

IDEC Corporate Governance Policy

General rule

1. Basic Views about Corporate Governance and the Objective of this Policy CG Code 2-1, 3-1(i), 3-1(ii)

IDEC Group sees warranting management transparency and efficiency to stakeholders, including shareholders, as the basis of corporate governance. Based on this belief, we actively appoint outside directors, separate management supervision and execution, and always manage the group with a focus on transparency and efficiency.

With this approach, we designate IDEC Corporate Governance Policy (hereafter “this Policy”) to improve corporate value in accordance with “The IDEC Way,” the new philosophy set forth in 2019 toward becoming a truly global company, to further enhance corporate governance.



2. Revision and termination

Any revision or termination of this Policy shall be determined based on the resolution of the Board of Directors.

Section 1: Securing the Rights and Equal Treatment of Shareholders

1. Exercise of Shareholder Rights at General Shareholder Meetings

(1) General Meeting of Shareholders CG Code 1-1, 1-2

The General Meeting of Shareholders will be positioned as the decision-making organization of the highest order. It shall warrant shareholders sufficient duration of time and organize environments to exercise their rights.

(2) Securing the Rights of Shareholders CG Code 1-1③, 1-2⑤

A structure will be organized to enable all shareholders to be treated equally in proportion to their interest, and to take appropriate response to claims even from minor shareholders. It shall also evaluate responses for parties such as institutional investors who own shares in the name of trust banks and other such organizations in case they wish to act on behalf of trust banks and other such organizations at the General Meeting of Shareholders, such as exercising voting rights.

(3) Initiatives concerning exercise of shareholder rights CG Code 1-2, 1-2①, 1-2②, 1-2③, 1-2④

The General Meeting of Shareholders shall be held on a day that does not overlap with too many other companies' shareholder meetings, to enable many shareholders to participate. The invitation will be sent out to shareholders in an easy-to-understand manner, including by using visual materials. The invitation will be sent out more than about three weeks before the date of the General Meeting of Shareholders, and released on our webpage and stock exchange

webpages before being sent out to ensure sufficient time is set aside for exercise of shareholder rights.

In addition to the above, exercise of shareholder rights shall be made easier through introduction of means to exercise shareholder rights electronically on the Internet, use of a platform for exercise of shareholder rights, and through releasing the invitation in English.

(4) Analysis of noes CG Code 1-1①

If noes about a certain matter exceed a certain percentage at the General Meeting of Shareholders, the Board of Directors shall analyze the cause, discuss measures to take, and evaluate appropriate disclosures, explanations, and dialogues with shareholders.

2. Direction for the Capital Policy CG Code 1-3, 1-6

IDEC shall promote efficient management with considerations to financial indicators such as return on equity (ROE), to improve corporate value. It will also aim for continuous and steady provision of dividends as part of maximizing shareholder interest, with considerations to capital ratio.

Capital procurements that could result in the change or significant dilution of control shall be carefully discussed and determined by the Board of Directors after thorough considerations to the potential impact to shareholders. The matters agreed to shall be appropriately disclosed and explained to shareholders.

3. Policy about Cross-Shareholdings CG Code 1-4, 1-4①, 1-4②

It is our policy to hold shares of other listed companies as cross-shareholdings based on the resolution of the Board of Directors, when we believe that such shareholdings will enhance the corporate value of the IDEC Group by utilizing each other's technologies, sales channels, and other comprehensive business promotion capabilities, improving the competitive advantage of both companies in the market, and achieving synergy. In addition, whether the purpose of the holding of these shares is appropriate shall be verified continuously at the Board of Directors and if the appropriateness of the holding is not recognized, these shares will be reduced by sale of them and so forth, in consideration of influence on the Company and the market.

We will not continue or reduce inappropriate transactions or interfere with the sale of shares due to shareholdings with companies which hold the Company's shares as cross-shareholdings. In addition, we will provide opportunities for dialogue with investors as necessary regarding the verification details in the Board of Directors.

We exercise our voting rights by comprehensively judging whether the investee company has established an appropriate governance system, is making decisions that will lead to the enhancement of the Group's corporate value over the medium to long term, and is contributing to the enhancement of our corporate value.

4. Anti-Takeover Measures CG Code 1-5, 1-5①

We will not take anti-takeover measures. In case of a takeover bid, the Board of Directors will discuss the best approach to not compromise stakeholder interest including that of shareholders and disclose the results immediately.

