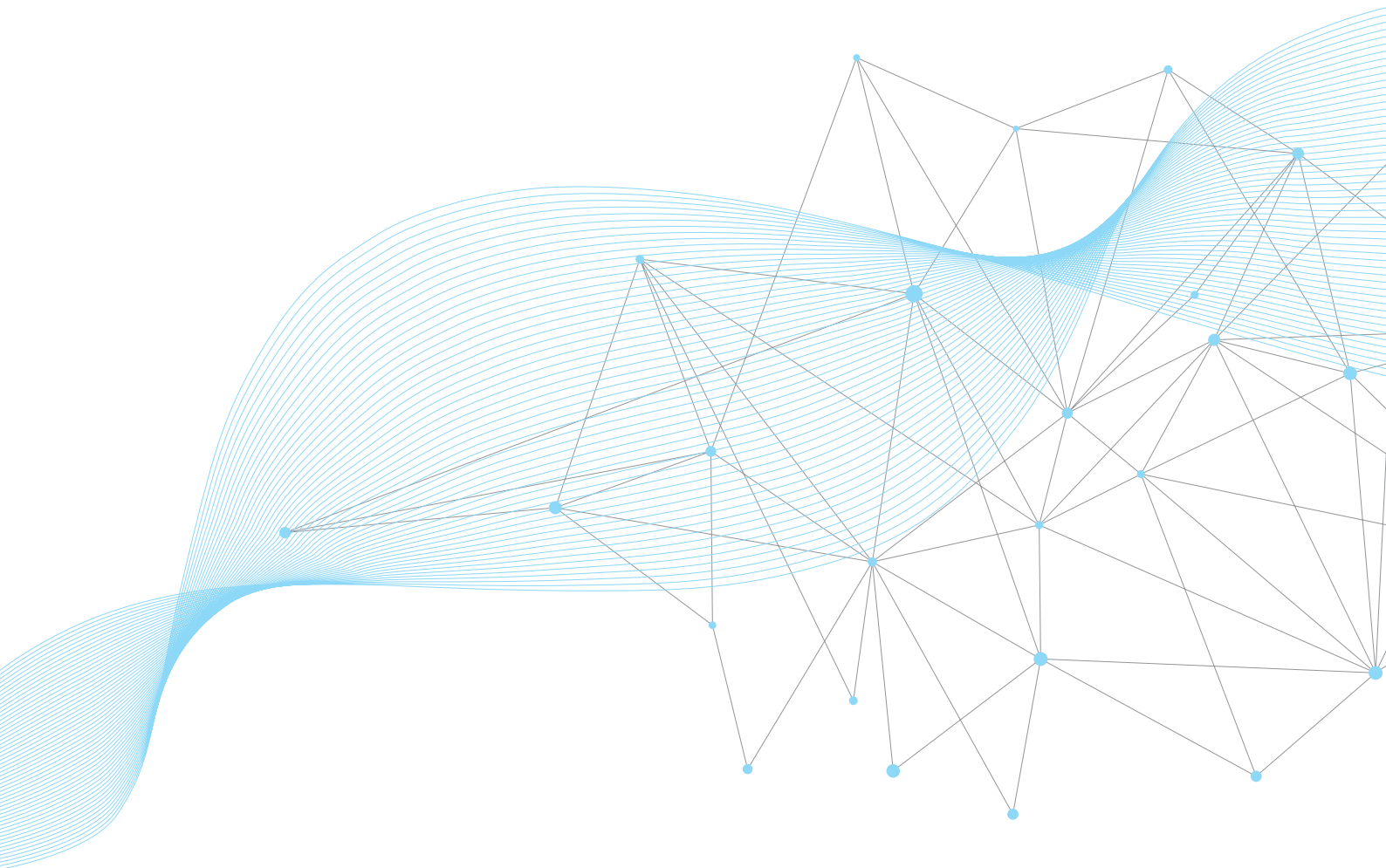




Code of Conduct



▶ Code of Conduct

What is the Code of Conduct?

To embody the MVCV, it is not enough just to act based on the Behavior Framework with the goal of increasing the corporate value of the Fujikura Group.

We must also act in a way that does not damage the corporate value the Group has built up.

For this reason, a Code of Conduct has been established for each of us to follow.

What should I do to embody the MVCV?

Mission

Vision

**Core
Value**

Embodiment

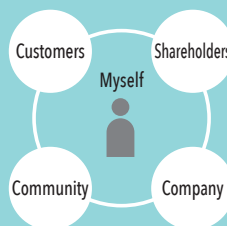


Behavior Framework
Increase
corporate value

Put into
practice



Code of Conduct
Prevent damage
to corporate value



Code of Conduct: Table of Contents

1

Code of conduct for ensuring employees' wellbeing and creating a safe, secure and pleasant work environment

- 1.1 Compliance with labor laws and managing health and safety P.18
- 1.2 Respect for human rights and diversity P.20

2

Code of conduct for ensuring each employee performs operational procedures properly

- 2.1 Promotion of responsible job performance and communication P.22
- 2.2 Ensuring quality assurance P.24
- 2.3 Compliance with accounting and tax rules and establishment of an internal control system P.26
- 2.4 Corporate asset management and asset value protection P.28
- 2.5 Ensuring information security through appropriate document and data management P.30
- 2.6 Proper intellectual property management P.32
- 2.7 Thorough trade control P.34

3

Code of conduct for maintaining relationships with business connections

- 3.1 Keeping promises to customers P.36
- 3.2 Sound relationships with customers and fair competition P.38
- 3.3 Ethics and compliance requirements for sound relationships with distributors P.40
- 3.4 Sound relationships and appropriate transactions with suppliers P.42

4

Code of conduct for communicating with and contributing to the development of communities and society

- 4.1 Contribution to and coexistence with the local community and society through business activities P.44
- 4.2 Active and appropriate communication with society P.46
- 4.3 Reduction of environmental footprint and realization of a sustainable society P.48

5

Code of conduct for increasing shareholder value and for dialogue with investors

- 5.1 Timely and appropriate disclosure of information P.50
- 5.2 Fair and transparent decision-making P.52

6

The basic code of conduct for compliance

- 6.1 Ensuring correct action and compliance with laws and regulations and internal rules P.54

Issues Related to the Code of Conduct

All officers, employees, and others who work in the Fujikura Group are subject to the Code of Conduct.

Definition of Terms

The following terms are used in the Code of Conduct:

Fujikura Group: Refers to Fujikura Ltd. and all of its subsidiaries.

Officers and employees: Refers to officers, employees, and others (contract employees, seconded employees, part-time employees, temporary part-time workers, etc.). "Officers" refers to those who are at or above the rank of Director, Audit & Supervisory Committee Member, or Executive Officer; "managers" refers to those who serve in key positions and specialist positions (including those in equivalent positions at subsidiaries); and "general employees, and others" refers to employees, and others in non-managerial positions. Officers and employees are sometimes referred to simply as "employees."

Laws, regulations, and rules: Refers to the laws, regulations, and various rules in each country and region. This is sometimes written simply as "laws and regulations" and may include rules specified by public institutions, private groups, and other entities that Fujikura must comply with, depending on the contextual meaning.

Internal rules: Refers to the internal rules specified by each company in the Fujikura Group.

How to employ the Code of Conduct

Role of officers and managers

All officers are responsible for demonstrating leadership in ethical conduct and compliance and practical implementation of these in their own companies.

We therefore ask officers to regularly check to make sure that employees and others in their own companies are putting ethics and compliance into practice and work to prevent acts that violate these.

All managers are responsible for practical implementation of compliance and ethics in relation to the operations they are in charge of and making sure that everyone in their workplace understands them.

Managers should therefore respond in a serious manner when subordinates consult them on ethics and compliance.

Expectations of employees

Each officer and employee acting with integrity based on ethical values and in compliance with the Code of Conduct will lead to increased trust in the Fujikura Group by society.

We therefore ask all officers and employees to read the Code of Conduct, make sure they understand it fully, and employ it in day-to-day work.

How to employ the Code of Conduct

When officers and employees are unsure of what decision to make in practical implementation of ethical conduct with integrity, they should first confirm each of the principles in the Code of Conduct, and confirm the relevant laws and regulations for each country and region and internal rules.

If still unsure, they should use the Quick Test on p. 56 to check.

If still unsure after using the Quick Test, officers and employees should promptly seek consultation from (1) through (3), below, in that order of priority.

(1) Workplace superior

(2) Head of the relevant corporate unit (examples)

Antimonopoly laws and prevention of corrupt practices:

Legal Department

Employment rules, acts of harassment: Human Resource Division

Improprieties relating to quality: Quality Management Center

Export control-related: Security Export Administrative Division

(3) Internal Group hotlines (whistleblowing system)

Response to violations

Response to violations

All officers and employees are not only required to demonstrate compliance in their own actions; they must point out and request response to compliance violations by other officers and employees or by external business partners.

They must also not engage in tacit approval of compliance violations by other employees or external business partners.

When a compliance issue arises, officers and employees must consult their superior, the relevant Corporate unit, or the whistleblowing hotline, etc. (p. 84) and strive to resolve the issue.

There are no exemptions for compliance violations, even if someone was not aware of laws and regulations, internal rules, or the Code of Conduct, and even if they thought it would benefit the company.

Compliance violations may result in disciplinary actions based on the rules of employment, employment contract, etc.

1

Code of conduct for ensuring employees' wellbeing and creating a safe, secure and pleasant work environment

1.1 Compliance with labor laws and managing health and safety

P.18

The Fujikura Group strongly recognizes that safety is a priority for all business activities and that each employee who supports a sound business foundation is a valuable asset for the company. Fujikura is committed to making safety the top priority in business activities, providing a safe and pleasant work environment for each employee, and maintaining and improving the physical and mental wellbeing of all employees.

1.2 Respect for human rights and diversity

P.20

The Fujikura Group will respect individuals' fundamental human rights and diversity and will not tolerate discrimination in any aspect of our business activities.

Is what you said
non-discriminatory?



Are you making
sure you are
keeping your
overtime under
control so you don't
get sick?



Do you do a
rigorous safety
check?



2

Code of conduct for ensuring each employee performs operational procedures properly

2.1 Promotion of responsible job performance and communication

P.22

The Fujikura Group fosters a corporate culture of mutual respect and cooperation that enables each employee to perform their duties on their own initiative applying their competence and capabilities.

2.2 Ensuring quality assurance

P.24

To develop and manufacture goods which meet customers' requirements, the Fujikura Group will systematically establish a robust quality assurance system in conformity with the Fujikura Quality Policy* to ensure quality management.

