

## SMC Group Ethical and Corporate Principles

SMC Group is, as an integrated member of society, alongside the pursuit of corporate profit SMC Group recognizes a “Social Responsibility” to stabilize people’s lives and to contribute to societies’ healthy economic development. SMC Group will endeavor to become broadly useful to society by acting ethically and according to principles stated below.

### **1. To comply with laws and rules**

We will carry out our company’s activities in a fair manner, in compliance with and with knowledge of the purpose of all the relevant Japanese and overseas laws and ordinances, regulations, and ethical standards.

### **2. To earn trust from customers and counterparties**

We will compete in a free and fair manner. In addition, we will strive to earn trust from customers by adequately providing products, services and correct product information that address customers’ needs.

We will establish relationship of mutual trust among us, our company and its counterparties through free and fair business relations, and aim to realize mutual development of our company and the counterparties.

### **3. To win the support and understanding of shareholders and investors**

We will put efforts into fair and transparent business management through disclosure of necessary corporate information in an accurate and timely manner, unless restricted by law, to win the understanding and support of shareholders and investors.

### **4. To respect the personality of our company’s employees, to prohibit discrimination and to create pleasant environment at workplace**

We will strive to maintain a safe and pleasant work environment where the employees respect the personality and individuality of each other, have their own motivation and can demonstrate their abilities without experiencing unreasonable discrimination based on nationality, race, ethnicity, faith, religion, sex or any other personal attribution.

**5. To communicate with society**

We will consider the needs of society and disclose necessary corporate information in a timely manner in order to widely communicate with society as a good corporate citizen.

Moreover, we will aim to coexist with the local community by cooperating in activities which contribute to the development of the region and the comfortable and safe lives of people living there.

**6. To maintain good relationship with governmental and administrative agencies**

We will maintain sound and transparent relationship with governmental and administrative agencies so as not to contravene the relevant laws and regulations or social common sense.

**7. To adequately deal with anti-social forces, groups and any other relevant party**

We will not have any relationship with anti-social forces, groups or individuals which are likely to obstruct social order and sound corporate activities.

We will take a firm attitude against their demands and will not respond to any unreasonable demands.

**8. To work on environmental issues**

We will recognize that preservation of global environment is an essential condition for our company's existence and activities as well as a common issue for all humanity. We will work on preserving and improving the environment where people can live safely with rich nature.

**9. To set corporate ethical structure proactively**

Our company's officers will recognize that it is their role to realize the spirit of the "SMC Group Ethical and Corporate Principles". They will make their role thoroughly known to the relevant parties by demonstrating leadership and will establish effective in-house systems. In the case where a situation contrary to these principles arises, the officers will, by themselves, strive to investigate the causes, resolve the problems and prevent recurrence of similar incidents, as well as imposing heavy penalties on anyone involved therein including themselves.

SMC CORPORATION

Enacted on June 29, 2005

Last Amended on May 1, 2006