

## **Kumiai Chemical Group Basic Policy on Preventing Bribery and Corruption**

The Kumiai Chemical Group treats the establishment and operation of effective systems to prevent bribery and corruption as part of its internal control system. In order to earn the trust of society and achieve the sustainable enhancement of corporate value, we declare our commitment to preventing bribery and corruption and establish the Kumiai Chemical Group Basic Policy on Preventing Bribery and Corruption as follows.

### **1. Prohibition of bribery and corruption**

The Kumiai Chemical Group maintains sound business practices and does not directly or indirectly provide, offer, or promise to provide money or any other benefits or favors (“money, etc.”) to others for the purpose of obtaining or maintaining businesses or business favors for our company, both in Japan or overseas. In addition, we do not engage in any act of bribery, such as accepting, requesting, or promising to accept money, etc., in connection with an act related to our own business duties, for the purpose of directly or indirectly benefiting ourselves or third parties.

### **2. Approach to public officials, etc.**

The Kumiai Chemical Group conducts business activities in compliance with laws related to the prevention of bribery, both in Japan and overseas, in order to avoid bribery of public officials and persons equivalent to public officials (public officials, etc.; includes officers and employees of governments and local governments, political parties and their officers and employees, candidates for public office, officers and employees of state-owned or government-controlled enterprises, officers and employees of international organizations, etc., as well as persons performing official duties on behalf of any of the above).

### **3. Approach to third parties**

The Kumiai Chemical Group does not engage in bribery of public officials, etc., through third parties, such as agents or consultants.

### **4. Thorough record management**

The Kumiai Chemical Group prepares and properly stores accurate accounting records of all transactions and asset dispositions based on our appropriate internal control system in compliance with this basic policy and laws related to the prevention of bribery, both in Japan and overseas.

## 5. Treatment of violations

The Kumiai Chemical Group fully cooperates with investigations by the relevant authorities, etc., and takes appropriate disciplinary actions in accordance with our employment regulations, etc., in the event of a violation of this basic policy or laws related to the prevention of bribery, both in Japan and overseas.

## 6. Revisions

The Kumiai Chemical Group will periodically review this basic policy and revise it should the need arise in order to comply with laws related to the prevention of bribery, both in Japan and overseas.

### [Definition of terms]

The terms used in this basic policy are as follows.

#### \* “Money, etc.”

Although the interpretation varies from country to country, the term “money, etc.,” does not only mean money, goods or other property, but also anything that is sufficient to satisfy personal demands and desires, and includes all tangible and intangible benefits, such as financial benefits, free lending of houses or buildings, entertainments, provision of collateral, sexual relationships, and professional positions.

In addition, in some countries and regions, public officials may request small payments that are not based on relevant laws and regulations in connection with customs clearance, checkpoints, entry or visa issuance or extension applications (“facilitation payments”). Such facilitation payments are also prohibited as bribes to public officials, etc., unless expressly permitted by the laws related to the prevention of bribery of the country concerned.

#### \* “Persons equivalent to public officials”

In Japan, “persons equivalent to public officials” also applies to (1) officers and employees of organizations or entities who are not public officials, but who are officers and employees of a corporation or organization with provisions in the law on the basis of which the corporation or organization is established that officers and employees shall be deemed to be employees engaged in public service (for example, the Bank of Japan (Bank of Japan Act) and National Research and Development Agency (the act establishing each incorporated administrative agency), and (2) when it is stipulated in the governing law of the organization or entity that its employees will be subject to the charge of bribery (for example, officers and employees of Japan Tobacco Inc. are subject to Article 14 and 15 of the Japan Tobacco Inc. Act. This includes similar concepts in the laws related to prevention of bribery of other countries, where applicable.