5. Related Party Transactions CG Code 1-7

We shall establish a monitoring system whereby we periodically confirm with our directors and whether or not there have been any related party transactions including with the directors' families, and when such transactions have occurred, the Board of Directors shall vote on them in accordance with the Company's Board of Directors Regulations, and the Audit and Supervisory Committee shall verify the details of such transactions.

Section 2: Appropriate Cooperation with Stakeholders Other Than Shareholders

1. Basic Views about relationships with stakeholders

The IDEC Group will respect the stance of all its stakeholders as it engages in its business activities. It will also maintain the integrity as a trusted company, aiming to live and thrive together with stakeholders.

2. Code of conduct CG Code 2-2, 2-2①

We establish "IDEC Group Code of Conduct" stating the shared global code of conduct for us to remain a company of good faith, ensuring that the basic stance and the spirit of compliance with law will be spread and entrenched among all IDEC board members and employees, for our corporate activities.

Progress of initiatives for risk management and compliance will be periodically reported to the Board of Directors, to be revised as necessary so that "IDEC Group Code of Conduct" will further be put to practice. Compliance training shall also be provided for each job and job level.

3. Response to sustainability CG code 3-1③

(1) Basic policy CG Code 2-3, 3-1③

Based on "The IDEC Way," our new philosophy for becoming a truly global company, the IDEC Group has designated the IDEC Group Code of Conduct, the CSR Charter (see separate sheet), and the Ten Principles of the UN Global Compact (see separate sheet) as important guidelines, and shall work to achieve the "Sustainable Development Goals (SDGs)" by resolving social issues through our business activities.

Led by the CSR Committee established in 2018, we shall promote sustainable CSR activities by setting Environment (E), Social (S), Governance (G), and our strengths in Safety (Sa) and Quality (Q) as priority areas.

Based on our "Basic Policy on Sustainability (see separate sheet)," we shall promote various efforts to resolve global issues through our business activities towards realization of a sustainable society, e.g., pursuing "safety, health, and wellbeing" for all people inside and outside the Company by endorsing and registering with Vision Zero, which is promoted by ISSA (International Social Security Association), an affiliate of ILO, showing consideration to climate change and other global environmental issues by endorsing TCFD (Task Force on Climate-related Financial Disclosures), and envisioning future responses to risks and opportunities.

(2) The Environment CG Code 2-3①

With acknowledgment that in the relationship between the global environment and corporate management, thriving with the earth is a common wish of humankind, the IDEC Group designates the “Environmental Policy (see separate sheet)”, working with the awareness that the conservation of the environment is the most important issue in all aspects of our corporate activities, aiming for sustainable growth.

(3) Society CG Code 2-3①

The IDEC Group will promote human rights and labor initiatives in accordance with international rules, and provide in the “IDEC Group Code of Conduct” and “IDEC Group CSR Procurement Guidelines” that we will not allow discrimination, harassment, child labor, and forced labor, among others.

We will practice “Management with respect for humanity and designate “Human Resource Policy” (see separate sheet)” to illustrate our basic approach to not just respect for human rights but other aspects including skill development, personnel development, evaluations, remuneration, and support for developing personnel of the next generation.

We will promote work-life balance toward career advancement of all employees and organize a work environment in which employees in need of childcare and care for their family members are able to work comfortably.

(4) Relationships with customers and business partners CG code 2-3①

We will work with customers and business partners earnestly and strive to provide optimized products and solutions for market needs and social issues through fair and appropriate business transactions.

4. Diversity CG code 2-4, 2-4①, 4-11

The IDEC Group shall accept different individuality and character of each employee, and promote diversity for its directors (including outside directors), executive officers, and employees, toward an environment in which each person can exercise their talent to the full. We will also designate a policy to illustrate our views for warranting diversity in employment and promotion, our human resource development policy to warrant diversity, and a policy to organize internal environments, disclosing their targets and progress.

5. Whistleblowing CG Code 2-5, 2-5①

We will install internal and external contact desks to accept consultations and reports on violation of laws and internal rules, and other socially unacceptable behavior. Our rules for treatment of Whistleblowing provide that the privacy of employees who make such consultations and reporting shall be protected, and that they will not be put to disadvantage. The state of the contact desk operations will be reported to the Board of Directors as needed. Whistleblowing shall be operated and managed by legal representatives and the Risk

Management Committee, warranting independence from the management through means such as collaboration with external lawyers.

