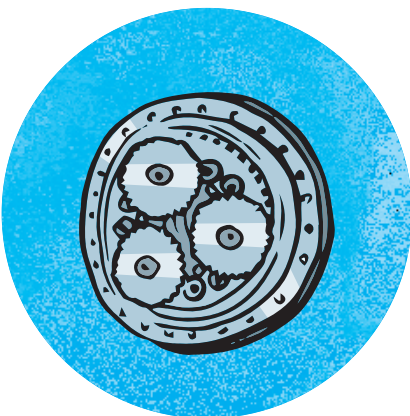


Nabtesco

COMPLIANCE HANDBOOK

Nabtesco Group Code of Ethics



TOP MESSAGE

To all Nabtesco Group directors, officers and employees

The Nabtesco Group is strictly committed to high standards of legal compliance as well as business ethics. The compliance standards are fundamental principle of Nabtesco Group to be successful in business and implement our corporate philosophy "The Nabtesco Way".

Moreover, there is no doubt that this approach is, in today's global marketplace, essential for us to be chosen as preferred business partner by our customers.

In December 2016, we established the Nabtesco Group Code of Ethics. Further, we have now made a handbook which is intended to be your everyday guidepost. I invite you to read and adopt the principles and rules of Nabtesco Group Code of Ethics and seek guidance for any question you may have in this regard.

When you are in doubt with respect to any compliance issues, please look up this Code of Ethics and the handbook, and confirm what your appropriate action is. You are also expected to promptly report to and consult with your supervisors, the corporate ethics "hotline" or other whistleblowing helplines or departments responsible for compliance if you have concerns or witness unacceptable behavior.

You should not hesitate to take such actions because of the pressure of achieving business target or winning a new business or by an undue order from your superior. In the Nabtesco Group, any profit derived from any non-compliance will not be tolerated.

Trust from our stakeholders is very hard to win, but very easy to lose. Actually, we have seen many cases where only one non-compliance case brought a prestigious company into a management crisis.

Compliant behavior with the Nabtesco Group Code of Ethics based on high integrity and transparency is source of business of the Nabtesco Group.

I am committed to give you any support which is necessary for you to adopt such behavior.

This is our pride that working for the Nabtesco Group, a global company which moves forward to create new values.

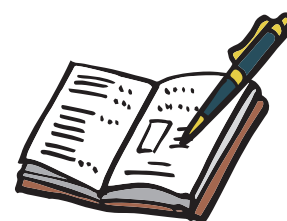
Let's uphold our daily commitment to apply the Nabtesco Group Code of Ethics to ensure our progress successful.

President & CEO



INDEX --- Table of Contents

TOP MESSAGE	1
INDEX	2
Introduction	3
Nabtesco Group Code of Ethics	4
Relationships with the Nabtesco Way	5
Scope of Application	6
Implementation of the Nabtesco Group Code of Ethics.....	7
 1. General Standards	 9
2. Relationships with Company	
2-1 Respect for Human Rights.....	10
2-2 Discrimination and Harassment	11
2-3 Building Safe and Positive Workplace Environments.....	12
2-4 Political and Religious Activities	13
2-5 Conflicts of Interest.....	14
 3. Fair and Honest Business Activities	
3-1 Fair Transactions	15
3-2 Anti-bribery, Gifts and Entertainment	17
3-3 Trade Control	18
3-4 Relationships with Politics and Governments	19
3-5 Relationships with Anti-Social Forces	20
 4. Management of Company Assets and Other Properties	
4-1 Management of Company Assets	21
4-2 Management of Confidential Information	22
4-3 Management of Financial Information	23
4-4 Protection of Private Information	24
4-5 Protection and Respect for Intellectual Property	25
4-6 Insider Trading	26
 5. Relationships with Society	
5-1 Relationships with Society	27
5-2 Disclosure of Company Information.....	28
 The corporate ethics “hotline” or other whistleblowing helplines ...	 29



Introduction



This Handbook is based on the contents of the Nabtesco Group Code of Ethics, which went into effect on December 27, 2016. It is a guide for the actions of all directors, officers and employees of the Nabtesco Group, and it explains key points in each item of the Code by showing specific examples of what you should not do and what you should adhere to. This Handbook and the Nabtesco Group Code of Ethics itself will be translated into different languages to ensure it has global effect. In addition, they are posted on the Group's websites to provide stakeholders with greater insight into the Group. They are also subject to constant review in response to changes in the business environment and for the purpose of ensuring compliance with revised laws and regulations.