2.3 Compliance with accounting and tax rules and establishment of an internal control system

P.26

The Fujikura Group will establish an internal control system for the financial reporting process and will ensure that accounting and tax processes are performed properly in accordance with accounting principles and standards.

2.4 Corporate asset management and asset value protection

P.28

The Fujikura Group will ensure that the company's tangible and intangible assets are managed properly and that their values are protected.

2.5 Ensuring information security through appropriate document and data management

P.30

The Fujikura Group will ensure security of information, including personal information, through appropriate document and data management.

2.6 Proper intellectual property management

P.32

The Fujikura Group understands the importance of intellectual property rights such as patent rights, copyrights, and trademark rights which protect the company's intellectual property, and respect other persons' rights.

2.7 Thorough trade control

P.34

The Fujikura Group will adhere to its basic policy of not participating in trade that may hinder the maintenance of international peace and safety. We will work to establish an organizational export control function and comply with laws and regulations on export controls in place for national security in the countries and regions of its operations. The Group will also comply with other laws and regulations on export and import controls.

Have you met the quality standards that were promised to the customer?



Are you sure you are only sending confidential information to the people who are permitted to see it?



Has everyone confirmed the work procedures before starting?



3

Code of conduct for maintaining relationships with business connections

3.1 Keeping promises to customers

P.36

The Fujikura Group will fulfill its promises to customers and ensure that business activities are carried out properly.

3.3 Ethics and compliance requirements for sound relationships with distributors

P.40

The Fujikura Group will build sound relationships with distributors and will require them to act with ethics and maintain regulatory compliance.

3.2 Sound relationships with customers and fair competition

P.38

The Fujikura Group will maintain sound relationships with customers and will never tolerate bribery or suspected bribery. Moreover, the Group will carry out transactions in compliance with the competition laws in the respective countries and regions and will maintain fair and free competitive relationships with its competitors.

3.4 Sound relationships and appropriate transactions with suppliers

P.42

The Fujikura Group recognizes the importance of optimizing procurement on a global basis to continue growth in profitability and provide products that have value, satisfy customer demand, and fulfill social responsibilities. We will build sound relationships with suppliers and ensure proper procurement transactions.

Why do our customers trust us?



Have you shared quality standards with suppliers?



Do you require your business partners to be fair?



4

Code of conduct for communicating with and contributing to the development of communities and society

4.1 Contribution to and coexistence with the local community and society through business activities

P.44

The Fujikura Group will continue to contribute to the growth and development of society with pride in its contribution to society through its business activities. We will promote communication with the local community and society as we respect their culture and customs.

4.3 Reduction of environmental footprint and realization of a sustainable society

P.48

The Fujikura Group understands that preserving the global environment is one of the most important issues facing society. The Group will strive to reduce our environmental footprint in all aspects of corporate activities and contribute to the realization of a sustainable society.

4.2 Active and appropriate communication with society

P.46

The Fujikura Group will actively communicate with society and stakeholders and appropriately disclose information.

Have you made an effort to learn about coexisting with local communities?



What does "social contribution" mean?



Have you ever thought seriously about reducing environmental impact?



Are you sure that message you are about to send won't harm Fujikura's value?



5

Code of conduct for increasing shareholder value and for dialogue with investors

5.1 Timely and appropriate disclosure of information

P.50

The Fujikura Group will observe rules on corporate information disclosure and will disclose information such as the company overview in a fair, just, accurate, and timely manner to stakeholders, including shareholders and investors.

5.2 Fair and transparent decision-making

P.52

The Fujikura Group will make important business judgments and decisions in a fair manner and appropriately document the basis for those decisions and judgments.

Where does
inside information
come from?



Do shareholders
and investors have
any connection
with me?



What do you need
to make important
decisions?



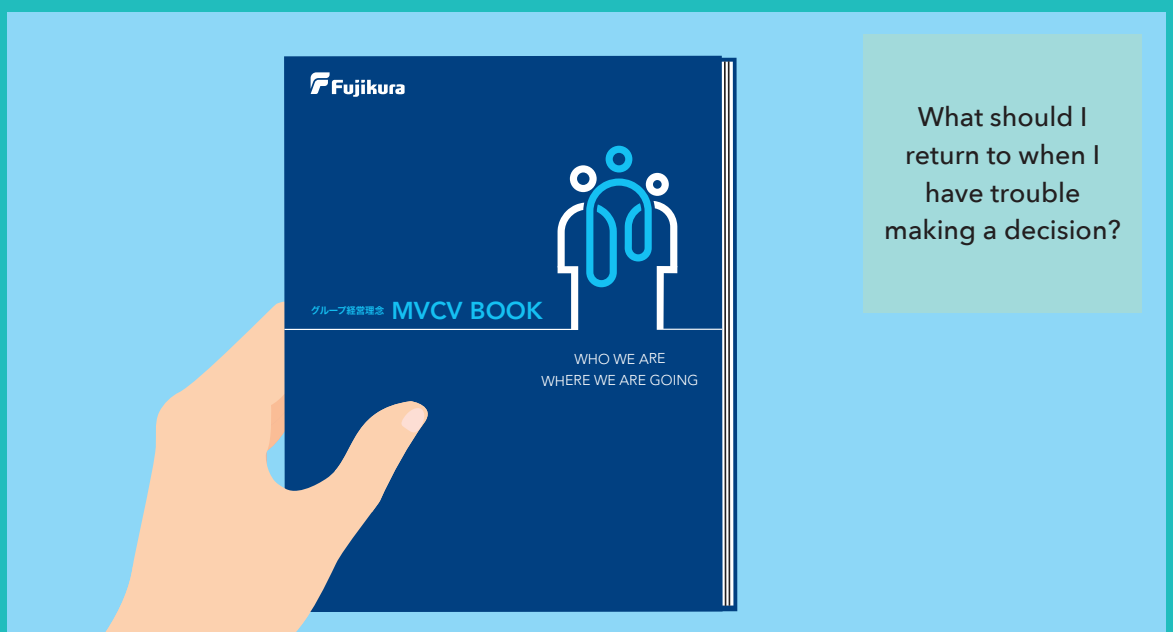
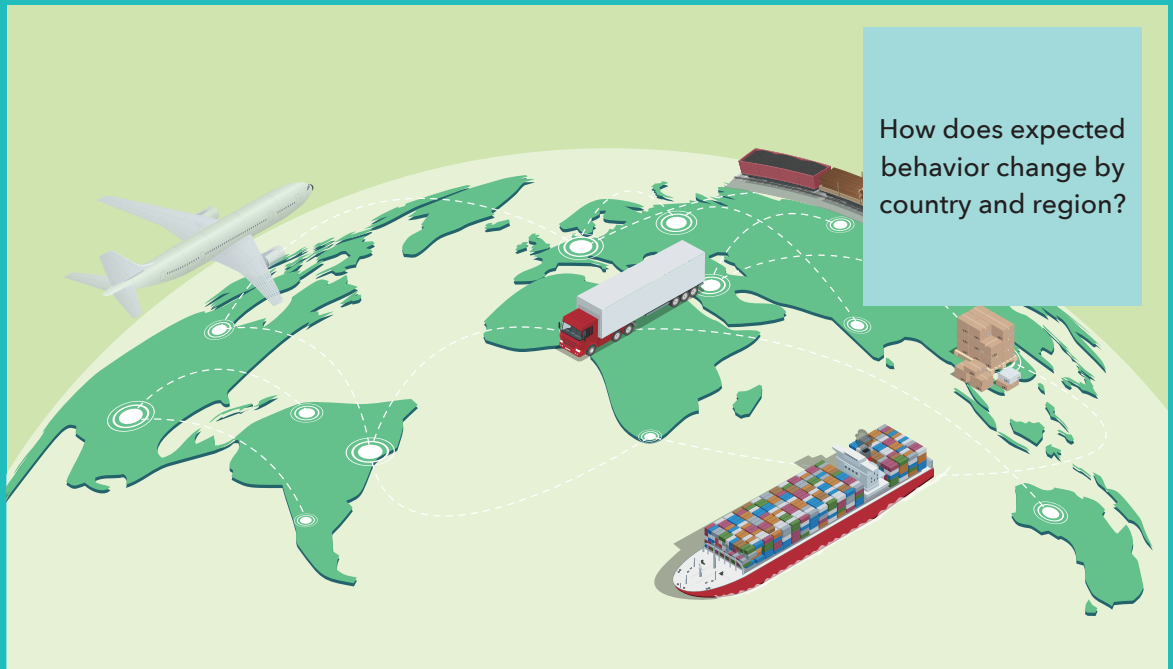


The basic code of conduct for compliance

6.1 Ensuring correct action and compliance with laws and regulations and internal rules

P.54

The Fujikura Group will ensure compliance with laws and regulations in each country and region, establish and implement internal rules, and take ethical and correct action in line with social norms.



Structure of the Code of Conduct

This Code of Conduct consists of the conduct that we must comply with as the Fujikura Group for each type of stakeholder. These principles have been adopted from the Common Global Code of Conduct and the Commentary for Each Country and Region.

Common Global Code of Conduct

This describes the common Code of Conduct for all officers and employees in the Fujikura Group, so please read the entire Code make sure that you understand it thoroughly, and put it into practice in your day-to-day work.

MVC	1. Code of conduct for ensuring employees' wellbeing and creating a safe, secure and pleasant work environment			
	1.1 Compliance with labor laws and managing health and safety			
Behavior Framework	<p>The Fujikura Group strongly recognizes that safety is a priority for all business activities and that each employee who supports a sound business foundation is a valuable asset for the company. Fujikura is committed to making safety the top priority in business activities, providing a safe and pleasant work environment for each employee, and maintaining and improving the physical and mental wellbeing of all employees.</p>			
	<p>Our principles of conduct</p> <p>(i) Compliance with laws, regulations, and internal rules on workplace health and safety We will comply not only with labor laws, employment agreements, internal rules and working regulations, but also with laws and regulations on workplace health and safety management relating to our duties to ensure health and safety of the Group's employees.</p> <p>(ii) Applying the Plan-Do-Check-Act "PDCA" management style to health and safety activities We will plan and engage in health and safety activities and evaluate the activities in order to continually improve security and safety at each workplace. In doing so, we will undertake training and education on workplace health and safety activities and will strive to raise awareness of health and safety issues.</p> <p>(iii) Activities for reducing the risk of workplace accidents To reduce the risk of workplace accidents, we will immediately report any safety related accidents, concerns or suspicions to management.</p> <p>(iv) Maintaining and improving health We will always attend to our fellow workers' physical and mental health. We will have physical examinations as required by laws and regulations to keep fit and to improve our health so that we can perform our normal business activities. Moreover, it is not allowed to possess or use illegal drugs or controlled substances which may interfere with our ability to perform normal work activities.</p> <p>(v) Alignment of activities with work environment management We will work to align and effectively manage our health and safety management activities with the company's work environment management activities.</p>			
Code of Conduct	45			

- The sentence beginning with "The Fujikura Group" contains the corporate policy concerning each of the principles, and expresses the pledge of the Fujikura Group to society and other stakeholders.
- The sentences beginning with "We" are the rules of conduct we must follow. They indicate the specific rules of conduct that we must each practice to implement the corporate policy.