6. Roles as an asset owner CG code 2-6

With regard to the pension assets of the defined-benefit corporate pension plan, we shall receive regular reports from investment institutions on the investment status and investment policies, etc., and monitor them, taking into account the need to ensure the future payment of benefits to members, i.e., employees and beneficiaries, and the impact on the Company's financial position. In addition, we shall make efforts to assign and train personnel with appropriate qualities to ensure that such monitoring can be carried out properly.

We shall confirm that our investment institutions accept Japan's Stewardship Code (Principles for Responsible Institutional Investors), and by entrusting the selection of individual financial instruments and the exercise of voting rights to these institutions, ensure that there is no conflict of interest between the beneficiaries of the corporate pension plan and the Company.

Section 3: Ensuring Appropriate Information Disclosure and Transparency

1. Full Disclosure GC code 3-1①, 3-1②, 3-1③

We shall disclose information appropriately and in a timely manner in accordance with the Companies Act, the Financial Instruments and Exchange Act and stock exchange rules. On non-legal matters, we will strive to fully disclose information on our ESG, other sustainability initiatives and such, in accordance with the framework of the Task Force on Climate-related Financial Disclosures (TCFD), actively disclosing financial and non-financial information to our stakeholders including shareholders. We will also promote information disclosure in English in documents on financial results, data books and IDEC Report, ensuring other disclosed details carry added value.

2. Accounting auditor

(1) Roles GC code 3-2

Accounting auditor shall take on the important role of warranting the reliability of disclosed information, having such responsibility to shareholders and investors.

(2) Independence and expertise GC code 3-2① i ii

Accounting auditors must remain independent and must have expertise. The Audit and Supervisory Committee shall devise evaluation and nominating criteria to confirm accounting auditors' independence and expertise.

(3) Warranting appropriate audits GC code 3-2② i ii iii iv

The Board of Directors and Audit and Supervisory Committee will secure hours needed to enable quality audits by accounting auditors and organize an opportunity for accounting auditors to receive information from the management as needed. They will also organize a structure to enable accounting auditors to collaborate fully with directors who are members

of Audit and Supervisory Committee, Internal Auditing Department and independent outside directors, as well as a structure to respond when accounting auditors identify unlawful conduct.

(4) Dismissal or no re-appointment GC code 3-2① i ii

If any accounting auditor is deemed unable to carry out appropriate audits due to matters arising compromising the auditor's eligibility and independence, the Audit and Supervisory Committee shall submit an agenda to the General Meeting of Shareholders concerning the dismissal or no reappointment of the auditor. If any accounting auditor satisfies any of the items in Article 340, Paragraph (1) of the Companies Act, the Audit and Supervisory Committee shall dismiss the auditor upon approval by all directors who are members of the Audit and Supervisory Committee.

Section 4: Responsibilities of the Board

1. Designing the organization

We will employ a Company with Audit and Supervisory Committee to advance separation of supervision and execution of our management, to ensure that the Board of Directors supervise management effectively, delegating part of our important business decision making to the executive directors for faster decision making. Various arbitrary committees will also be established to offer consultations to the Board of Directors to supplement the latter's independence and objectivity.

2. Board of Directors

(1) Roles and Responsibilities of the Board GC code 4-1, 4-2, 4-3

The Board of Directors will monitor important management strategy and job execution decisions, as well as directors' job executions.

The Board of Directors will evaluate proposals from the management fully and from various angles to warrant accountability, maintaining an independent and objective stance. In executing the proposals, the Board of Directors shall support the management's fast and bold decision making.

(2) Scope of delegation GC code 1-1②, 4-1①

The Board of Directors shall designate Board of Directors Regulations, Management Committee Regulations, and Administrative Authority Regulations to separate management supervision and execution to always manage the company with a focus on transparency and efficiency, designating items to be resolved by the Board of Directors, by the Management Committee, and by each job level.

If submitting some of the resolutions at the General Meeting of Shareholders to the Board of Directors is deemed desirable to warrant the dynamism and expertise of management decisions, the Board of Directors shall make such suggestions to the General Meeting of Shareholders after confirming that a structure to fulfill corporate governance roles and responsibilities fully has been organized.