In your day-to-day work, when you are not sure if the action you are about to take is appropriate from the perspectives of compliance, open this Handbook at any time and proceed by adhering to the Nabtesco Group Code of Ethics. After reading this Handbook, if you are unable to determine whether your planned action is proper, immediately consult with your supervisors, compliance officers or the corporate ethics "hotline" or other whistleblowing helplines.

Nabtesco Group Code of Ethics

Code of Ethics

This Nabtesco Group Code of Ethics (“Code”) stipulates appropriate standards for the behavior of all Nabtesco Group personnel in order to ensure compliance* and thereby enable our business activities to accurately reflect our corporate philosophy.

* “Compliance” means meeting the expectations of stakeholders (customers, employees, business partners, shareholders and local communities) not only by complying with laws, regulations and internal company rules (including manuals, guidelines and other implementation rules) but also by behaving in accordance with generally accepted social and ethical standards.



Relationships with the Nabtesco Way

This Code supports the Nabtesco Way from the aspects of compliance.

In particular, this Code reflects “4. Continue to reinforce our sense of ethics and highly transparent business activities” stated in Our Promises, and it is intended to provide a practical guidance for “Ensure Transparency: Be open, fair and honest” and “Hold a High Work Ethic: Make individual conscientious effort” stated in the Action Guidelines for All Group Members.



Scope of Application

This Code applies to all Nabtesco Group directors, officers and employees.

Each Nabtesco Group company may modify this Code or enact its own individual code of ethics to comply with national or regional laws and regulations, generally accepted social customs and/or ethical standards, business structural requirements and/or other requirements to the extent that these modifications and/or individual code of ethics do not contradict or relax this Code.

This Code is premised on global application. This is because it is a required condition that all directors, officers and employees working in the Nabtesco Group act in accordance with the same compliance standards, to ensure that the business activities of the entire Nabtesco Group are conducted on the basis of high ethical standards and transparency.

For a company that already has a similar code of ethics, the requirement to revise a code that has already been distributed throughout the company may be waived to a certain extent when it joins the Nabtesco Group, in order to avoid the burden imposed by such revision.



Implementation of the Nabtesco Group Code of Ethics

1. Behavioral Requirements for Directors, Officers and Employees

- ① We will take appropriate action in reference to this Code when a compliance issue arises.**
- ② We will consult with our supervisors, compliance officers or the corporate ethics “hotline” or other whistleblowing helplines at our respective companies in the event that any Code-related question arises.**

If you are a director, officer or employee, read this Handbook thoroughly. In your day-to-day work, when you are not sure about compliance matters or when a problematic event or question arises, open this Handbook and take appropriate actions. When providing a compliance seminar, each organization is requested to plan the seminar in accordance with the content of this Handbook.

2. Behavioral Requirements for Executives and Managers

Executives and managers will lead compliance with this Code, keep every employee informed about this Code and monitor the status of compliance with this Code.

If you are an executive or manager, you are responsible for practicing and leading compliance with this Code and for keeping every employee informed thereof by emphasizing the importance of compliance. In addition, you should monitor the status of compliance with this Code throughout your organization and if there is an insufficiency or a violation, you will need to immediately take the necessary action.

Implementation of the Nabtesco Group Code of Ethics

3. Reporting a Violation of this Code

- ① We will report to and consult with our supervisors, the corporate ethics “hotline” or other whistleblowing helplines or departments responsible for compliance at our respective companies about any actual or potential Code-related concerns of which we become aware.**
- ② Persons who consult on or report Code-related concerns shall not be retaliated against in any way for such consultation or reporting.**

As a director, officer or employee, you are required to take appropriate action if you become aware of a violation of this Code or any fact that could potentially be a violation. Turning a blind eye to, papering over or concealing such matter is not permitted.

When you consider the matter, give priority to solving it within the workplace first (consult your coworkers, senior employees, supervisors or other persons). If solving the matter within the workplace is difficult, for instance because your supervisor is in violation of this Code, consult with or report to the corporate ethics “hotline” or other whistleblowing helplines or other departments in charge of compliance.

Information involving such consultation or reporting to the corporate ethics “hotline” or other whistleblowing helplines will be kept confidential. This system can be used safely because unfair treatment or retaliatory action against persons who made such consultation or reporting is strictly prohibited.