Explanation for the global edition

(i) Labor, workplace health and safety compliance

Officers and employees of the company must adhere to the requirements prescribed in working regulations and employment agreements and must not commit wrongful acts against these requirements. It is very important to comply with all laws relating to working hours.

There are various laws and regulations as well as internal rules on workplace health and safety. Management is expected to be aware of employment laws and ask questions if there is any concern about compliance. Procedure and operation manuals at each workplace should contain important guidance for ensuring workplace safety. Officers and employees should understand the guidance given related to their duties. Moreover, when officers and employees are based in a country other than their own, they must understand and comply with that country's labor laws, other laws and regulations and internal rules on workplace health and safety.

(ii) Application of PDCA to health and safety activities

At the Fujikura Group, safety is the basis of everything. In performing business activities, officers and employees must give top priority to safety and compliance with laws and regulations and strive to create a safe and pleasant work environment. Moreover, they should plan and engage in health and safety activities, evaluate the activities semi-annually and annually and identify problems to ensure the continuity of their activities.

(iii) Activities for reducing the risk of a labor accident

Failing to give top priority to safety may undermine the foundation of our business. If officers and employees identify signs of problems, such as safety problems, they must promptly take appropriate action to prevent further damage. They should also examine and confirm the details of any facts, report the problems internally and externally as required, identify the cause, and take measures to prevent reoccurrence. When safety management matters are reported, managers should confirm the facts promptly, act with integrity, and give top priority to ensuring safety in decision making.

The Fujikura Group maintains and enforces a workplace health and safety management system.

(iv) Maintaining and improving our health

Officers and employees should ensure that they have health checks and physical examinations as required by laws and regulations. Everyone needs to be engaged in the company's health and safety management activities. Illegal drugs and controlled substances are prohibited on company property. Working while under the influence of drugs or alcohol is prohibited. This applies to work performed on company property or elsewhere. Smoking is only allowed in designated areas consistent with local laws.

Managers are expected to develop a corporate culture in which employees feel comfortable reporting their actual working hours and should manage their staff's working hours properly to ensure compliance with laws and regulations and to prevent overwork. Managers should also pay attention to allocation of work and the health of their staff to prevent overwork-induced health issues, such as poor mental health.

(v) Alignment of activities with work environment management

Work environment management activities are closely related to safety management activities. Officers and employees should ensure that those activities are aligned for effective management.

MCCV

Behavior Framework

Code of Conduct

46

Commentary for Each Country and Region

Specific commentary has been provided to increase understanding of the Common Global Code of Conduct, so please confirm the written content along with the rules and regulations of each country and region and the internal rules.

- Officers and managers should read the entire commentary, understand it, and use it to manage, educate, and train subordinates so that they are able to comply with the Code of Conduct in performing their work.
- All employees should read the entire commentary, develop an in-depth understanding of the principles related to their work in particular, and perform their work in compliance with the principles of the Code of Conduct.

1.1 Compliance with labor laws and managing health and safety

The Fujikura Group strongly recognizes that safety is a priority for all business activities and that each employee who supports a sound business foundation is a valuable asset for the company. Fujikura is committed to making safety the top priority in business activities, providing a safe and pleasant work environment for each employee, and maintaining and improving the physical and mental wellbeing of all employees.

Our principles of conduct

(i) Compliance with laws, regulations, and internal rules on workplace health and safety

We will comply not only with labor laws, employment agreements, internal rules and working regulations, but also with laws and regulations on workplace health and safety management relating to our duties to ensure health and safety of the Group's employees.

(ii) Applying the *Plan-Do-Check-Act* "PDCA" management style to health and safety activities

We will plan and engage in health and safety activities and evaluate the activities in order to continually improve security and safety at each workplace. In doing so, we will undertake training and education on workplace health and safety activities and will strive to raise awareness of health and safety issues.

(iii) Activities for reducing the risk of workplace accidents

To reduce the risk of workplace accidents, we will immediately report any safety related accidents, concerns or suspicions to management.

(iv) Maintaining and improving health

We will always attend to our fellow workers' physical and mental health. We will have physical examinations as required by laws and regulations to keep fit and to improve our health so that we can perform our normal business activities.

Moreover, it is not allowed to possess or use illegal drugs or controlled substances which may interfere with our ability to perform normal work activities.

(v) Alignment of activities with work environment management

We will work to align and effectively manage our health and safety management activities with the company's work environment management activities.



Explanation for the global edition

(i) Labor, workplace health and safety compliance

Officers and employees of the company must adhere to the requirements prescribed in working regulations and employment agreements and must not commit wrongful acts against these requirements. It is very important to comply with all laws relating to working hours.

There are various laws and regulations as well as internal rules on workplace health and safety.

Management is expected to be aware of employment laws and ask questions if there is any concern about compliance. Procedure and operation manuals at each workplace should contain important guidance for ensuring workplace safety. Officers and employees should understand the guidance given related to their duties. Moreover, when officers and employees are based in a country other than their own, they must understand and comply with that country's labor laws, other laws and regulations and internal rules on workplace health and safety.

(ii) Application of PDCA to health and safety activities

At the Fujikura Group, safety is the basis of everything. In performing business activities, officers and employees must give top priority to safety and compliance with laws and regulations and strive to create a safe and pleasant work environment. Moreover, they should plan and engage in health and safety activities, evaluate the activities semi-annually and annually and identify problems to ensure the continuity of their activities.

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(v) Alignment of activities with work environment management

Work environment management activities are closely related to safety management activities. Officers and employees should ensure that those activities are aligned for effective management.

1.2 Respect for human rights and diversity

The Fujikura Group will respect individuals' fundamental human rights and diversity and will not tolerate discrimination in any aspect of our business activities.

Our principles of conduct

(i) Respect for fundamental human rights and diversity

The Fujikura Group has put into place the "Fujikura Group Policy on Human Rights"* and the "Group Vision for HRM." * We will respect individuals' fundamental human rights and diversity; we will not discriminate against any person on the grounds of nationality, race, ethnicity, religion, gender, values, age, physical characteristics, disability, marital status, political ideas, or sexual orientation; and we will not tolerate such discrimination in any aspect of our business activities. We all must respect and cooperate with each other in our work activities.

(ii) Prohibition of harassment and inhumane acts

We will not allow or tolerate the use of words or performance of actions that may hurt another person mentally or physically, such as sexual harassment. The "Fujikura Group Policy on Human Rights" requires that we all respect fundamental human rights and not tolerate any inhumane acts such as the use of forced labor, child labor, or slavery.

(iii) Initiative and cooperation in performing our duties

The "Group Vision for HRM" requires us to perform our duties on our own initiative with a sense of responsibility. We will also cooperate with fellow workers for creation of new ideas.



Explanation for the global edition

(i) Respect for fundamental human rights and diversity

Officers and employees must fully understand the “Fujikura Group Policy on Human Rights” and the “Group Vision for HRM.” Officers and managers should respect all persons’ fundamental human rights and diversity not only in what relates to recruitment, employment, assignment, and promotion, but also in all aspects of their business activities.

(ii) Prohibition of harassment and inhumane acts

Sometimes when a person finds certain words or actions unpleasant, these words or actions will fall within the scope of sexual harassment, even if another person considers them acceptable. Officers and employees must avoid such words or actions, and not tolerate or overlook other persons using or performing them.

Officers and employees are not permitted to commit acts which cause mental or physical distress or deteriorate the work environment. They must not use words or perform actions towards a fellow worker to deny his/her personality or take advantage of their position of superiority at work or in personal relationships beyond what is permissible in performing their duties.

If employees identify or hear about an act of harassment or human rights violation, they must immediately report it to their manager or Human Resources Department.

(iii) Initiative and cooperation in performing our duties

The Fujikura Group employs, nurtures, and highly values people with a strong sense of ownership who consider themselves to be leaders. The Group also highly values those capable of taking a lead in making changes while respecting, cooperating with, and encouraging others. The Fujikura Group provides equal opportunities to employees all over the world so that it can discover the leaders necessary for the future growth of the Group from among such capable persons.

2.1 Promotion of responsible job performance and communication

The Fujikura Group fosters a corporate culture of mutual respect and cooperation that enables each employee to perform their duties on their own initiative applying their competence and capabilities.

Our principles of conduct

(i) Proper performance of duties based on work allocations, lines of reporting, authority, and responsibilities

We all must perform our duties properly and efficiently in conformity with the documented work allocations, lines of reporting, authority, and responsibilities to reduce dependence on any particular individual(s).

(ii) Establishment and implementation of operational procedures

We all must understand and follow the procedure and operation manuals relating to our own duties.

(iii) Promotion of communication in the workplace

We all must strive to promote communication in the workplace for smooth operations. We must also ensure regular reporting, communication and consultation in order to identify risks at the right time.



Explanation for the global edition

(i) Proper job performance based on work allocation, lines of reporting, authority and responsibilities, and

(ii) Establishment and implementation of operational procedures

The Fujikura Group pursues standardization and integration of operations in order to optimize the efficiency of its operations.

Undefined work allocations, lines of reporting, authority, and responsibilities potentially undermine the ability to identify the responsible person for any problems that occur during business operations. Therefore, officers and employees should read through the internal rules such as those containing authority matrix and procedure and operation manuals.

Managers should always look out for any amendments to be made in the procedure, as well as the operation manuals, for example, to fill any gaps between the contents of the manuals and the actual operations.

(iii) Promotion of communication in the workplace

Provision of necessary information, free and active exchange of views, and good communications are essential for smooth performance of our duties. When a person encounters a concern or problem at work and keeps it to themselves, they may become hurt from being unable to consult anyone, causing the company as a whole to suffer a great loss.

Managers should make an effort to promote communication in various aspects of business operations.

2.2 Ensuring quality assurance

To develop and manufacture goods which meet customers' requirements, the Fujikura Group will systematically establish a robust quality assurance system in conformity with the Fujikura Quality Policy* to ensure quality management.