(3) Medium-term management plan GC code 4-1②, 5-2, 5-2①

In devising and disclosing a medium-term management plan, the Board of Directors will establish concrete policies for business plans and so forth with considerations including to product and business portfolios, disclosing such details, including on webpages and in business reports. Factors such as the plan's progress, results, and causes of it not being met, will be fully analyzed internally and reported including in business reports and at the General Meeting of Shareholders. The Board of Directors shall reflect the detail in the next year's plan onward.

(4) Succession plans GC code 4-1③

In the development of successors to executives, including representative directors, with the objective to continually produce personnel who contribute to the sustainable and global development of the IDEC Group, the Board of Directors will provide training to candidates in subjects of general management knowledge according to their job level, and provide them with the opportunity to participate in important meetings, including the Management Committee and the Executive Officers Committee. The Board of Directors will also establish Nominating Committee responsible for developing candidates for executives and request reports on the progress of their development.

(5) Determining remuneration system for directors GC code 3-1 iii, 4-2, 4-2①

The Board of Directors shall establish a remuneration system for directors (excluding independent outside directors) so that the system will function as a healthy incentive for the company's sustainable growth. Remuneration will be agreed to through resolution at the Board of Directors, where the majority is independent outside directors, within the range approved at the General Meeting of Shareholders.

Pursuant to the remuneration system above, remunerations for directors will consist of fixed salary and performance-based pay. Outside directors and directors who are members of the Audit and Supervisory Committee receive only fixed remuneration because they are responsible for supervising the management of the Company from an independent perspective.

(6) Response to sustainability CG code 4-2②

Based on the state of the IDEC Group's sustainability initiatives, the Board of Directors will designate the Basic Policy on Sustainability to improve the Group's corporate value over the medium to long term, and effectively monitor that the group's business activities will contribute to the company's sustainable growth in accordance with the policy.

(7) Nomination and dismissal of the management GC code 3-1 iv, 4-3①, 4-3②, 4-3③

Based on the fact that nomination and dismissal of the management, especially of executive directors such as representative director, and of executive officers are important decisions for the company, the Board of Directors will, following objective, timely, and transparent procedures, and with advise from the Nominating Committee, make such decisions through resolution at the Board of Directors, the majority of which are independent outside directors.

(8) Development of internal control system and monitoring of its operations GC code 4-3, 4-3④

The Board of Directors shall organize an internal control system, including by developing

compliance and risk management systems, and collaborate with the Internal Auditing Department to monitor that they are operated effectively.

3. Audit and Supervisory Committee GC code 4-4, 4-4①

(1) Roles

The Audit and Supervisory Committee will state its opinions in its capacity to actively and voluntarily exercise its rights, such as auditing business execution by directors (excluding directors who are members of Audit and Supervisory Committee) and by executive officers, nomination and dismissal of accounting auditors, and exercising rights for audit remuneration and make appropriate decisions from an independent and objective standpoint. The committee will also have directors and other officers report on items required for audits, as needed, and collaborate with independent outside directors to share necessary information.

(2) Composition

The Audit and Supervisory Committee is composed of up to five directors who are members of Audit and Supervisory Committee, the majority of whom must be outside directors, pursuant to our Articles of incorporation.

(3) Collaboration with accounting auditors

The Audit and Supervisory Committee and accounting auditors must maintain respective independence and mutual trust, based on securing a structure in which they can cooperate to perform appropriate audits. At the same time, they shall periodically hold briefings and other meetings based on the annual plan and organize a cooperative structure as needed so that they can mutually report to each other on matters related to accounting audits.

(4) Cooperation with Internal Auditing Department

To support the Audit and Supervisory Committee to perform smooth audits, the committee will cooperate with Internal Auditing Department and shall retain direct command and instruction rights.

(5) Stating opinions

The Audit and Supervisory Committee shall determine which views will be presented as the committee's opinions on the nomination, remunerations, and so forth of directors (excluding members of the Audit and Supervisory Committee), including matters to be explained at the General Meeting of Shareholders.

(6) Attending important meetings

Directors who are members of Audit and Supervisory Committee are allowed to attend important meetings such as Management Committee and must strive to understand and monitor management situations in a timely manner.

4. Fiduciary duty CG code 1-1②, 4-5

Directors and executive officers shall acknowledge their fiduciary duty to shareholders and act to improve sustainable corporate value.