4. Discipline

We acknowledge and understand that a violation of this Code may result in disciplinary action in accordance with internal company rules.

Strict measures will be taken against any violation of this Code once the causes and responsibility for the violation have been clarified. A violation of this Code may, at the same time, constitute a violation of laws and regulations. In this case, the director, officer or employee who committed the violation may be penalized for criminal offenses, or other actions may be taken. The company may also be subject to criminal or civil offenses and administrative penalties. Moreover, if the company suffers from economic losses due to the violation, the company may claim damages against the violator.

We will comply with all applicable laws and regulations of respective countries and regions and with all internal company rules, and we will behave with integrity based on generally accepted social and ethical standards.

» Key Points

The Nabtesco Group has already been conducting business activities in many countries and regions, and will continue to expand its business globally in the future. It is the basic policy of the Nabtesco Group to comply with all applicable laws and regulations of respective countries and regions, and to conduct business activities with integrity and in an ethical way. Our internal company rules incorporate applicable laws and regulations and generally accepted social customs and ethical standards. As a director, officer or employee, you are responsible for complying with all applicable laws and regulations and all internal company rules that are related to your business operations, and to act with integrity.



1 Respect for Human Rights

- ① We will respect the personality, individuality and privacy of each person and adhere to international standards of conduct regarding human rights.
- ② As a global company, we understand that the diversity of our various cultures and values is one of our greatest assets, and we will respect this diversity.
- ③ We will not engage in or utilize child labor or forced labor.

» Key Points

- Respecting human rights in all aspects of our business activities is a basic principle of this Code.
- When directors, officers and employees with different cultures, values and beliefs exchange ideas and stimulate one another, ideas and solutions that they could not have come up with on their own will emerge. This invigorates the workplace and business operations and will enable us to offer more value to customers.
- To ensure that we respect human rights, which includes the prohibition of child labor and forced labor, the Nabtesco Group has established the Nabtesco Group CSR-Oriented Procurement Policy and is pursuing this matter in cooperation with its business partners and other stakeholders.

Specific Examples

- In relations with others, you may not speak or act in ways that affront to human rights or the personality of others.
- Let us respect others who have different values and beliefs.

2 Discrimination and Harassment

- ① We will ensure equal opportunity and fairness in employment with regard to hiring, training and promotion, etc.
- ② We will not engage in or tolerate any harassment or other acts that impair individual dignity, including discrimination on the basis of race, belief, gender, age, social status, nationality, ethnicity, religion, disability, sexual orientation or other factors.

» Key Points

The Nabtesco Group consists of directors, officers and employees with various beliefs, values and backgrounds. To fully utilize the diversity of these directors, officers and employees as a source of the Nabtesco Group's strength, and to grow and evolve, mutual acceptance, agreement and respect are vital.

Specific Examples

- You may not discriminate against others on the basis of race, belief, gender, age, social status, nationality, ethnicity, religion, disability, sexual orientation or other factors that are irrelevant to the legitimate interests of the Nabtesco Group.
- You may not speak or act in ways that aggravate the working environment of your workplace, including sexual advances or speech, and jokes or slurs about race, age, religion, disability or sexual orientation.
- You may not abuse your power to act in ways that impair individual dignity.



Explanation

What is harassment?

Harassment is unwelcome conduct or abuse that causes a significant disadvantage or mental anguish to the individuals. Even when you think that you have only spoken or acted in a casual manner, if the other person suffers, your speech or act may constitute harassment.

3

Building Safe and Positive Workplace Environments

- 1 We will build and maintain safe and healthy workplace environments and eliminate industrial accidents by complying with labor laws, regulations and internal company rules.**
- 2 We will promote open communication in order to build comfortable workplace environments that allow everyone to freely and constructively express their opinions.**

►► Key Points

- We must avoid any injury or accident in our work. Let us all work to improve safety in our workplace and maintain a healthy working environment on a daily basis.
- As a member of the Company that delivers safety, security and comfort, begin with ensuring safety in your own workplace.
- We seek to create a workplace that allows everyone to freely express their opinions is an open working environment. This kind of working environment can be established by open and fair communication between supervisors and workers. This enables, in case of event of fraud or misconduct, everyone to promptly share accurate information and respond quickly to the situation.