Our principles of conduct

(i) Ensuring compliance with quality rules

We all must understand and comply with the laws and regulations, public standards, and the provisions of agreements with our customers pertaining to the quality of products for which we are responsible, as well as with internal rules on quality.

(ii) Ensuring authenticity of quality data

We all must ensure the authenticity of quality data created in a series of processes, including product development, design, production, inspection, and shipment.

(iii) Compliance with rules on product descriptions including quality

For products for which we are responsible, we must all check whether quality or other product descriptions in manuals and advertising materials contain any wording that infringes upon the applicable laws and regulations, self-imposed standards, or the provisions of agreements with the customers, at each stage of the product cycle from product development to sales.



Explanation for the global edition

(i) Ensuring compliance with quality rules

There are various laws and regulations, public standards (*), and internal rules on quality. Officers and employees must make every effort to understand provisions and revisions therein in a timely manner and regularly check the status of the design and operation of the related internal rules.

(ii) Ensuring the authenticity of quality data

In providing products, it is important to fulfill obligations prescribed within an agreement with a customer and to meet its quality requirements. Therefore, officers and employees shall not falsify or fabricate data by any means.

(iii) Compliance with rules on product descriptions including quality

There are various laws and regulations on product labeling and descriptions (*), and where the company fails to describe product quality and uses properly for the benefit of its customers, incorrect use may cause serious harm. Therefore, officers and employees need to explain the product quality and other features and proper uses through easy to understand manuals and warning labels based on the facts.

2.3 Compliance with accounting and tax rules and establishment of an internal control system

The Fujikura Group will establish an internal control system for the financial reporting process and will ensure that accounting and tax processes are performed properly in accordance with accounting principles and standards.

Our principles of conduct

(i) Understanding and compliance with accounting standards and tax rules

We must all understand the accounting standards and tax laws applicable to the company pursuant to each respective countries' laws and regulations and internal rules and must ensure appropriate accounting and tax treatments that are supported by appropriate evidence.

(ii) Ensuring appropriate accounting treatments

We must not book any sales, purchases, or expenses which do not meet the criteria for transaction completion, and for intercompany transactions, we must ensure arm's-length price based on sound evidence and appropriate accounting treatments thereof.

(iii) Establishment of an internal control system

We must establish and operate internal control systems that impose controls through segregation of duties and appropriate approval rules over treasury and other important operations.



Explanation for the global edition

(i) Understanding and compliance with accounting standards and tax rules, and (ii) Ensuring appropriate accounting treatments

All transactions of the company with another company or an employee must be booked presenting a fair and true view of the transactions in accordance with internal rules. In addition, managers should perform budget-to-actual analysis and controls and obtain necessary prior approval for payments and expenses, and they are required to consult with the Accounting Department to confirm the tax treatment of transactions.

Recording of sales or acceptance inspection not meeting the criteria for transaction completion constitutes a serious breach of the accounting and tax rules. Officers and employees should check the terms and conditions and the status of the transaction by looking at the evidence and consulting with the Accounting Department about uncertain matters as required. Officers and employees should never falsify evidence for a transaction, such as an invoice or receipt, or records on the books, nor raise off-the-books funds. Officers and employees should retain supporting documentation for the reasonableness of pricing in intercompany transactions, as such transactions are heavily scrutinized in consolidation of accounts and transfer pricing assessments.

Committing a serious breach of accounting and tax rules may cause the company to receive a tax penalty under the Corporation Tax Act, and employees may be charged with a violation of the Companies Act or Financial Instruments and Exchange Act and receive a severe criminal penalty or administrative monetary penalty.

Certain account treatments such as inventory valuation and recording an allowance involve estimation. When officers and employees make an estimate in accounting, they should record and keep the basis of the estimate.

(iii) Establishment of an internal control system

The Companies Act of Japan requires companies to establish an internal control system. Japan's Financial Instruments and Exchange Act specifically requires establishment of "internal controls over financial reporting." Officers and employees should always pay attention to whether the required internal controls listed below are in place and fully implemented and try to refine these controls should any problem(s) arise.

- Treasury duties shall be segregated among several persons so that a specific person will not perform the duties all by him/herself, such as writing slips, approving, executing payment, and checking and recording receipts of money.
- Sales management duties shall be segregated among several persons so that a specific person will not perform the duties all by him/herself, such as handling received orders, recording sales, invoicing, and checking and recording receipts of money.
- Purchase management duties shall be segregated among several persons so that a specific person will not perform the duties all by him/herself, such as placing orders, accepting products, recording purchases or costs, and executing payment.
- Internal controls shall be established so that each important process is approved and checked properly.
- If the segregation of duties or establishing internal controls listed above are not feasible, officers and employees shall refine the monitoring procedures to identify any abnormality rankings based on transaction amounts, the backlogs of orders received and placed, aging debts, the yield rate, and the profit or loss margin through timely monitoring.

2.4 Corporate asset management and asset value protection

The Fujikura Group will ensure that the company's tangible and intangible assets are managed properly and that their values are protected.

Our principles of conduct

(i) Corporate asset management

We must keep a management ledger for important corporate assets and ensure that they are managed, for example, by reconciling the records on the ledger with the physical assets on a regular basis. We must also understand that the company's reputation and its brand are important intangible assets of the company and we must not commit an act of undermining them.

(ii) Compliance with required procedures for corporate asset management

In acquiring, disposing of or paying for corporate assets, we must follow the required procedures and approval processes in conformity with internal rules.

(iii) Prohibition of personal use of the company's assets

We must all manage the company's tangible and intangible assets appropriately and must not use or consume these assets for personal purposes or misappropriate them for purposes other than business.



Explanation for the global edition

(i) Corporate asset management

Corporate assets include, but are not limited to, cash, deposits, accounts receivable, securities, inventories, fixed assets, and lease assets as well as personal computers, software, and fixtures provided by the company. For any material items of these assets, it is important to reconcile the records on management ledgers with the physical assets to prevent illegal acts. Management ledgers should also be prepared for rented equipment and items such as metal molds.

Fujikura Group's brand and reputation are also important assets and constitute the basis of business activities that our predecessors have developed through the long history since the company's founding. Officers and employees should always keep in mind that their words and actions could directly affect the company's brand and reputation.

(ii) Compliance with procedures for corporate asset management

Employees and officers should acquire, use, or dispose of corporate assets with an understanding of and in compliance with internal rules. Managers and accounting staff should ensure that they check whether purposes of expenses incurred are clearly defined and whether the expenses have been approved through appropriate procedures. They should pay special attention to gifts, including donations and sponsorships. Other unreasonable and inappropriate benefits than gifts should not be given, regardless of their forms, including magazine subscriptions, seminar participation, or purchases of books. If any benefits considered to be unreasonable and inappropriate are to be given, payments should be refused for processing. When uncertain about the reasonableness and appropriateness, employees should promptly raise the issue with management.

(iii) Prohibition of personal use of the company's assets

Officers and employees should not take corporate assets, including personal computers, out of the company without going through a prescribed procedure or beyond their authority, nor should they use them for personal purposes.

In addition, no personal calls, emails or use of the internet are permitted in the workplace.

Furthermore, officers and employees are prohibited from demanding kickbacks from a supplier for personal benefits or force gift giving on other members of the company by abusing their post or position in the company.

Officers and employees must not force their personal principles such as religion on other members of the company, which also constitutes an act of using the company's assets for personal benefits.

2.5 Ensuring information security through appropriate document and data management

The Fujikura Group will ensure security of information, including personal information, through appropriate document and data management.

Our principles of conduct

(i) Appropriate document and data management

We recognize that all documents and data created and obtained during business belong to the company and we will manage them appropriately in accordance with laws and regulations in the respective countries and regions, as well as internal rules. Moreover, we will not create, obtain, or keep a document or data which may cause a third party to misunderstand the contents.

(ii) Appropriate retention and destruction of documents and data

We will organize and manage documents and data created and obtained during business for a given retention period in accordance with internal rules. Moreover, in case of a legal or ethical problem, we will not commit an act that may be construed as destruction of evidence, such as destroying a document or erasing data.

(iii) Appropriate personal information management

We must understand laws and regulations on the protection of personal information in the respective countries and regions. We will clarify the purpose of using personal information, and obtain, keep, and use personal information in a proper manner within the intended scope. Moreover, we will not provide or disclose personal information to a third party except as prescribed by laws and regulations in the countries and regions or where consent is obtained from the person concerned.

(iv) Understanding information security rules and compliance with confidentiality requirements

We must understand and observe laws and regulations in countries and regions as well as internal rules on information security such as non-disclosure of confidential information and approval procedures for transfer of such information. We also understand that we have an obligation to keep information obtained during business confidential and manage information assets appropriately to ensure no confidential information is leaked.

(v) Appropriate IT device management

We will appropriately handle IT devices provided by the company, such as personal computers and mobile phones. If we lose an IT device or notice an attack on servers or a leak of information, we will promptly contact a manager and the relevant division and follow their instructions.



Explanation for the global edition

(i) Appropriate document and data management, and

(ii) Appropriate retention and disposal of documents and data

Officers and employees should regularly take inventory of documents and data containing corporate information and destroy unnecessary documents appropriately in accordance with laws and regulations, as well as, internal rules. Officers and employees should be aware that arbitrary destruction of documents regarding a dispute with a third party or an investigation by a government agency will put the company at a disadvantage in a lawsuit, or may cause the employee to be charged with destruction of evidence under the Penal Code—in particular if an employee destroys a document whose retention period has not ended after the problem comes to light.

(iii) Appropriate personal information management

As evident from the General Data Protection Regulation (GDPR) and the Personal Information Protection Act enforced in the EU and Japan, respectively, protection of personal information is regarded as important worldwide. Therefore, officers and employees should be aware that it is important to strictly manage the personal information of employees and business connections and strictly observe the rules on personal information management. We must restrict access to documents and data which include personal information and change IDs and passwords regularly.

(iv) Understanding information security rules and compliance with confidentiality requirements, and

(v) Appropriate IT device management

Officers and employees should not send or save corporate information on personal computers or mobile phones (including SNS accounts, such as WhatsApp, WeChat and Facebook) without approval.

To prevent a leak of information when transmitting an e-mail, officer and employees should check for any errors in the email addresses before sending an e-mail. Moreover, always avoid carelessly replying to or forwarding an e-mail containing confidential information so as not to send the information to someone who does not need to receive that information. Never send or receive inappropriate e-mails. It should be noted that, the Fujikura Group may perform an e-mail audit, in cases of potential breach of the internal rules.