5. Independent Outside Directors

(1) Roles and responsibilities GC code 4-6, 4-7 i ii iii iv, 4-8①, 4-8②

Independent outside director will give advice about management policy and improvement based on their knowledge, and monitor management including monitoring trade with a conflict of interest, from a standpoint of improving corporate value in the medium and long term for the company's sustainable growth. They shall also strive to reflect to the Board of Directors the views of stakeholders including minor shareholders.

Independent outside directors will periodically hold meetings to sophisticate knowledge and exchange opinions about various themes such as business activities, social affairs, market trends and laws and regulations and share information and perceptions, so that they can actively contribute to discussions at the Board of Directors meetings. Through the administrative office of the Board of Directors, independent outside directors will correspond with executive directors and executive officers, and cooperate with the Audit and Supervisory Committee.

(2) Criteria for independence GC code 4-9

We shall designate "Our view on the independence of outside directors" and nominate independent outside directors in accordance with the criteria.

6. Composition of the Board of Directors and the criteria for selecting the members

(1) Composition of the Board of Directors GC code 4-8, 4-8③

The Board of Directors consists of up to seven directors (excluding members of the Audit and Supervisory Committee) and up to five directors who are members of the Audit and Supervisory Committee, pursuant to our corporate rules. To keep management supervision and execution separate, the number of independent outside directors on the Board of Directors must be over one-third, and should aim to be over half, of the total number of the board members.

(2) Nomination criteria GC Code 3-1 iv, 4-11, 4-11①

*Directors (excluding members of the Audit and Supervisory Committee)

For directors overseeing business execution, candidates to contribute to the IDEC Group's sustainable growth will be selected based on their experience and past performance. Independent outside director candidates must satisfy all criteria as provided in "Independence of outside directors" (see separate sheet) and will be selected from persons with expert knowledge, and with extensive experience and proficient insight about management and business execution, to enhance the "separation of execution and supervision".

*Directors who are members of the Audit and Supervisory Committee

Candidates will be persons who will be able to perform audits from a neutral and objective perspective. For outside directors who are also members of the Audit and Supervisory Committee, candidates must be persons with expert knowledge including about finance,

accounting, and law.

*Executive officers

To achieve the “separation of execution and supervision” as presented by the IDEC Group, candidates with an ability to execute business competently will be nominated based on their experience and past performance.

(3) Disclosure of reasons of nominations GC Code 3-1 v, 3-1①, 3-1②, 4-11①

The reasons for the election of individual directors of the Company shall be stated in the convocation notice of the General Meeting of Shareholders. Notice of invitation to the General Meeting of Shareholders will be released on our webpage. We will pay attention to disclose the information not as a formality or in a way that lacks materiality, but as value-added information, including by using a skill matrix for directors, disclosing the information in English to the extent reasonable.

7. Committees GC Code 4-10, 4-10①

(1) Nominating Committee

We will establish a Nominating Committee, the majority of which shall be independent outside directors, as an institution for the Board of Directors to seek advice from, and to enhance the objectivity and independence in the development and recruitment process of IDEC Group’s management candidates such as directors and executive officers, and to enhance corporate governance.

(2) Remuneration Committee

At present the majority of the Board of Directors consists of independent outside directors, but we will promote the establishment of a Remuneration Committee in order to further strengthen the objectivity and independence regarding the remuneration system for directors.

8. Concurrent positions GC Code 4-11②

In case a director in charge of business execution concurrently serves as an officer of another company, the Board of Directors Regulations stipulate that the matter requires approval by the Board of Directors from the perspective of conflict of interest. Concurrent positions and jobs of all directors will be checked every year not just to check for conflict of interest but to understand matters such as the time and effort they can invest to serve their roles. If any of the directors serves on the board of other listed companies, such information will be disclosed in business reports.

9. Effectiveness evaluation GC Code 4-11, 4-11③

The Board of Directors will periodically evaluate the efficacy of the Board of Directors to objectively inspect whether the Board has fully served its roles, and disclose the summary of the findings and improvement measures.

10. Active Board Deliberations

GC Code 4-2, 4-12, 4-12① i ii iii iv v , 4-13, 4-13①, 4-13②, 4-13③

The Board of Directors shall strive to nurture a culture to respect free, open and constructive discussions and exchange of opinions. As a means to vitalize deliberation, the Board of Directors shall provide materials in advance (including materials not on the Board of Directors), devise the board's annual schedule, and secure sufficient time for deliberation. To have discussions from an independent and objective standpoint at the Board of Directors, independent outside directors will request the company to provide information and seek advice from external specialists as needed, and will exchange information, share understandings, and cooperate with the board. The company will also ensure cooperation between directors and the Internal Auditing Department and organize an opportunity for the Internal Auditing Department to directly report to the Board of Directors as needed.