Specific Examples

- Observe workplace rules on safety.
- Report to your supervisor if you find a dangerous place or event in your workplace.
- Manage your work hours properly and work on staying healthy.
- If a disaster or an industrial accident should occur, give first priority to human life and respond to the situation swiftly.
- Give greetings to others and focus on creating a bright workplace.
- Look out for others around you and make the effort to communicate verbally on a daily basis.
- Focus to listen to the diverse views of persons in your workplace.
- Understand the importance of communication in your workplace.
- Do not ignore a person or leave him or her out of the loop on the grounds that he or she made an opposing comment in a meeting, etc.

4 Political and Religious Activities

We will engage in political activities (including activities related to an election campaign) and religious activities only on a private basis, after working hours and outside company facilities. If it is necessary to engage in such activities during working hours or within company facilities for an unavoidable reason, they should be performed with sufficient care so as not to disturb the work of others.

►► Key Points

- The Nabtesco Group respects your rights to participate in political or religious activities in a personal capacity.
- During work hours, you must focus on performing on your work duties, in principle. Accordingly, you may engage in political or religious activities in your personal capacity outside work hours.
- Companies in certain countries and regions have a culture or customs of permitting their directors, officers and employees to engage in religious activities to a certain extent. The Nabtesco Group respects this and allows for exceptional cases, where necessary, in which directors, officers and employees may perform prayer or engage in religious activities in a personal capacity during work hours within the company's premises.
- The Nabtesco Group does not encourage or support any specific political party or religion.

Specific Examples

- You may not engage in political or religious activities in corporate capacity.
- Even in your personal capacity, you may not engage in evangelism or seek to influence the personal beliefs of others in regard to any religious matter in places such as company premises.

5 Conflicts of Interest

We will clearly separate our business and personal affairs. We will not use our official positions or capacities within our companies or company assets to pursue personal gain. We will not engage in activities that would cause our interests in our companies to conflict with our private interests.

» Key Points

- As a member of the Nabtesco Group, you must act by giving highest priority to profits for the company.
- Even when there is only perception about potential conflict of interests, it may cause material damage to the reputation and business of the Company.
- When you perform an act irrelevant to the business operations of the company at your workplace, not only will the profits that the Company should have gained decrease, but the workplace atmosphere may be disrupted. For this reason, you must focus on drawing a clear line between professional and private matters at work.

Specific Examples

- The following acts may fall under conflict of interests.
 - Procuring or giving an instruction to procure goods and services from a company owned or managed by one of your close relatives or friends
 - Hiring or working on hiring one of your close relatives or friends
 - Taking for yourself opportunities or positions that are discovered or obtained in relation to the business operations of the Company
 - Engaging in work other than the work you are assigned by the Company without obtaining permission from the Company, when doing so is recognized to have an adverse effect to the business operations of the Company
 - Sharing economic interests with customers, business partners or competitors of the Company
- When there is a potential conflict of interest, promptly report to and consult your supervisor.

Explanation

What is conflict of interest?

A conflict of interest is a situation in which a director, officer or employee is prevented from fulfilling his or her occupational duties in an objective and fair manner, due to conflicting interests of the Company and those of said director, officer or employee.

1 Fair Transactions

- ① **We will comply with the competition laws and anti-trust laws of respective countries and regions and with the relevant internal company rules. We will conduct business based on free and fair competition.**
- ② **We will not engage in any discussion, arrangement or collusive tendering with our competitors or within trade associations of which any Nabtesco Group company is a member in relation to price, sales or production volume, limitation on the use of technology, customers, sales territory or product categories.**
- ③ **We will not abuse our dominant position to disadvantage our business partners.**
- ④ **We will faithfully provide customers and other stakeholders with lawful and appropriate information about our products and services in our advertising and marketing.**

►► Key Points

- Free and fair competition promotes the improvement of business operators' productivity and efficiency and contributes to the development of the economy through values provided to consumers, customers and society. This is a basic principle forming a foundation for companies to conduct business.
- Any discussion, arrangement (cartel) or collusive tendering with our competitors in relation to price, sales or production volume, limitation on the use of technology, customers, sales territory or product categories is prohibited by competition laws and anti-trust laws of respective countries and regions, as acts that hinder free and fair competition. In the event of a violation of the above, the Company will be subject to penalties and the director, officer or employee involved in the violation will be penalized for criminal offenses, etc. The Nabtesco Group has established internal company rules in order to prevent cartels and bid-rigging and any act that may be suspected of cartels and bid-rigging.

