



Code of Conduct

This document has been translated from the Japanese original for reference purpose only.

What is “compliance”?

Our definition of “compliance” is that we think of others in everything we do.

The word “compliance” is generally used to refer to the act of “observing a law or regulation.” The original meaning of the word, however, is “being willing to do what other people expect of you.” In other words, to be in compliance, it is necessary not only to act according to the rules of your workplace and general commonsense of society but also to take seriously and pay due regard to what customers and other members of society, as well as colleagues, expect you to do.

It is important that “we think of others in everything we do,” as reflected in Duskin’s philosophy of Sowing the Seeds of Joy and Prayerful Management.

The Duskin Code of Conduct is a mirror of our everyday behavior, helping us to reflect on our actions.

The Duskin Code of Conduct is a written set of guidelines for our behavior that helps each one of us to gain trust from customers and society while practicing Duskin’s Prayerful Management. Duskin can ensure genuine customer satisfaction when we all follow the Duskin Code of Conduct, which acts as a mirror for reflecting on our everyday behavior.

Employee № _____

Name _____

Code of Conduct Statement

Aiming to be “a trustworthy and reliable company”

1. We always think of customers in everything we do.

2. We observe the law in all that we do.

3. We are ethical in all our actions.

4. We take our pride in everything we do.

The Four Self-check Questions

1.

Are you genuinely thinking of customers in your actions?

2.

Are you observing the law in your actions?

3.

Are you ethical in your actions?

4.

Are you sure that you can take pride in your actions?

Hotline Contact Information

Are there times when you witness or hear of illegal or immoral acts, or suffer from sexual or power harassment, in your everyday work but find it difficult to consult with your superiors or colleagues? Duskin's company rules stipulate that the company must strictly protect all private information about the users of its hotline. This information includes their names and the content of their calls. We assure all hotline can use the company's hotline service without any fear of retribution such as discrimination or unfair dismissal.

Internal Hotline

Corporate Compliance Office
Legal Affairs and Corporate Compliance Department
Duskin Co., Ltd.

Address: 1-33 Toyotsu-cho, Suita-shi, Osaka 564-0051

External Hotline

Duskin Hotline Reception Desk
Nakajima Transactional Law Office

Address: 10F NBF Hibiya Building, 1-1-7 Uchisaiwai-cho,
Chiyoda-ku, Tokyo 100-0011

Code of Conduct 1: With respect to consumers and our customers

1. Provide products and services that are safe, reliable and environmentally friendly

Safety is our top priority at all product/service stages (research, development, purchase, production, distribution, use by customer and disposal). This is why we have established and maintain a robust quality assurance system and endeavor to continually reduce our environmental impact, all with a strong sense of responsibility. At the same time, we strive to always hold accurate information about the conditions of our suppliers who are our partners to accordingly cooperate with them in their quality assurance and safety control activities, and respond appropriately to changes in conditions. This is to ensure that products and services we deliver to consumers and our customers are safe and high in quality.

2. Strictly maintain the confidentiality of our customers' personal information

We appropriately manage our customers' personal information obtained in the course of our corporate activities according to laws, ordinances, company rules and other relevant rules. We may use, or provide to third parties, such information only within the scope of consent that the customers have granted. (The exception is for special cases in which the information is required to protect people's lives, physical safety or property or in compliance with laws, ordinances, and other rules.)

3. Label and provide adequate explanation

We are constantly deepening our knowledge about our work, including the content and handling of our products and services. Through doing so, we provide accurate, easy-to-understand labeling and detailed, suitable explanations to prevent misunderstanding on the part of consumers and our customers.

4. Maintain a solid framework for following up on our services

We maintain and continuously improve our framework for following up on our products and services that have already been offered to further satisfy consumers and our customers.

5. Administer fair sales activities and services

We strictly observe the rules for fair trading in all sales activities and services. At the same time, we always respectfully refuse to receive any rewards or gifts from our customers.

6. Respect the opinions of consumers and our customers

We strive to accurately understand the complaints, opinions and requests of consumers and our customers and respond swiftly and sincerely to them. To this end, we endeavor to enhance our customer contact points and communication system, while at the same time developing and improving products and services by making the most of the consumer/customer feedback.

7. Keep our promises to consumers and our customers

We always hold ourselves responsible for what we say and do, and keep our promises to consumers and our customers in all sales activities and responses to their inquiries.

8. Disclose information promptly and accurately and serve consumers and our customers with integrity

Whenever a defect is detected in one of our products or services, we will respond swiftly according to the judgment of the top management. If there is concern that the problem will inconvenience consumers and our customers, we will disclose the facts to them promptly and accurately, and serve them with integrity.