11. Training GC Code 4-14, 4-14①, 4-14②

When newly appointed executive officers take office, we will provide explanations of legal obligations, responsibilities, etc., as necessary, and provide opportunities for outside directors to deepen their understanding of the IDEC Group's business. In addition, we will continue to gather and provide various types of information necessary for directors to fulfill their roles and functions, including information on the business environment and systems, promote participation in and holding training sessions using outside experts, etc., as necessary, and disclose the policy and state of such training as necessary.

Section 5: Dialogue with Shareholders

1. Policy for dialogue with shareholders and investors GC Code 5-1, 5-1①, 5-1② i ii iii iv v , 5-1③

As for dialogue with shareholders and investors, including at company briefings, the executive officer who is an IR representative will be responsible and strive to understand the company's shareholder structure. The executive officer will also organically collaborate not only with executive directors such as representative director, executive officers and relevant divisions, but with outside directors as needed to work on the dialogue. The views and concerns identified through the dialogue will be reported to the Management Committee and the Board of Directors as needed. To prevent insider trading, efforts will be made to prevent leaks of insider information from the dialogue, pursuant to internal rules.

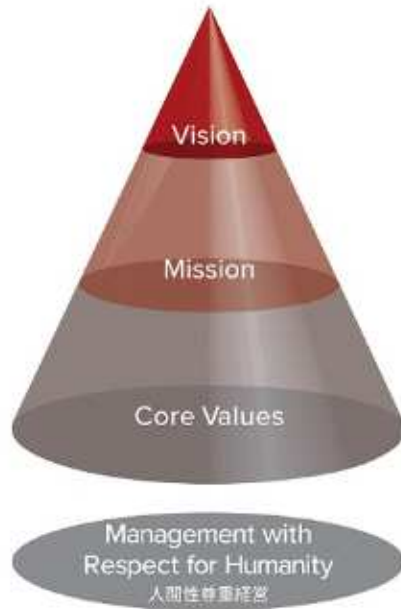
[Update history]

Established on February 3, 2016

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The IDEC Way



Vision——— 私たちが目指す未来

Pioneer the new norm for a safer and sustainable world.

いつも、ずっと、みんなに新しい安心を

ものづくりの未来と新たな可能性を創造し、明日の「当たり前」となる、新しいスタンダードの開拓者となります。そして、全ての人々に幸福と安心をもたらす、より安全で持続可能な社会の実現を目指します。

Mission——— 私たちの存在意義・使命

To create the optimum environment for humans and machines.

人と機械の最適環境を創造

人と機械の接点となるインターフェイスにおいて、使いやすさと安心を追求した製品やサービスをご提供することで、新たな価値を創造し、社会課題の解決に貢献します。産業現場から日常生活までの幅広いシーンで、安全性、操作性、信頼性、環境負荷軽減など、多様なお客様のニーズにお応えします。



Core Values——— 私たちが共有するべき価値観

	Harmony	和	ビジョン実現のために全てのステークホルダーと協調する。
	Passion	情熱	常に情熱と誇りを持って、楽しく最高のパフォーマンスを追求する。
	Innovation	革新	お互いの個性を活かし、失敗を恐れず挑戦することで、進化し続ける。
	Integrity	誠実	何事にも真摯に向き合い、誠実・公正に行動することで、信頼される存在であり続ける。
	Commitment	実践	オーナーシップを持ち、スピーディーかつ効率的にそれぞれの役割を遂行する。

●HRM Policy

The IDEC Group practices "management with respect for humanity," which at its foundation "values people" and "nurtures people." We have established the HRM Policy, which indicates our basic concept concerning not only respect for human rights but also ability development, human resources development, personnel evaluation and treatment, support for fostering the next generation and so on. Moreover, in the Codes of Conduct, we stipulate our concept concerning respect for human rights and outline the Group's policies on this issue.

●Environmental Policy

【Philosophy】

Recognizing the goal of a harmonious existence with the earth that we all share, the IDEC Group makes environmental safety and quality a top priority in all aspects of our business while pursuing sustainable business growth.