» Key Points

- The competition laws and anti-trust laws of respective countries and regions regulate acts that impede fair competition, in addition to cartels and bid-rigging. For example, acts of restricting a distribution agent's free decision on the resale price of goods are illegal in many countries. These regulations are complicated, and if there is any question or concern related to competition laws, promptly consult the legal department or other appropriate department of your company.
- Business partners, including suppliers, are part of the driving force for jointly promoting the business activities of the Nabtesco Group. We will treat our business partners in a fair manner and will not abuse our dominant position.
- To ensure that customers and consumers make appropriate judgments in respect of the purchase, use, etc. of our products and services, it is important to provide information about the products and services in an honest manner, using lawful and appropriate expressions.

Specific Examples

- Observe the internal company rules that stipulate matters for the prevention of cartels and bid-rigging and any acts that may be suspected of cartels or bid-rigging.
- If there is a question or concern related to competition laws or anti-trust laws, consult the legal department or other appropriate department of your company.
- You may not engage in false or misleading advertising or labeling.

2 Anti-bribery, Gifts and Entertainment

- 1 We will not directly or indirectly engage in bribery or any other similar provision or receipt of improper benefits in any form.**
- 2 We will not provide or receive any gifts, entertainment or other benefits unless permitted under the applicable laws, regulations and internal company rules, and only within the limits of generally accepted social standards.**

» Key Points

- Bribery is a violation subject to criminal penalties in all the countries in which the Nabtesco Group conducts business activities. The international community is strengthening measures to prevent bribery. The Nabtesco Group has established the Nabtesco Group Global Anti-Bribery Policy and strictly prohibits all acts of bribery.
- Gifts, entertainment or other benefits to customers, etc. may be suspected of committing an act of bribery with a wrongful intention, depending on the type of entertainment or gift. Accordingly, the Nabtesco Group has established relevant internal company rules and guidelines.
- Needless to say, directors, officers and employees are prohibited from receiving bribes from business partners. Gifts, entertainment or other benefits from business partners should be within the range of formalities to ensure that they do not influence fair judgment.

Specific Examples

- Bribery is not permitted even when the costs are paid by individuals, not by the Company.
- You may not pay a government official, etc. for the purpose of facilitating non-discretionary administrative processes or services (facilitation payment).
- Refuse in a resolute manner the undue demands for bribes from the beginning.
- Entertainment, gifts, etc. may be given within the limits permitted by relevant laws and regulations and internal company rules and within the limits of generally accepted social standards. Make and maintain in an appropriate manner a record of gifts, entertainment or other benefits given.

3 Trade Control

- 1 We will observe all applicable national and regional import and export laws, regulations and internal company rules.
- 2 We will properly follow all import and export procedures prescribed in the applicable laws and regulations, including submission of applications for the necessary permissions and the filing of required notifications and reports.

» Key Points

- Export and provision of products, technologies, software, etc. that are usable for military purposes are strictly regulated by laws and regulations of respective countries and regions.
- In addition, import prohibition and export prohibition impose embargoes on imports and exports on certain goods on national and regional levels, and permission or approval is required for the import and export of certain goods.
- Import or export in violation of the above may carry severe consequences for both the Company and the individuals involved in said violation. The Company will be subject to penalties, disposition by suspension of export, or other reprimands, and the individuals involved will also be penalized for criminal offenses, etc.

Specific Examples

- Endeavor to understand the laws, regulations and restrictions applicable to import and export in the areas of business in which you are engaged.
- Confirm whether there are restrictions based on applicable laws and regulations on products and technologies that are not designed or manufactured by the company you work for but which are exported or offered by the company.

4 Relationships with Politics and Governments

- 1 We will establish and maintain sound, normal and highly transparent political and governmental relationships and will not engage in any conduct that would invite suspicion of corruption or collusion.
- 2 Nabtesco Group will not contribute, in the form of political donations or other financial support, to particular politicians or political parties. Each Nabtesco Group director, officer or employee may make lawful political contributions or provide other financial support to politicians or political parties on a private basis.

» Key Points

- The Nabtesco Group may, in the conduct of its business, have relationships with politics and government. Pay attention, however, not to conduct acts that may arouse suspicion and distrust in others.
- Refer to 3.2 (Anti-bribery, Gifts and Entertainment) regarding anti-bribery, gifts and entertainment.