9. Handle crisis situations

In the event of an accident or incident, we will give top priority to safety and wellbeing of consumers, our customers and local residents, and respond swiftly and appropriately to prevent the damage from spreading.

Code of Conduct 2: With respect to society

1. Act according to the law and social common sense

We contribute to society through our corporate activities, and to fulfill this objective we do our utmost to act according to the law and social common sense. At the same time, we listen humbly to criticism from society and accordingly work toward improvement.

2. Be considerate of community safety and security

As a local community member, we strive to maintain a safe and healthy environment for local residents in the neighborhoods of our offices and plants, and to improve the environment of the local communities.

We pay due attention to community safety and security by strictly observing relevant laws, ordinances, government rules and setting voluntary standards regarding effluent, smoke, noise, and odors from our offices and plants, and honestly disclose relevant information.

3. Preserve the local environment

We strictly comply with relevant environmental laws, ordinances, and government rules. At the same time, we endeavor to protect resources, reduce waste and prevent environmental pollution through all our corporate activities, as well as work to preserve the Earth's environment at large.

4. Contribute to society

We strive to ensure that our corporate activities are in harmony with both local communities and society as a whole, and proactively participate in corporate social responsibility (CSR) projects.

*Duskin's CSR initiatives:

- Welfare activities for people with disabilities (e.g. The Duskin AINOWA Foundation)
- Providing social education opportunities (e.g. school education support activities and factory tours)
- Community cleanup activities (e.g. Clean Up My Town)

5. Cope with anti-social forces

We will never give in to unreasonable pressure or financial or other demands placed on us by anti-social forces or organizations. At the same time, we will never have any relationships that may lead to immoral exchanges or social misunderstanding.

6. Maintain sound relationships with the government

Our relationships with government agencies and employees shall always comply with relevant laws, ordinances and government rules. We never offer cash or other gifts to them, nor entertain them.

Code of Conduct 3: With respect to our shareholders and investors

1. Conduct proper releases of legally stipulated and other information

We conduct timely, proper, fair release of information that is required to be disclosed by laws, ordinances, and stock exchange rules.

*The term “timely, proper, fair releases of information,” as used here, refers to:

- (1) Disclosure of important internal information via the Timely Disclosure Network (TDnet) of the Tokyo Stock Exchange
- (2) Disclosure of reports concerning financial results (e.g. securities reports) via the EDINET system of the Financial Services Agency.

The term “releases,” as used here, does not include releases of information made only on the Duskin website.

2. Disclose management information proactively and accurately and secure shareholder and investor confidence

We not only proactively and accurately disclose management information necessary for investment decisions through IR activities* targeted at shareholders and investors, but also work to create an environment that promotes communication with them in order to secure trust in the capital market.

*“Investor relations (IR) activities” is an umbrella term used to cover all kinds of communication activities that corporations conduct. The aim of these activities is to maintain good relationships with shareholders and investors.

3. Establish a strong management foundation and ensure sustainable growth

Believing that one of our important duties is to stably and continuously return profits to our shareholders, we promote sound management and strive to establish a robust management base, ensure sustainable growth and increase profitability.

4. Conform to insider trading regulations

We strictly observe the laws, ordinances, company rules and other relevant rules related to insider trading. We pay utmost attention to the handling of yet-to-be-announced important information (inside information), so as to prevent unfair stock transactions and information leaks to third parties.

5. Use company assets appropriately

We appropriately manage assets entrusted to us by shareholders and investors and shall never use them outside of our work.

Code of Conduct 4: With respect to our suppliers

1. Comply with laws and ordinances when conducting business transactions

We fully understand the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors and other relevant laws and ordinances and maintain fairness in all transactions in order to retain our relationships of trust with suppliers.

2. Request compliance from suppliers

We require our suppliers to strictly observe all relevant laws and ordinances and enact stringent safety management to ensure that we only deliver safe and secure products and services to consumers and our customers.

3. Enter contract-stipulated relationships on an equal footing

We only conclude fair contracts with suppliers after fully negotiating the conditions of business with them on a free and equal footing.

4. Apply impartial standards and proper procedures

We only make final decisions on selecting suppliers and continuing business relationships by applying impartial standards for price, quality, and delivery time, and through proper procedures. We shall never establish or maintain any relationships with any companies, organizations or individuals who engage in anti-social behavior or activities.

5. Maintain proper relationships with suppliers

We build up relationships of trust with suppliers only through honest communication with them in the context of business. We, and our families, will never accept, offer or demand any entertainment, wining and dining, or gifts* that exceed the bounds of social commonsense to or from suppliers.

* The entertainment, wining and dining, or gifts within “bounds of social commonsense” means that they are so minor that they are unlikely to cause any impact on our decision making at work.