【Policy】

1. We shall further strengthen the concept of "SAVE ALL," and shall develop our organization and management structure for promoting and practicing activities to conserve the global environment throughout our business activities.
2. We shall monitor the impact of our business activities on the environment and set environmental objectives within an economically and technologically possible range, hold reviews, and implement continuous improvements for the conservation of the global environment, including the prevention of pollution.
3. We shall obey all applicable laws, ordinances, agreements related to environmental aspects, and shall establish voluntary standards to achieve even further environmental conservation.
4. Our planning and development departments shall engage in conserving the global environment by developing new environmentally-friendly products and improving our existing products.
Our production department shall strive to develop and improve environmentally-friendly manufacturing technology, shall reduce and monitor production waste, and shall engage in conservation of the global environment.
Our sales and logistics departments shall engage in conservation of the global environment through reducing the environmental burden involved with all aspects of distribution.
5. We shall strive to save resources and energy, promote recycling, reduce wastes in all of our business activities, and engage in conservation of the global environment.
6. We shall construct an environmental management system and implement internal audits, strive to maintain and continually improve the system.

7. We shall hold environmental education and training, inform all employees of the "Environment Principle" and raise their awareness.

8. We will actively participate in and contribute to social activities related to the environment conservation.

●**The Ten Principles of the UN Global Compact**

【Human Rights】

- 1 . Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2 . make sure that they are not complicit in human rights abuses.

【Labour】

- 3 . Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 . the elimination of all forms of forced and compulsory labour;
- 5 . the effective abolition of child labour; and
- 6 . the elimination of discrimination in respect of employment and occupation.

【Environment】

- 7 . Businesses should support a precautionary approach to environmental challenges;
- 8 . undertake initiatives to promote greater environmental responsibility; and
- 9 . encourage the development and diffusion of environmentally friendly technologies.

【Anti-Corruption】

- 10 . Businesses should work against corruption in all its forms, including extortion and bribery.

●**IDEC Group CSR Charter**

【To Employees】

IDEC Group is committed to creating safe, friendly and motivating workplaces for employees while building Group companies where they feel proud to work.

【To Customers】

IDEC Group assures that customers receive safe and reliable products of high quality and high performance backed by its development, production and sales capabilities. IDEC Group continues to increase public trust by providing excellent services and appropriate information disclosures.

【To Shareholders and Investors】

IDEC Group fulfills its global obligations by enforcing corporate accountability and having its records available regularly to shareholders through extensive investor relations (IR) activities. The Group also strives to maintain profits that meet shareholder expectation and to increase the value of the Group.

【To Business Associates】

IDEC Group is committed to building strong partnerships for mutual success, growth and trust with its business associates by establishing fair and rational trade standards.

【To Global and Local Communities】

IDEC Group aims to contribute to global and local communities by forging partnerships with deep understanding and respect for the culture and history of each local communities. We also aim to develop a green society and a green economy through environmental activities.

●Basic Sustainability Policy

We are engaged in business activities based on the “Vision: Pioneer the new norm for a safer and sustainable world” and “Mission: Create the optimum environment for humans and machines” as stated in our company philosophy “The IDEC Way”.

Our Principles of “The IDEC Way” and the IDEC Group Code of Conduct clearly state the actions to be taken to realize our Vision and Mission. We will actually take the actions in order to help realize a sustainable society and increase our corporate value.

●The policy regarding the independence of an Outside Director

The Company has positively elected Outside Directors for their high levels of professional knowledge, extensive experience, and views on management and the execution of business. Furthermore, if an outside officer falls under all of the following items, we consider that he or she is independent:

- (1) He or she is not an executive officer of our company (including group companies. The same shall apply hereinafter.).
- (2) He or she is not an executive officer of a company that has material transactions with our company.
- (3) He or she is not an executive officer of a major customer of our company.
- (4) He or she is not a consultant or an accounting expert or a legal expert employed by the company who receives a material sum of money or other assets, with the exception of executive compensation (if it is a group or a party such as a corporation or a partnership, he or she is not a member of such a group or a party).
- (5) He or she does not receive material donations or subsidies from our company.
- (6) He or she is not a major holder of our company’s shares or an (a major holder) executive officer of the company.
- (7) He or she has not fallen under any of the above (1) – (6) for the five years prior to being nominated as a Director.

(8) He or she is not a spouse or a relative within the second degree of kinship of any person who falls under any of the above (1) – (6).