

Nifco Group Internal Whistle-blowing Regulations

Article 1 (Purpose)

In accordance with Nifco's Compliance Rules, Nifco Group companies shall establish an internal reporting system to prevent and promptly detect scandals caused by violations of laws or improprieties, to improve the mobility of self-purification processes, to control reputation risks, and to ensure social trust. These Rules shall be established in order to clarify the ideal manner of their management.

Article 2 (Persons Who Are Available for the Internal Reporting System)

These Regulations shall apply to Officers and employees of each company of Nifco Group (including all personnel involved in the operations of each company, such as secondees, fixed-term employees, contract employees, employees dispatched from agencies, temporary staff, and part-time employees; hereinafter referred to as "Officers and employees") and to those who were Officers and employees within one year prior to the date of the Report, as well as Officers and employees of the trading companies of each company of the Nifco Group (including all personnel involved in the operations of each company under contract, such as secondees, fixed-term employees, contract employees, employees dispatched from agencies, temporary staff, and part-time employees; hereinafter referred to as "Officers and employees of trading companies") and to those who were Officers and employees of trading companies within one year prior to the date of the Report.

Article 3 (Reported Matters and Protection of Whistleblower)

1. In the event that a whistleblowing tip as set forth in an Exhibit hereto (hereinafter referred to as the "Report") arises or is likely to arise as a wrongful action and it is impossible or difficult for Officers and employees to improve it by the ordinary means and methods of business operations, all Officers and employees may report as set forth herein and any person who submits a tip (hereinafter referred to as the "Whistleblower") shall be subject to protection under these Regulations. The same shall apply to any Officers and employees who has cooperated with Whistleblower and any Officers and employees who has actively participated in the investigation based on such Report.
2. All Officers and employees shall actively and appropriately report to the company in accordance with these Regulations.

Article 4 (Methods of Reporting and Contacts)

1. In the event of a whistleblowing tip pursuant to these Regulations, Officers and employees that intend to submit a whistleblowing tip may select either one of the contacts (1) or (2) as set forth below and use the Internal Report Form separately provided, the Japanese version, or the English version, to submit a whistleblowing tip. The contacts (1) and (2) shall also serve as contacts for Officers and employees of trading companies.
 - < (1) External Contact >
Kajitani Law Offices
 - < (2) Internal Contact >
Full-time Audit and Supervisory Committee member
2. Each company of the Nifco Group shall make its internal whistle-blowing system and the contacts (1) and (2) known to its Officers and employees as well as to Officers and employees of trading companies.

Article 5 (Contents of Report)

1. The contact receives reports on the Report. Whistleblower's treatment dissatisfaction, slander and slander to others, and private legal consultations are not accepted.

2. When making a Report, Whistleblower shall personally confirm the Nifco Group Corporate Action Charter and the rules and regulations of each company and act accordingly.
3. In principle, in order to avoid irresponsible Reports and to confirm and investigate the facts, reports in real names shall be accepted. Provided, however, that anonymous reports may also be received at the discretion of the responsible office depending on the circumstances.
4. The Employment Regulations and other provisions on confidentiality shall not preclude reporting in accordance with the provisions of these Regulations.

Article 6 (Fair Research and Reporting)

1. Upon receipt of the Report by the internal contacts, the contents of the Report shall be immediately reported to the director in charge of compliance. In the event that an external contact receives the Report, it shall be reported to the internal contact and the internal contact shall then notify the director in charge of compliance. The director in charge of compliance shall within 15 days notify each contact whether an investigation should be made or whether there is no need for investigation.
2. For Reports requiring investigation, the director in charge of compliance shall appoint a section in charge of investigation (field manager in the case of each company of the Nifco Group, the same shall apply hereinafter). The section in charge of investigations shall promptly investigate the facts pertaining to the contents of said Reports, and shall report the results of said investigations to the director in charge of compliance and the internal contacts if said investigations are reported to the internal contacts, and to the director in charge of compliance if said investigations are reported to the external contact. Reports to external contact shall, in principle, be made by the director in charge of compliance.
3. The section in charge of investigations shall promptly conduct fair and impartial investigations based on information based on the Reports.

Article 7 (Hearing and Investigation Cooperation)

1. In the Report investigation, the informed person is provided with an opportunity for a fair hearing and an opportunity to rebut and explain the content of the Report.
2. Every Officers and employees shall actively cooperate in investigations based on Reports and shall faithfully state the facts which he has learned.