6. Respect international rules and adhere to local laws and ordinances

In doing business overseas, we not only strictly observe international rules and local laws and ordinances; we also pay due respect to local cultures and customs in order to carry out business activities based on mutual trust. At the same time, our management seeks, through engaging in international business activities, to contribute to greater social richness of those countries and regions, in addition to pursuing our corporate profitability.

Code of Conduct 5: With respect to members of the Duskin Group and franchisees

1. Maintain equitable and reciprocal relationships backed by contracts

We sincerely fulfill the duties stipulated in franchise/outsourcing contracts signed with members of the Duskin Group and franchisees. We shall never take unfair advantage of the balance of power in transactions.

2. Ensure mutual understanding through dialogue

We pay due respect to all members of the Duskin Group and franchisees as invaluable partners who are essential in Sowing the Seeds of Joy for our customers. We take every opportunity to ensure mutual understanding through dialogue. We not only communicate information to them but also listen carefully to them and do our utmost to ensure the information shared between all parties is accurate.

3. Assure safe, reliable quality

We only provide safe products and services that our members of the Duskin Group and franchisees can recommend to consumers and our customers with confidence and peace of mind. To achieve this objective, we listen sincerely to their thoughts, opinions and feedback.

4. Provide accurate information to existing and prospective franchisees

We only provide accurate and appropriate information to existing and prospective franchisees. We offer clear and reliable information and explanations according to the self-disclosure standards set by the Japan Franchise Association, as well as relevant laws and ordinances, and provide prospective franchisees with an environment in which they can enter into contracts with us only after fully understanding the contracts.

Code of Conduct 6: Duskin and us

1. Respect human rights

We pay due respect to one another, so that each one of us can develop our individuality and abilities through work. We protect the human rights of employees as guaranteed by the Constitution of Japan, Labor Standards Act, and other laws and ordinances. What is more, we endeavor to create an open corporate culture that lets each one of us adequately reflect our opinions in our work.

2. Evaluate and treat our employees with fairness

As employees, we shall be evaluated and treated with fairness at workplaces, and our diverse ways of thinking and values shall be respected. We shall not be subject to any discrimination in evaluations, promotions or other treatment with respect of gender, age, nationality, human rights, belief, religion, or physical disabilities.

3. Eliminate the propensity to divide roles by gender according to preconceived ideas

We proactively promote participation by female employees in decision making at work, and strive to eliminate the propensity to divide roles by gender according to preconceived ideas. At the same time, we set specific targets and accordingly drive improvements in our work environment and systems to help female employees to fully demonstrate their abilities.

4. Conduct ourselves with autonomy and responsibility

We always conduct ourselves with autonomy and responsibility at work, rather than simply leaving things to other people. We will not avoid responsibility, keeping in mind that we should hold ourselves responsible for the consequences of our actions.

5. Practice interdepartmental cooperation

We tackle challenges through interdepartmental cooperation to deliver safe, high-quality products and services to consumers and our customers.

6. Make judgments and take action based on laws, ordinances and rules

We always make judgements and take action based on laws, ordinances, company rules and other relevant regulations. We will refuse to obey even work orders that do not comply with such laws and regulations. Furthermore, if a superior or colleague tries to force us to commit any wrongdoing, or if we notice any wrongdoing that cannot be resolved within our workplace, we will report it to the in-house consultant or hotline. We pay due respect to the copyrights, patents, knowhow and other property owned by other people and companies, and take utmost care not to violate them.

In using social media, we act according to the guidelines for employees.

7. Manage company information properly

We properly manage important company information obtained in the course of our work operations and will never use or disclose it outside its intended purposes. We handle information terminal equipment, mobile phones, recording media and documents that contain such important company information with utmost care according to the company rules.

In addition, we also act conscientiously and carefully outside the company to prevent external leaks of such important company information.

We shall never disclose to others company information that we have access to as employees, even after retirement.

8. Promptly submit reports to superiors

Whenever any defect is detected in one of our products or services, we will immediately report the information to our superiors, regardless of the scale of the defect.

9. Preserve the workplace environment.

We create necessary manuals to prevent workplace accidents from occurring and strive to maintain and improve the safety and hygiene of the workplace environment. This is to ensure employees can fully demonstrate their abilities. We continually deepen our understanding of child care, elderly nursing care, and other types of home care, and seek to provide a good work-life balance.

10. Keep our work and private life separate

We shall keep our work and private life separate; we shall never appropriate for our own private benefit, or use for purposes other than those approved by the company, company assets, either tangible or intangible, such as products, devices, vehicles, equipment, software, customer lists and knowhow, let alone monetary assets.

11. Eliminate harassment

We take the utmost care not to sexually harass others (sexual harassment) or harass someone positioned under us by abusing our power over the person (power harassment).