Officers and employees must restrict access to highly confidential information and change ID and passwords regularly. Employees must not unlawfully use or disclose the Fujikura Group's confidential information, nor should they obtain other company's information illegally. When an employee resigns from the company, the manager of the division should ensure that the resigning employee promptly returns the IT devices lent by the company, and check that various IDs and the right to access have been cancelled and that a written pledge not to reveal information has been received from the employee, when necessary.

Officers and employees should keep confidential information in a designated place or folder, ensure that passwords and access (including locking entrances and exits) are managed and the data access history is monitored. Pay careful attention to any confidentiality agreement that has been signed with a business connection, as the agreement may contain requirements not in line with the company's principles. Follow the following information management principles:

- Mark documents containing confidential information "Confidential." Save confidential information to a database with restricted access. Make sure to lock the cabinet in which confidential information is kept.
- Do not use external data storage media (e.g. USB memory sticks) other than those permitted by the company.
- Keep desktop in order and do not leave documents in a printer or copier.
- When leaving seat, log off from computer or lock it. Look out for any unaccompanied outsiders coming in and out of our offices without badges or credentials.
- Do not carelessly open an e-mail from an unknown e-mail address.
- Do not immediately accept a new proposal for business by e-mail without confirming it by phone.

Officers and employees have an obligation to keep information obtained during business confidential. They should not discuss such information in public places, such as on a train, bus, taxi, elevator, at a restaurant or bar. Moreover, they must not post a remark disclosing such information even on a personal blog or SNS account without permission. Never post unpublished information about a publicly traded company which is one of our company's business connections.

2.6 Proper intellectual property management

The Fujikura Group understands the importance of intellectual property rights such as patent rights, copyrights, and trademark rights which protect the company's intellectual property, and respect other persons' rights.

Our principles of conduct

(i) Protection of our company's intellectual property

We will correctly recognize the nature and value of our company's intellectual property, work to protect our intellectual property rights, and ensure that our company's intellectual property is not used by other persons without permission.

(ii) Strict management of confidential intellectual property information

We will strictly manage all confidential intellectual property information so that the information will not be leaked unintentionally.

(iii) Respect for and prevention of infringement of other persons' intellectual property rights

We will not use other persons' intellectual property without permission. We must always take necessary measures, such as prior research, to avoid unintentionally using others' intellectual property without permission. Furthermore, we will comply with agreements with other persons for the use of their intellectual property.



Explanation for the global edition

(i) Protection of our company's intellectual property

Intellectual property constitutes the basis of a company's economic activities, and various legal systems are in place to protect such property. To protect intellectual property, we will choose a legal system suitable for the nature of the property and follow an appropriate application procedure. Software or literary works are protected by copyright, as well as using registration systems. House marks, brands, or product names which might be copied, may be registered as trademarks to mitigate the risk of the house mark, brand, or product name being copied by a third party.

If the company's intellectual property is infringed upon, we will take efforts to make the infringing party stop selling the relevant products, by negotiating directly with the infringing party or through judicial proceedings, shoreline measures at customs, or on the basis of the patent or trademark rights registered through the steps mentioned above.

(ii) Strict management of confidential intellectual property information

The Fujikura Group holds numerous pieces of confidential information related to its intellectual property, such as trade secrets and technical know-how. If any such information is made public or leaked to an ill-intentioned third party, it could cause a considerable loss to the company. The Group also holds other persons' intellectual property information disclosed on the condition that the information will be kept confidential. Publication or leak of such information would cause a loss not only to the company, but also to that person, the informant, and would result in loss of public trust in the company. Officers and employees must manage intellectual property information appropriately in order to prevent such a situation.

(iii) Respect for and prevention of infringement of other persons' intellectual property

In principle, another person's intellectual property belongs to that person and cannot be used without permission. Therefore, when the company wants to use another person's intellectual property, it needs to obtain permission from the owner of the intellectual property, except in certain cases, for example, where free use of the intellectual property is legally permitted or where a royalty-free and open license to the intellectual property allows free and open use of the property. For that reason, development of a product requires the developer to perform research on the right on which information is made public (e.g. a patent right), in advance, and to check the details of works, such as documents, photographs, videos, and music, with an individual or company that makes the works public and obtain a license to use them if necessary.

Moreover, the company must comply with agreements with other persons pertaining to intellectual property. For example, when the company is given a license to use software, works, or a patent but infringes on the right by using the property beyond the scope of the license, a claim for damages may be made against the company, in addition to early termination of the agreement on the grounds of a breach. Therefore, officers and employees must ensure compliance with intellectual property agreements.

2.7 Thorough trade control

The Fujikura Group will adhere to its basic policy of not participating in trade that may hinder the maintenance of international peace and safety. We will work to establish an organizational export control function and comply with laws and regulations on export controls in place for national security in the countries and regions of its operations. The Group will also comply with other laws and regulations on export and import controls.

Our principles of conduct

(i) Compliance with laws, regulations and internal rules on export controls

We must comply with laws and regulations on export control in all the countries where the company operates. The “Fujikura Group Basic Policy on Export Control,” will ensure compliance with export laws and regulations.

(ii) Strict controls for international peace and safety

We must not participate in trade that may undermine the maintenance of international peace and safety. We will impose strict controls over transactions at all stages from inquiries to shipment of goods, especially in exporting products which may be diverted to be used as weapons, in compliance with laws and regulations, as well as, internal rules on trade control security.

(iii) Checking end-uses and end-users of products

We must not participate in trade that may undermine the maintenance of international peace and safety. We will make every effort to know about our customers and to check the end-users and end-uses of exported products which may be diverted for use as weapons that could potentially result in the spread of weapons of mass destruction or the accumulation of conventional weapons.

(iv) Compliance with laws and regulations as well as internal rules on export and import and customs clearance

In addition to the above, we will understand and comply with laws and regulations as well as internal rules on export and import and customs clearance and will not violate any related laws and regulations.



Explanation for the global edition

(i) Understanding and compliance with laws and regulations as well as internal rules on export controls

(ii) Strict controls for international peace and safety, and

(iii) Checking end-uses and end-users of products

The Fujikura Group strongly recognizes that it is important to prevent providing products which may be used as weapons to states which may threaten international peace and safety, and terrorists or persons who may carry out activities considered as terrorism. The persons responsible for export controls must carefully assess whether the trading of certain goods and technologies is legally permitted in their countries and other countries of the company's operations in view of the international situation, and must follow necessary procedures to comply with laws, regulations, and internal rules. In addition, in order not to export weapons and related technologies related thereto which may undermine the maintenance of international peace and safety, they should also check whether the goods and technologies being traded are subject to export controls by following the procedure prescribed in the internal rules, which requires our company to fully check the importing country (the destination) and the profile and business activities of the end-user (consumer) to confirm that the goods and technologies will not be used to develop or manufacture weapons of mass destruction or other weapons (usage).

Officers and employees should note that not only export of goods and technologies, but also providing technologies and drawings by e-mail and providing technologies through individuals' knowledge (e.g. technological support) are also subject to export controls. Prior to providing a technology, they must learn about the company to which it is provided, the country where it is based, the end-user, the details of the technology to be provided, and the usage of the technology.

Penalties or sanctions for violating laws and regulations on export controls may be applied to the division which has committed the violation and to the whole company. The resulting damage to the company would be serious and the existence of the company itself could be threatened if a regulatory authority issues an export embargo to the company which prohibits all of its export transactions.

(iv) Compliance with laws, regulations and internal rules on export, import and customs clearance

The officers and employees responsible for export and import operations must follow appropriate export and import procedures to comply with export and import related laws and regulations in their countries, and in the countries of their trading partners. It should always be confirmed whether certification or inspection is required under any other laws and regulations.

It should be noted that export and import related laws and regulations in certain countries impose far-reaching restrictions covering export and import to and from third countries.

If any incident occurs at customs, the persons responsible for export and import operations should promptly contact the export control division of the company (and Fujikura's Export Control Division, as necessary).

3.1 Keeping promises to customers

The Fujikura Group will fulfill its promises to customers and ensure that business activities are carried out properly.

Our principles of conduct

(i) Keep promises to customers and meet customers' expectations

We will fulfill contractual obligations promised to customers, understand our customers' expectations in full, and make sincere efforts to meet these expectations.

(ii) Sincere effort to support customers in resolving quality issues

In our efforts to earn customers' trust, we will provide prompt support to any customer having, or facing a risk of, a quality-related accident or problem, giving top priority to the customer's safety.

(iii) Good communication with and proper explanation to customers

In our efforts to have good communication with customers, we will properly explain the nature and features of our products with various supporting data and materials managed appropriately. We will also fulfill an obligation to notify customers of important matters under the agreement with them.

(iv) Appropriate management of orders received and proper recording of sales

We must document the terms and conditions of sales agreed on with customers and ensure that orders received from customers are processed and sales are properly recorded based on the delivery or transfer of goods.

(v) Knowing about purchasers and ensuring performance of credit control and debt management

We must understand the attributes and financial condition of purchasers and perform appropriate credit control. We will also perform proper accounts receivable (trade receivables) management activities, for example, through invoicing in a timely manner and checking payments from customers in conformity with the terms and conditions of the agreement with the purchasers.



Explanation for the global edition

(i) Keeping promises to customers and meeting customers' expectations

In recent years, customers' requirements and society's expectations for companies have grown in various aspects. Should the safety or health of customers be threatened as a result of the company's activities or products, companies can be severely criticized by the public and/or held legally liable for any damage caused. Therefore, officers and employees should always remain mindful of customers' requirements and societal trends and keep promises to customers made under the agreement with them.

(ii) Sincere effort to support customers in resolving quality issues

Officers and employees must provide prompt support when a product-related accident, problem, or sign of problem is identified. We must take measures to resolve and prevent the spread of damage it has caused. In addition, officers and employees should examine the accident or problem and report any significant findings to internal and external stakeholders. They should also identify the cause of the accident or problem and take measures to prevent reoccurrence.

(iii) Good communication with and proper explanation to customers

Product labels and descriptions must be supported by evidence. Officers and employees should never give descriptions which lack reliability and objectivity, for example, by providing a false statement that the product conforms to laws and regulations or meets the customer's requirements, or only disclosing and retaining data prepared under favorable assumptions. It should also be noted that some agreements with customers require the company to give prior notice of change of materials to the customer. For that reason, officers and employees must maintain good communication with customers at all times to understand the terms, conditions and requirements of their agreements.

(iv) Appropriate management of orders received and proper recording of sales, and (v) Knowing about purchasers and ensuring credit control and debt management

All sales transactions must be carried out based on appropriate evidence (e.g. agreements) for prevention of disputes and inappropriate accounting, and for appropriate credit management.