Specific Examples

- The Nabtesco Group will not conduct political donations or buy tickets for political fund-raising parties.
- When you engage in lobbying, be sure to adhere to applicable laws and regulations of the relevant countries in a lawful manner.



5 Relationships with Anti-Social Forces

- 1 We will avoid any relationship with anti-social forces.
- 2 We will firmly and resolutely oppose and refuse any improper demands made by anti-social forces.

» Key Points

The Nabtesco Group avoids any relationship with anti-social forces and endeavors to fulfil its corporate social responsibility.

Specific Examples

- Never make a request or offer money to, or use the influence of, anti-social forces.
- Promptly report to the Company if you receive any undue demand or solicitation from anti-social forces or have any other contact from anti-social forces.



1 Management of Company Assets

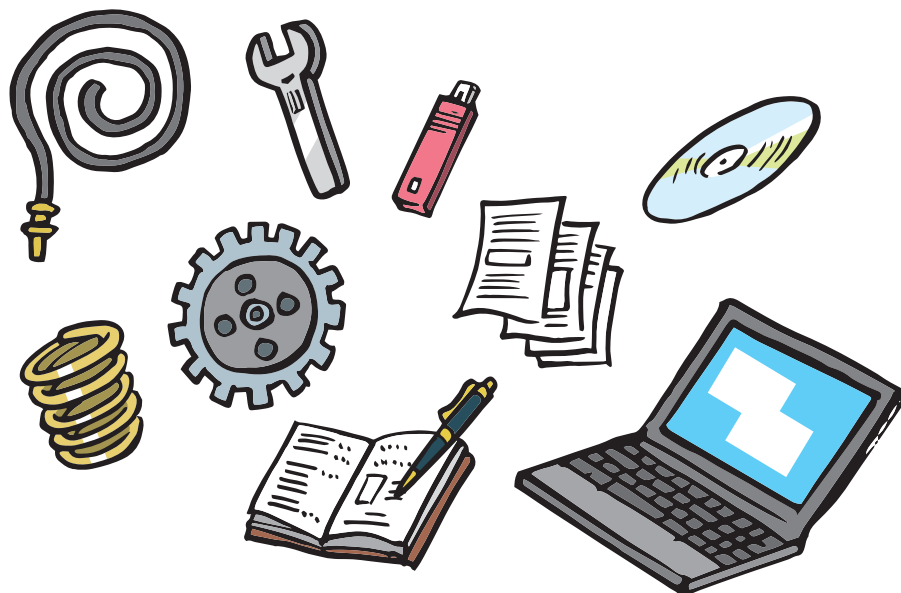
We will manage company assets (whether tangible or intangible) strictly in accordance with internal company rules and will use company assets only for legitimate business purposes.

► Key Points

The assets of the Nabtesco Group are for the conduct of business activities. If these assets become unusable due to a loss or a violation of relevant rules, it would hinder our business activities and may undermine the interests not only of the Company but also of our stakeholders.

Specific Examples

- Understand that company assets are for the conduct of business activities and use them only for legitimate business purposes.
- Maintain and manage company assets appropriately and endeavor to prevent any loss, theft, misuse, etc. thereof.
- Do not use cellphones and personal computers, which are company assets, for personal purposes (games, social media, share transactions, etc.)



2 Management of Confidential Information

- ① We will strictly manage our companies' or third parties' confidential information in accordance with the internal company rules, and will not leak such information outside our companies or use it other than for legitimate business purposes.
- ② We will not improperly obtain confidential information in the possession of third parties.

» Key Points

Confidential information includes unpublished product information, production knowhow and customer information. In the event of the outflow or leakage of such information, whether deliberately or through or carelessness, it will not only significantly decrease the competitiveness of the Company but also cause material damages, including a loss of confidence in the Company.

Specific Examples

- You may not conduct any act that may cause information to leak outside the Company, including the following acts:
 - Talking about matters related to confidential information while you are taking public transportation or while you are at a restaurant or in other public places
 - Placing an information device in which confidential information is stored in a place outside the Company where you can't monitor it
 - Sending an email message without carefully confirming the recipient
 - Posting information about the Company's business on social media
- When obtaining a third party's confidential information, use a legitimate method to obtain such information from a source that has due authority for possessing such information, and accurately record the content of such information.
- Observe contractual conditions and restrictions on the use of confidential information obtained from another company based on a contract.