Article 8 (Recording and Management of Information)

1. The Administration Department shall be notified by the director in charge of compliance, and the name of the Whistleblower, the details of the Report, and the results of the investigation shall be recorded and stored.
2. Any person who becomes aware of information relating to the Report received, a director in charge of compliance, the Administration Department, the department in charge of investigation, or any other business-related information shall maintain the confidentiality of such information and shall not disclose such information including the name of the Whistleblower without the consent of the Whistleblower. Provided, however, that this provision shall not apply in the case of the Report or investigation instruction under Article 6 (1) or Article 6 (2).
3. Any Officers and employees other than the Whistleblower shall not require the person in charge at each contact or the person in charge in the section in charge of investigations to disclose the name of the Whistleblower and shall not take measures to disclose the same.

Article 9 (Prohibition of Disadvantages)

No Officers and employees other than the Whistleblower shall, when he or she has come to know the Whistleblower's name, engage in retaliatory action such as disciplinary punishment, discriminatory treatment, or negative considerations in personnel evaluations for reasons of reporting.

Article 10 (Response Based on Investigated Results)

1. In the event that the results of an investigation relating to a whistleblowing tip are serious, the director in charge of compliance shall promptly respond and take the necessary measures, such as ordering the cessation of an illegal activity, immediately.

In addition, the Nifco Compliance Committee may be consulted and discussed in advance as necessary.

2. The director in charge of compliance shall report the results of all investigations to the president of Nifco or the field managers of each company of the Nifco Group where the Report occurred, and where necessary, take disciplinary action in accordance with the Employment Regulations of each company of the Nifco Group. If necessary, take measures to prevent a recurrence, as well as criminal accusations, etc.
3. If the Whistleblower itself is involved in the Report, the Nifco Group companies shall take into account the fact that the Report has been made with respect to disciplinary action against the Whistleblower, etc., and may mitigate the adverse disposition.
4. The director in charge of compliance shall report the summary of the results of the investigation (excluding the Whistleblower's name) at the Board of Directors' meeting as needed.

Article 11 (Notification, etc. to Whistleblower)

1. Within 20 days from the date of receipt of the Report, the contact person who receives said Report shall notify the Whistleblower that it will conduct an investigation or that it will not conduct an investigation for a justifiable reason.
2. The director in charge of compliance or the section in charge of investigations who received instructions from the director in charge of compliance regarding the results of investigations shall notify the Whistleblower (excluding anonymous cases; the same shall apply in this clause) of the results of investigations. In addition, if a response or improvement measure has been taken, notification shall also be given to that effect. Notification to the Whistleblower shall be made to the extent necessary and appropriate after consultation with the Nifco Compliance Committee in advance, if necessary. Provided, however, that this provision shall not apply where the Report is anonymous.

Article 12 (Dissemination for the Internal Whistle-blowing System)

Each Nifco Group company shall inform its Officers and employees of its internal whistle-blowing system.

Article 13 (Method of Change)

The department responsible for these Regulations shall be the Administration Department of Nifco, and changes shall be approved by the Nifco Compliance Committee.

Supplementary Provisions

1. These Regulations shall be in full force and effect as of October 5, 2006.
2. These Regulations shall be partially revised and enforced as of November 1, 2007.
3. These Regulations shall be partially revised and enforced as of July 28, 2011.
4. These Regulations shall be partially revised and enforced as of July 25, 2014.
5. These Regulations shall be partially revised and enforced as of March 1, 2015.
6. These Regulations shall be partially revised and enforced as of April 1, 2018.
7. These Regulations shall be partially revised and enforced as of October 11, 2018.
8. These Regulations shall be partially revised and enforced as of July 22, 2020.
9. These Regulations shall be partially revised and enforced as of June 24, 2021.

Matters to be reported

1. Acts in violation of the laws and regulations
2. Acts that is dangerous or threatens to pose a danger to the safety, hygiene, and health of directors, employees, business partners, consumers, and Officers and employees
3. Acts that cause deterioration or destruction of the local environment
4. Acts that fails to comply with the Employee Regulations and other internal regulations of each company of the Nifco Group (except those that are dissatisfied with personnel treatment)
5. Acts that violation of the Nifco Group Corporate Action Charter
6. Any act that may might violate the honorary or social credibility of each Nifco Group company due to the concealment, destruction of evidence, or information leakage of the foregoing or any of these acts.

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