In carrying out sales activities, officers and employees must check whether the purchasing party is an organized criminal group or individuals associated with an organized criminal group; its creditworthiness is uncertain; it is a shell company; it engages in unethical activities; or it is a company of a public official or a relative thereof.

To ensure proper debt management, officers and employees should use the "aging method" (under which overdue debts are listed and the reasons for nonpayment and the expected months of actual payment are investigated) and check the balances regularly. The employees responsible for sales and debt management should ensure the collection of debts and should regularly obtain balance confirmations from debtors in order that credits will not lapse by extinctive prescription.

3.2 Sound relationships with customers and fair competition

The Fujikura Group will maintain sound relationships with customers and will never tolerate bribery or suspected bribery. Moreover, the Group will carry out transactions in compliance with the competition laws in the respective countries and regions and will maintain fair and free competitive relationships with its competitors.

Our principles of conduct

(i) Compliance with laws and regulations as well as internal rules for prevention of bribery of public officials

We must adhere to the Fujikura Group Anti-Corruption Policy and must comply with laws and regulations against bribery of public officials in the respective countries and regions and the related internal rules. Moreover, we will never commit bribery or an act which may be interpreted as having an intention of offering a bribe.

(ii) Building of sound relationships with customers

We must adhere to the Fujikura Group Anti-Corruption Policy and maintain sound relationships with public and private customers. We will not commit bribery and never provide any benefits, such as entertainment, gifts, money, payment of traveling expenses, or donations, that may be interpreted as bribery.

(iii) Prohibition of cartels, private monopolies, and exclusive transactions

We must adhere to the Fujikura Anti-Monopoly Act Compliance Program and comply with the competition laws in the respective countries and regions, and the related internal rules. We will not collude with a competitor, nor will we carry out transactions intended to unfairly restrict a competitor's business activities in connection with its product in the market.

(iv) Prohibition of unnecessary contact with competitors

We must adhere to the Fujikura Anti-Monopoly Act Compliance Program and not contact our competitors unnecessarily. Even when contact with a competitor is necessary, we will not provide nor exchange competition-related information, will not discuss competition, and will not commit an act that may be interpreted as cartel behavior. When we provide statistical information to an industry association, we will ensure that no exchange of information leads to a cartel situation. In addition, we will state the source of the information when recording information on a competitor on an internal document.



Explanation for the global edition

(i) Compliance with laws and regulations as well as internal rules for prevention of bribery of public officials

Bribery of public officials is prohibited by laws and regulations in most countries and regions around the world. An act that suggests an intention of wrongdoing through bribery is against anticorruption laws and regulations.

Laws and regulations in the respective countries prohibit bribery of public officials and persons equivalent thereto in the countries. In addition, bribery to foreign public officials is prohibited in many countries.

Moreover, if bribery is exposed by the regulatory authorities in the respective countries, significant penalties are imposed on the company and the individuals concerned. In recent years, the authorities in many countries have been increasingly committed to exposing bribery cases. This is particularly evident in the U.S., where U.S. authorities investigate potential bribery matters in cooperation with authorities in Asian and South American countries.

(ii) Building of sound relationships with customers

Gifts considered excessive based on common sense are prohibited even if they are to private corporation customers. It should be noted that bribes to private citizens are also prohibited in many countries (e.g. the U.K., China, Singapore, Malaysia, Australia, New Zealand, France, and Germany).

(iii) Prohibition of cartels, private monopolies, and exclusive transactions, and

(iv) Prohibition of unnecessary contact with competitors

Cartels are prohibited by the “Antimonopoly Act of Japan” and the competition laws of other countries. They include an act of colluding with competitors to control selling prices, markups, and sales volumes, act of assigning sales territories, customers, and quantities to one another, and act of bid-rigging, in which bidders collude to choose the winner of the bidding process.

Officers and employees must never exchange information about matters which individual operators should decide independently, such as selling prices, sales volumes, production volume, production capacity, sales destinations (customers and areas), raw material suppliers, and purchase prices, as such acts may be regarded by the authorities as cartel behavior even if there is no explicit arrangement with a competitor. If a cartel is exposed by the authorities (in particular, the U.S. and EU authorities), a punishment, such as imprisonment or a fine will be imposed on the concerned individuals, and a disposition, such as a significant fine or suspension of bidding on the company. Moreover, customers suffering damages may make a claim against the company.

If any officers or employees happen to be in a situation which may lead to a cartel behavior, such as a discussion about selling prices at a meeting of an industry association attended by competitors, they must immediately refuse to participate in the discussion, leave the room, and report the situation to their superior and the division responsible for legal affairs to determine an appropriate action. Moreover, when providing statistical information to an industry association, be careful not to provide information about important matters in competition.

When a company has a large market share in a product, restricting the market price, quality, and quantities by wrongful means is prohibited by the Antimonopoly Act of Japan and competition laws of many countries of operation. Wrongful methods include selling a product at an unreasonably low price, restricting other companies’ activities, for example, by rejecting transactions with them or hindering their entry into the market.

3.3 Ethics and compliance requirements for sound relationships with distributors

The Fujikura Group will build sound relationships with distributors and will require them to act with ethics and maintain regulatory compliance.

Our principles of conduct

(i) Ensuring appropriateness of agreements and sales materials

We will ensure that we enter into distributorship agreements which contain appropriate clauses and request that our distributors create sales materials (in particular, those which include descriptions of uses, quality assurance, and after-sales services) in a lawful and appropriate manner.

(ii) Ensuring performance of export controls and information management

We will learn about customers of distributors who purchase Fujikura products as necessary and request that the distributors perform export controls and confidential information management and take measures to prevent the leak of technological information which arises from the disposal of our products by those customers.

(iii) Prevention of bribery acts through distributors

We will distribute the Fujikura Group Anti-Corruption Policy widely to our business partners, such as distributors, agents, consultants, subcontractors and agencies, and will require our partners to ensure compliance with the anti-bribery laws and regulations in the respective countries and regions and ethical conduct in performing duties incidental to Fujikura Group's business activities.

(iv) Prohibition of acts that undermine competition through distributors

We must not exchange information about competition with a competitor even through a distributor or trading company, nor have a distributor or trading company obtain important information about a competitor in an unlawful manner. Moreover, we must not commit acts that would undermine fair competition, for example, restricting distributors and trading companies' reselling prices or rejecting transactions with them unfairly.



Explanation for the global edition

(i) Ensuring appropriateness of the agreement and sales materials

It is important to enter into appropriate agreements with distributors which contain clauses to ensure compliance, such as anti-bribery clauses and those requiring compliance with competition laws, in addition to those on risks to be borne by each party and confidentiality.

Moreover, if a distributor's sales materials describe quality assurance or after-sales services beyond its capabilities or capacity, the Fujikura Group could get caught in legal actions brought against the distributor by a user or customer. To prevent this situation, the divisions responsible for sales activities should communicate Fujikura's sales policy, and the scope of its responsibilities, regularly to distributors, including providing a standard template of sales materials drawn up by the Fujikura Group. When the company provides its customer or distributor with quality assurance beyond the standard coverage, this must be approved in advance through a prescribed approval procedure.

(ii) Ensuring performance of export controls and information management

To avoid the risk of violating laws and regulations, such as an act against export controls, officers and employees must thoroughly check the details of transactions, including articles to be exported, the flow of Fujikura products until they reach the end-users or manufacturers of finished products, the importing country, and the usage of Fujikura products, using a prescribed template and following prescribed procedures. Moreover, adequate measures should be taken to appropriately dispose of Fujikura products to ensure there is no risk of leaking product technology.

(iii) Prevention of bribery acts through distributors, and

(iv) Prohibition of acts that undermine competition through distributors

Our company can be held liable for an act of bribery conducted by a distributor, even if it is a separate entity. Many exposed bribery cases where significant fines were imposed by the authorities were caused by distributors. Moreover, be aware that there are cases where an outsourcer (manufacturer) was exposed for violating competition laws when its distributor adjusted prices after collecting information about its competitors. Officers and employees should ensure that distributors are not engaged in unethical activities.

3.4 Sound relationships and appropriate transactions with suppliers

The Fujikura Group recognizes the importance of optimizing procurement on a global basis to continue growth in profitability and provide products that have value, satisfy customer demand, and fulfill social responsibilities. We will build sound relationships with suppliers and ensure proper procurement transactions.

Our principles of conduct

(i) Pursuing optimal procurement

We will optimize procurement by selecting suppliers based on a comprehensive evaluation of a number of aspects including product quality, price, delivery time, technical development abilities, managerial soundness, compliance, respect for human rights, environmental protection, and health and safety, depending on the nature of transactions in line with the Fujikura Basic Procurement Policy.

(ii) Understanding and compliance with laws and regulations as well as internal procurement rules

We must comply with laws and regulations applicable to procurement for which we are responsible. We will document the terms and conditions of the transactions agreed upon with suppliers and establish and enforce internal rules prescribing procedures for orders, inspection, acceptance, and payment.

(iii) Severing connections with lawbreakers

In executing procurement transactions, we must take thorough precautions regarding any violation of laws and regulations. We will not risk interacting with persons engaged in illegal activities such as money laundering. We must promptly sever any connections with lawbreakers.

(iv) Coordination with suppliers

We will examine and evaluate suppliers regularly to build mutually cooperative relationships before and after the start of business and will work to learn about suppliers' outsourcees to the greatest extent possible. We will work to strengthen quality assurance systems by building appropriate and mutually cooperative relationships with suppliers in accordance with the Fujikura Quality Policy.

(v) Uniting with suppliers for compliance with corporate ethics

Together with suppliers, we will carry out initiatives to promote compliance with laws and regulations, including those on conflict minerals, human rights violation prevention, forced labor, child labor, and slavery.

(vi) Prohibition of conflict of interest transactions and bribery from suppliers

We will never demand or accept from suppliers any benefits, such as money, entertainment, or gifts that exceed what is socially acceptable and makes common sense. Moreover, we will not engage in transactions in conflict with the company's interests.



Explanation for the global edition

(i) Pursuing optimal procurement

Getting competitive quotations is appropriate for cost-oriented purchasing and procurement transactions. However, in procuring important components, the company must establish criteria for selecting suppliers by considering several general factors other than cost, such as quality, technical development ability, and managerial soundness. Therefore, the persons responsible for procurement should understand and implement the Fujikura Basic Procurement Policy by selecting suppliers based on evaluations of the nature and quality of their operations other than prices, including faithfulness, compliance, health and safety, quality control, and environmental protection.

