

Charter of Corporate Behavior

-- Nippon Keidanren --

[Tentative Translation]

Charter established: September 14, 1991

2nd version released: December 17, 1996

3rd version released: October 15, 2002

4th version released: May 18, 2004

Forward

Nippon Keidanren (The Japan Business Federation) believes in an economy and society in which individuals and corporations are free to demonstrate their creativity with high ethical standards. Japanese corporations have long provided extensive and well-crafted employee education and in-house training. Furthermore, they also have always strived to maintain harmonious employee relations and to contribute to the development of local communities; to actively engage in philanthropy and ecoactivities.

To promote ethical behavior, in 1991, Keidanren adopted the Charter for Good Corporate Behavior (the "Charter"), and in 1996 revised the Charter and provided an Implementation Guideline to its member companies (hereinafter referred to as "members"). At the time of the 2002 revision, Keidanren renamed the charter as the "Charter of Corporate Behavior."

Keidanren contends that members need to take social responsibility flexibly and voluntarily. There should be the freedom to allow a diversity of approaches and at the same time, members must understand that legal compliance is the core of social responsibility. To further encourage member initiatives, when the "Charter of Corporate Behavior" was revised in 2002, a key point of the revision was the call to members' top management to strengthen their leadership by implementing ethical improvements in corporate systems and operations.

With the evolution of civil society, corporate social responsibility ("CSR") has received greater attention and has become an important criterion for selecting products and services, as well as evaluating corporations. Businesses, in a rapidly globalizing economy, are expected to address concerns including human rights, child and forced labor, and poverty. Moreover, corporations are also required to work on emerging issues such as personal data protection in the information society and workforce diversity in a low-birthrate, aging society. Corporations need to enhance their social significance and value, answering social needs and communicating with stakeholders.

Members should contribute to the sound development of society by supplying quality products and services and in doing so, members must reinforce the importance of business ethics. Recognizing linkages between the growth of their business and the development of society, members should conduct business activities from a comprehensive viewpoint, encompassing economic, environmental and social aspects for the creation of a sustainable society. To carry out these objectives, members shall respect the "Charter of Corporate Behavior" and follow its principles.

Charter of Corporate Behavior

-- Nippon Keidanren (The Japan Business Federation) --

Member corporations of Nippon Keidanren (hereafter referred to as "Members") believe that corporations exist not only as economic entities designed to pursue profits through fair competition, but also as social entities which must make a contribution to society at large. Members are expected to respect human rights and to conduct themselves in a socially responsible manner toward the creation of a sustainable society, observe both the spirit as well as the letter of all laws and regulations applying to their activities both in Japan and abroad in accordance with the following ten principles.

- 1 . Members, by the development and provision of socially beneficial goods and services in a safe and responsible manner, shall strive to earn the confidence of their consumers and clients, while taking necessary measures to protect personal data and customer related information.
- 2 . Members shall promote fair, transparent, free competition and fair trade. They shall also ensure that their relationships and dealings with government agencies and political bodies are of a normal and proper nature.
- 3 . Members shall engage in active and fair disclosure of corporate information, not only to shareholders but also to members of society at large.
- 4 . Members shall strive to respect diversity, individuality and differences of their employees, to promote safe and comfortable workplaces, and to ensure the physical and mental well being of their employees.
- 5 . Members shall recognize that a positive involvement in environmental issues is a priority for all humanity and is an essential part of their activities and their very existence as a corporation, and should therefore approach these issues positively.
- 6 . As "good corporate citizens," members should actively engage in philanthropic and other activities of social benefit.
- 7 . Members shall reject all contacts with organizations involved in activities in violation of the law or accepted standards of responsible social behavior.
- 8 . Members shall observe all laws and regulations applying to their overseas activities and respect the culture and customs of other nations and strive to manage their overseas activities in such a way as to promote and contribute to the development of local

communities.

- 9 . The highest levels of management within member corporations must assume the responsibility for implementing this charter and for taking all necessary action in order to promote awareness within their corporation and inform their group companies and business partners of their responsibility. Management must also heed the voice of their stakeholders, both internally and externally, and promote the development and implementation of systems that will contribute to the achievement of ethical corporate behavior.
10. In the event of a violation of the principles of this charter, management of members must investigate the cause of the violation, develop reforms to prevent its recurrence and make information publicly available regarding their intended actions for reform. After the prompt public disclosure of appropriate information regarding the violation, responsibility for the violation and its effects should be clarified and disciplinary action should be taken which includes the highest levels of management where necessary.

Note:

The original Japanese language version of this document is the official version used by Nippon Keidanren. This document is an English language translation of the Japanese language original and has been prepared as a public service. Establishment and revision dates shown at the beginning of this document refer to the original Japanese language document.