibited in principle.

3. Maintenance and promotion of fair, transparent, and free competition

We will observe the antitrust laws of both Japan and the various overseas countries in its business activities. Further, the purchasing and contracting departments will not use their superior bargaining position to commit acts such as forcing unfair transactions on business partners.

(1) Compliance with Antimonopoly Act

We will comply thoroughly with the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Antimonopoly Act).

(2) Compliance with Subcontractors Act

We will comply thoroughly with the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (Subcontractors Act).

4. Protection of intellectual property rights

Intellectual property rights generate value in the economy and society and have a bearing on company survival. Officers and employees will engage in the creation and protection of the Company's intellectual property rights and will not unjustly infringe upon the intellectual property of other individuals or companies.

(1) Handling of the Company's trade secrets

The Company's trade secrets will be managed strictly to ensure that they are not leaked outside the Company via communication not only in documents but also by electronic media, commodities themselves, and verbally. Trade secrets will not be disclosed for any reason other than for operational purposes.

(2) Handling of other companies' intellectual property rights

We will respect the intellectual property rights of other individuals and companies in the same way as we do our own.

III. Company-employee Relations

1. Respect for employees' character and individuality

We will strive to maintain and enhance human resources systems and working conditions that respect employees' character and individuality.

2. Respect for privacy

We will respect the privacy of employees and, in the spirit of the Act on the Protection of Personal Information, handle their personal information appropriately with careful and meticulous caution.

3. Respect for basic human rights and prohibition of discriminatory treatment

We will ensure sound workplace environments in which no person will be subjected to discrimination on the grounds of race, religious beliefs, gender, etc.

4. Ensuring safe and healthy workplace environments

We will respect the intent of the various labor-related laws and regulations and strive to maintain safe and healthy workplace environments.

The establishment, amendment, and abolition of this Corporate Code of Conduct requires a resolution of the Board of Directors.

The contents of the Code will be reviewed at least once a year by the Internal Control Committee.