(ii) Understanding and compliance with laws and regulations as well as internal procurement rules

The company must prepare an agreement clarifying the terms and conditions of transactions for continuous procurement transactions. Even in other cases, officers and employees must obtain documents that cover the factual basis of the terms and conditions of the transaction, such as a quote, an order form, a delivery note, other important matters, and a document that proves a transaction has been carried out. Particularly for prevention of payment for fictitious transactions, officers and employees should ensure that we have obtained invoices, as well as, evidence of delivery or service provision before processing payments.

(iii) Severing connections with lawbreakers, (iv) Coordination with suppliers, and (v) Adherence to corporate ethics in unity with suppliers

The term “lawbreakers” means groups or individuals that pursue economic gains by making full use of violence, power, and fraudulent means and often use money laundering (a process in which an individual or corporation conceals a fund acquired illegally or disguises that fund as a fund acquired legally) or other methods. In addition to such lawbreakers, if officers and employees encounter a company that does not conduct business properly or one that carries out unethical business activities, or if there is suspicion of a supplier having connections with such a company, they should promptly investigate the company to take appropriate actions. In carrying out procurement transactions, they should conduct a credit check on the supplier and work to learn about the true nature and qualities of outsourcees as much as possible. Moreover, if an act in violation of laws, regulations, or human rights involving the company’s supplier or its outsourcees comes to light and the situation cannot be promptly resolved, an alternative immediate action should be determined, such as suspension of the transaction. Knowing about suppliers’ outsourcees is important for compliance with relevant nations’ laws and regulations, such as export controls, anti-bribery laws, and regulations on conflict minerals (regulations on raw-material producing countries), as well for identifying acts in violation of human rights by outsourcees and securing continued supply in emergencies.

Officers and employees should share the Fujikura Quality Policy with suppliers and collaborate on quality assurance. They should require that suppliers fully understand the contractual quality obligations promised by the Fujikura Group to its customers, work with those suppliers to keep their promises, and require that suppliers not commit acts such as “silent changes,” whereby any of the “4Ms” agreed upon with the Fujikura Group are changed without any notice. The “4Ms” refer to the four aspects which influence quality (Men, Machines, Methods, and Materials).

(vi) Prohibition of conflict of interest transactions and bribery from suppliers

Officers and employees must not accept entertainment or gifts, from suppliers in their personal capacity, which are beyond the socially acceptable level and common sense. In the case of transactions with a relative of a company officer or employee, or with a company operated by a relative, there may be a risk of a conflict of interest with the company. In this situation, the company should work to secure a basis for optimal procurement by, for example, getting competitive quotations. The persons responsible for procurement should understand and implement the “Fujikura Group Code of Conduct for Procurement and Purchase Divisions.”

4.1 Contribution to and coexistence with the local community and society through business activities

The Fujikura Group will continue to contribute to the growth and development of society with pride in its contribution to society through its business activities. We will promote communication with the local community and society as we respect their culture and customs.

Our principles of conduct

(i) Sharing of the social contribution policy

We recognize that the Fujikura Group is a member of society and we will always strive to implement ways to contribute to the development of society through our business activities.

(ii) Communication with the local community and society

We understand the Fujikura Group's policy of communicating with the local community and society through our business activities and we will actively participate in the company's activities which contribute to the local community and society.

(iii) Respect for culture and customs of local communities and society

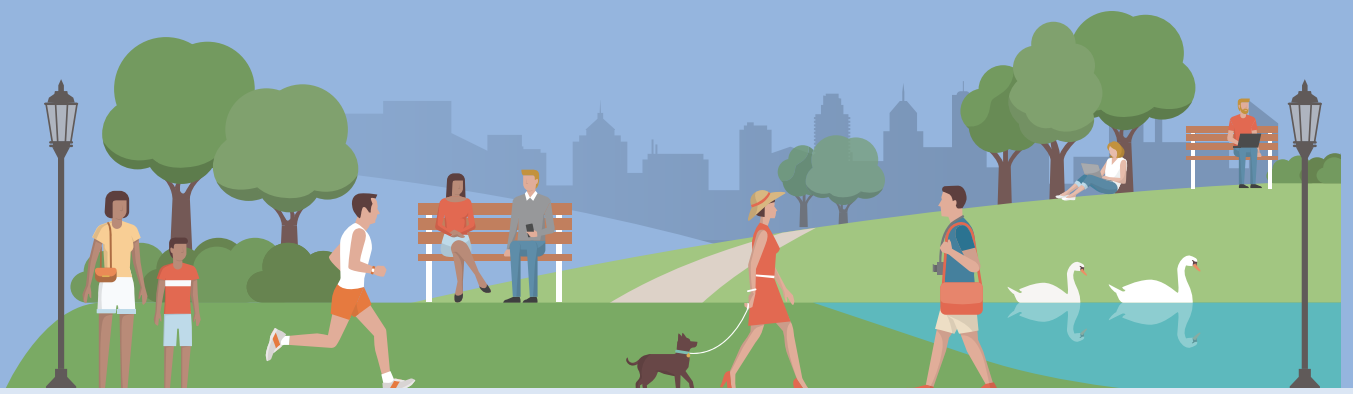
We will carry out our business activities with a full understanding of the culture of the local community and society and will promote ongoing communication.

(iv) Appropriate donations

When making donations, we will follow a transparent approval process including confirming that the donation conforms to the "Fujikura Group Basic Policy on Social Contribution" and confirm that the recipients of the donation are not lawbreakers.

(v) Ensuring respect for human rights

In conformity with the "Fujikura Group Policy on Human Rights," we will respect individuals' fundamental human rights, correctly understand laws and regulations on human rights issues in the respective countries, and will not commit or allow inhumane acts, including forced and child labor.



Explanation for the global edition

(i) Sharing of the social contribution policy

Since its foundation, the Fujikura Group has contributed to the development of social infrastructure. Under the Group Management Philosophy “MVCV”, the “Fujikura Group will contribute to customers’ value creation and society through connecting technology” and officers and employees should strive to continuously improve their daily operations and engage in innovation.

(ii) Communication with the local community and society

(iii) Respect for culture and customs of local communities and society

It is impossible for a company to continue and grow without developing the local community and society with which the company coexists. Moreover, as members of local communities and society, officers and employees should comply with the ordinances of the local governments based on the applicable laws and regulations and should carry out business activities respecting the culture and customs of local communities and societies inside and outside their own countries.

(iv) Appropriate donations

When making donations, officers and employees should ensure to meet the following criteria and to follow a prescribed procedure after obtaining proper approval, paying full attention to both legal and tax implications.

- (a) The donation shall not be in violation of laws and regulations.
- (b) The recipient of the donation shall be a real organization.
- (c) The recipient of the donation shall not be part of antisocial forces such as terrorist organizations or groups affiliated therewith.
- (d) Activities of the recipient of the donation shall be appropriate.

(v) Ensuring respect for human rights

In recent years, international criticism has grown towards companies that purchase goods produced by forced and child labor. Therefore, under the “Fujikura Group Guidelines on CSR Procurement,” officers and employees must ensure that Fujikura Group companies, as well as, suppliers do not produce goods through child or forced labor, nor purchase goods produced through child or forced labor.

For example, the U.K. Modern Slavery Act of 2015 requires companies active in the U.K. to report on their procedures for identifying and rooting out slavery in their supply chain. In Europe and America, when child labor is found in the supply chain of a business, a human rights organization may take measures to expose the names of the companies that procure products or materials from the business, leading to potential reputational harm.

4.2 Active and appropriate communication with society

The Fujikura Group will actively communicate with society and stakeholders and appropriately disclose information.

Our principles of conduct

(i) Improving the brand image through dialogue with society

We aim to improve our corporate brand power by actively communicating with society and gaining society's correct understanding and support of our business.

(ii) Understanding and observing rules on external communication

When disclosing information related to company operations, we will first confirm the contents of the information and obtain approval from the party responsible for information sharing, such as a superior or the public relations department. We will be particularly careful in public places and on social networking service (SNS) media to avoid disclosing information about the company's business without permission and avoid disclosing information that may be misleading to society. We will obtain approval from the company prior to interviews by the media and the disclosure of information to the public.



Explanation for the global edition

(i) Improving the brand image through dialogue with society

Obtaining society's accurate understanding of and support for our business is very important to our business activities. To that end, officers and employees must share information in a timely, appropriate, and fair manner to allow society to gain a proper understanding of the Fujikura Group.

(ii) Understanding and compliance with rules on external communication

When being interviewed by the media or when disclosing important information about the company's business or other company information*, officers and employees should obtain approval from their superior or public relations department in accordance with company rules (or the intellectual property division in the case of technical information).

* Examples include "Reading of a paper to a society, a lecture on research, or publishing of a paper in a magazine outside the company" and "advertising and public relations or participation in an exhibition expected to have news media in attendance."

In external communication (including by phone, fax, mail, or e-mail), officers and employees should always confirm that the communication has been approved and check with the division authorized to share the information. The public relations department is the point of contact with the media. Any interviewees should contact that division in advance of any interviews.

When faced with an emergency, including an accident, sharing opinions that differ from the company's views and sharing partial information may mislead society and lead to reputational damage and deterioration of corporate image, so officers and employees should never share information at their own discretion. They should also follow the instructions given by the public relations department in responding to customer inquiries.

When starting a blog or account for an SNS for business, officers and employees should first have a discussion with the public relations department.

4.3 Reduction of environmental footprint and realization of a sustainable society

The Fujikura Group understands that preserving the global environment is one of the most important issues facing society. The Group will strive to reduce our environmental footprint in all aspects of corporate activities and contribute to the realization of a sustainable society.

Our principles of conduct

(i) Sharing the Fujikura Group Charter on the Global Environment and contributing to society

We will contribute to environmental protection by providing products equipped with unique technologies, as well as new technologies for environmental improvement in line with today's needs.

(ii) Understanding and compliance with laws, regulations, and internal environmental protection rules

We must understand and comply with laws and regulations of each country and region and internal rules on environmental matters in relation to our business.

(iii) Activities to reduce environmental footprint

We will be conscious of the footprint and impact of our operations (e.g. product development, procurement, production, and physical distribution) on the environment and will work to reduce our environmental footprint in all business activities in the company, such as product development and design, procurement, production, distribution, use, and disposal.

(iv) Environmental protection activities in line with health and safety management

Our environmental protection activities will be carried out in line with our health and safety management activities.



Explanation for the global edition

(i) Sharing the “Fujikura Group Charter on the Global Environment” and contributing to society

Officers and employees should consider what they can do to protect and improve the environment in accordance with the “Fujikura Group Charter on the Global Environment.” The Fujikura Group has contributed to the development of society through unique technologies and products to meet the needs of the times. Similarly, we have worked to contribute to environmental protection by developing environmentally friendly technologies and products.

The research and development department and design department should strive to develop environmentally friendly technologies and products, and the sales department should emphasize excellent environmental performance as a selling point in their sales promotion activities.

(ii) Understanding and compliance with laws, regulations, and internal environmental protection rules

Environmental regulations include those pursuant to the ordinances of local governments in addition to those of national governments. Officers and employees should pay attention to matters concerning permits and licenses, notification, and reporting, requirements for the posting of legally qualified persons, and standard values for emission controls in order to properly comply with these requirements.

(iii) Activities to reduce environmental footprint

In carrying out business activities, officers and employees should work to develop products aimed at reducing their environmental footprint and promote green procurement, resource saving, energy saving, recycling, waste reduction, and improving operating efficiency. For example, when procuring goods, officers and employees should select products that comply with environmental regulations for contained chemical substances and should manage information in the supply chain so that chemical substance information can be disclosed in a timely manner. In addition, revisions made to environmental regulations may have a great impact on operations of the production department. Officers and employees, therefore, need to continuously pay attention to revisions to environmental regulations.

(iv) Environmental protection activities in line with health and safety management

In order to create a sustainable society, the Fujikura Group promotes activities to protect the global environment, such as reducing the environmental footprint. These activities for environmental protection are highly relevant to the promotion of health and safety management. We should make efforts to effectively align these activities with each other.

5.1 Timely and appropriate disclosure of information

The Fujikura Group will observe rules on corporate information disclosure and will disclose information such as the company overview in a fair, just, accurate, and timely manner to stakeholders, including shareholders and investors.

Our principles of conduct

(i) Compliance with laws and regulations on information disclosure

We must understand the matters required to be disclosed pursuant to the laws and regulations of each country/region and regulations of stock exchanges and disclose this information in a timely and appropriate manner.

(ii) Appropriate management of information to be disclosed in a timely manner

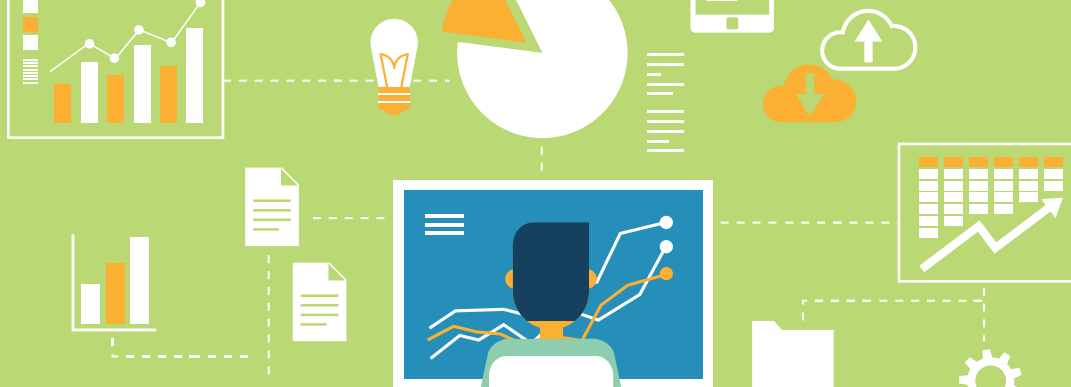
If we encounter, see or hear about an important fact that may significantly affect the Fujikura Group and other publicly traded companies, we will promptly report it to our superior and the division in charge.

(iii) Adhering to regulations on insider trading

If we learn an unannounced important fact about the Fujikura Group or another publicly traded company (insider information), we must not buy or sell the shares of the Group or the company and will not convey or leak the insider information to a third party before the fact is announced.

(iv) Dialogue with shareholders and investors

We place great importance on dialogue with shareholders and investors and strive to correctly understand their requirements, and work to satisfy these in an appropriate manner.



Explanation for the global edition

(i) Compliance with laws and regulations on information disclosure

When a manager learns about a matter they are required to disclose pursuant to laws and regulations of each country and region, or the regulations of a stock exchange, or identifies an event that must be disclosed, the manager must promptly discuss the information with the relevant department. The Fujikura Group has established internal information management rules for timely, appropriate, and fair disclosure of information.

(ii) Appropriate management of information to be disclosed timely

When officers and employees receive unannounced important information, the disclosure of which may cause a fluctuation in the price of the shares of Fujikura and other publicly traded companies, they should immediately report it to their superior and the division in charge. Additionally, these important undisclosed facts should remain strictly confidential.

(iii) Adhering to regulations on insider trading

A person who hears about an unannounced important fact (insider information such as an important decision made or information about a serious accident or loss) must not buy or sell the related publicly traded shares before the important fact is announced. The regulatory authorities in each country constantly monitor traded securities using sophisticated technologies, so any insider trading is likely to be exposed. If insider trading is exposed, a large fine will be imposed on the person involved in the trading. In addition, announcement of the company's name would damage the company's credibility and brand image.

Officers and employees must continue to avoid insider trading and to keep insider information confidential even after their retirement.

Moreover, it is also prohibited to disseminate insider information to others.

(iv) Dialogue with shareholders and investors

Officers and employees should be reminded that a stock company carries out business activities by using the assets deposited by its shareholders. Officers and employees should, therefore, work to correctly understand the requirements of Fujikura Group's shareholders and investors and to meet those requirements appropriately through their business activities.

5.2 Fair and transparent decision-making

The Fujikura Group will make important business judgments and decisions in a fair manner and appropriately document the basis for those decisions and judgments.

Our principles of conduct

(i) Fair decision-making and business judgment

In making an important decision or business judgment, we will ensure the appropriateness, properness, and transparency of the business judgment or decision-making process by considering several options identified through performance of necessary and sufficient risk analysis and presenting the results of the analysis to the final decision maker.

(ii) Appropriate storage and management of supporting materials for decision making and business judgments

We will appropriately retain and manage objective data and transaction records, which support important business decisions or judgments made in accordance with internal rules.

(iii) Appropriate exercise of authority and responsible actions

Under Fujikura's internal control systems, we will comply with internal rules regarding the exercise of authority and will ensure responsible actions through appropriate operations.



Explanation for the global edition

(i) Fair decision-making and business judgment, and

(ii) Appropriate storage and management of supporting materials for decision making and business judgments

It is very important to appropriately document the process of and grounds for decisions and judgments made as part of board of directors and other meetings and ensure that transaction records and evidence are retained in legal proceedings, such as those initiated by shareholders, as well as in tax investigations and external audits. Officers and employees should ensure they know required storage periods and methods, regularly take an inventory of documents and information, and appropriately dispose of unnecessary documents and information.

If a legal dispute occurs, the company may be ordered by the court to present certain documents. Therefore, when creating documents during business, ensure the use of appropriate expressions and have clear distinctions between objective facts, personal judgments, and confidential information.

In important decision-making and approval processes, multiple options must be thoroughly considered, and the results provided to the final decision maker. The decision-making document must specify the facts, prerequisites, and information needed to make the decision.

In addition, certain accounting could involve estimates. When making accounting estimates, the basis for the estimate should be clearly documented and retained.

(iii) Appropriate exercise of authority and responsible actions

In order to act responsibly as part of company operations, officers and employees must comply with internal rules on division of duties, responsibilities and authority, and lines of reporting. Therefore, officers and employees must ensure they understand the internal rules on authority.

6.1 Ensuring correct action and compliance with laws and regulations and internal rules

The Fujikura Group will ensure compliance with laws and regulations in each country and region, establish and implement internal rules, and take ethical and correct action in line with social norms.

Our principles of conduct

(i) Ensuring compliance with laws and regulations

We must understand laws and regulations of each country and region that are relevant to our work and must conduct thorough reviews for any conflicts with these.

(ii) Ensuring proper management of permits and licenses required under laws and regulations

When conducting business that requires a legal permit, we will appropriately obtain the permit and make notifications and reports required by laws and regulations. We will also appropriately secure the required legally qualified personnel.

(iii) For ensuring compliance with internal rules

We must understand internal rules on our operations and will ensure compliance with these rules. When laws and regulations have been revised or our operations have changed, we must review the internal rules in a timely manner and strive to have the latest edition in place at all times.

(iv) Ethical and correct operations

If we find it difficult to make a decision based on the requirements of laws and regulations and internal rules in the course of our operations, we will strive to make an ethical and correct decision in line with social norms.



Explanation for the global edition

(i) Ensuring compliance with laws and regulations

(ii) Ensuring proper management of permits and licenses required under laws and regulations

Penalties will be imposed if business is conducted without the permission or authorization required by regulatory authorities or if the obligation to secure a legally qualified person is violated.

Each department should keep a register to record required permits and licenses, notifications, reporting, and legally qualified persons, and should promptly report to authorities any events that require notification or changes. The company should establish a system of storing and managing the originals or copies of authorization applications, notifications, reports, etc. for regulatory authorities to prevent their loss.

(iii) For ensuring compliance with internal rules

Managers should ensure all their departmental staff members understand internal rules applicable to their operations (in particular, matters subject to approval and lines of reporting) and should ensure the work allocation chart and standard operating procedures are always up to date.

Managers should take an inventory of the internal rules under their department so that they are kept up to date. To that end, they should make efforts to check revisions made to relevant laws and regulations in a timely manner and regularly check and revise relevant internal rules.

(iv) Ethical and correct execution of operations

If officers and employees find it difficult to make a business decision on a matter with no provision in laws and regulations or internal rules, they should discuss this with their superior and the relevant department and also go through the “Quick Questions” attached hereto.

Quick Questions

The “Code of Conduct” and internal rules do not cover all items. Whenever you are uncertain about ethical or compliance-related implications in making a decision on a matter not included in the Code or rules, you should try and answer the following questions that will guide you to the right decision, that is, a decision to ensure appropriate and correct actions.

Does our action conform to the spirit of the Fujikura Group’s management Philosophy?

- ☐ **Is our action legal, ethical, and correct?**
- ☐ **Can we confidently explain our actions to society, the media, authorities, customers, suppliers, and others?**
- ☐ **Can we confidently explain to our family and friends that our actions are not shameful?**

Whenever you have questions about the Code of Conduct or ethical matters generally, always discuss them with your manager or the Fujikura Group legal department.

Fujikura Group Compliance Consultation Service

■ Fujikura Group overseas base contact division for internal reporting:

“D-Quest Fujikura Group overseas base hotline” website

<https://ml.helpline.jp/fujikura/>

Common ID: fujikura Common password: hotline