3 Management of Financial Information

We will record all financial and accounting information in a timely and proper manner in accordance with the relevant laws, regulations, internal company rules and generally accepted accounting principles.

► Key Points

Financial and accounting information is information on which management judgment of a company is based. Accordingly, any inaccurate or incomplete record, data, etc. in relation to financial or accounting matters may impede the proper management judgment of the Company. In addition, a decrease in stakeholder trust in the Company will be unavoidable. It may also constitute a material violation of laws and regulations.

Specific Examples

- Make accurate entries of records, data and reports concerning accounting processes based on the facts and ensure their accuracy, appropriateness and completeness.
- Conduct accounting processes within the vested authorities and responsibilities after following proper approval procedures.
- Appropriately maintain and manage the records, data and other materials on which accounting processes were based.
- Do not permit any misstatement, forgery or alteration of records, data and reports.

4 Protection of Private Information

We recognize the importance of protecting private information, and will appropriately handle private information in accordance with the relevant laws, regulations and internal company rules.

► Key Points

The Nabtesco Group respects the private information of all of you and all of its stakeholders. In particular, attention should be paid to the fact that an increasing number of countries and regions have in recent years imposed on strict restrictions on the collection, management and use of private information.

Specific Examples

- Be sure to comply with private information protection laws of each country and region in which the Nabtesco Group operates.
- When you must collect and use private information, be sure to collect and use it only for legitimate business purposes.
- When transferring private information outside your country, be sure to satisfy the conditions required by the relevant laws and regulations.
- Manage private information appropriately in accordance with internal company rules.



5 Protection and Respect for Intellectual Property

- 1 We recognize that intellectual properties (including patents, utility model rights, design patents, trademarks, copyrights and trade secrets) are important company assets and will appropriately manage and protect intellectual properties in accordance with the relevant internal company rules.**
- 2 We will respect and will not infringe the intellectual property rights of third parties.**

» Key Points

- The Nabtesco Group possesses many intellectual properties and provides a number of products and services that use these intellectual properties to customers and society. These intellectual properties are the outcomes of efforts of all of you and form the foundation of the business of the Nabtesco Group.
- Unauthorized use of third parties' intellectual property rights may lead to claims for damages or criminal offenses against the Company and individuals involved.

Specific Examples

- Appropriately manage the intellectual properties of the Nabtesco Group in accordance with applicable internal company rules.
- Pay attention not to infringe the intellectual property rights of third parties, and if you have any question, consult the Intellectual Property Department.



Explanation

What are intellectual property rights?

Intellectual property rights are rights that are stipulated by laws and regulations regarding inventions, devices, designs, trademarks, literary works, knowhow and other intellectual properties and that may be monopolized by the right-holders. If the Company holds many intellectual property rights in a certain market, it can boost its competitive edge in that market.

6 Insider Trading

- 1 We will not trade listed stocks or other investment securities, including Nabtesco shares, based on non-public corporate information that could have a significant influence on investment decisions.
- 2 We will not disclose or leak to third parties any non-public information regarding our companies that could have a significant influence on investment decisions or other information that could constitute such information unless necessary in the ordinary course of business.

►► Key Points

- As a director, officer or employee working at the Nabtesco Group, you may have access to non-public important corporate information regarding the Nabtesco Group, our customers or business partners. Conducting share transactions, etc. using this information constitutes insider trading and is a violation of laws and regulations.
- If non-public important corporate information comes into your possession, you must appropriately manage it in accordance with internal company rules concerning insider information.

Specific Examples

- You may not engage in insider trading, including the following:
 - Purchasing shares of the company that you work for under the name of your family member, based on non-public important corporate information
 - Purchasing shares of the company that one of your friends work for based on non-public important corporate information obtained from the friend
 - Selling shares of a company based on non-public corporate information concerning forecasts of a decline in earnings
 - Purchasing shares of a company because you have learned that the company has succeeded in developing an innovative new product, before that information becomes public



Explanation

What is insider trading?

Purchasing and selling or recommending to others (family members, friends, etc.) to purchase and sell securities (stock, bond, etc.) of a company when non-public important corporate information of that company comes into your possession is prohibited as insider trading.

1 Relationships with Society

We will consider the global environmental impact of every aspect of our operations and strive to form a cooperative relationship with local societies and communities with the goal of achieving a sustainable society.

▶▶ Key Points

The Nabtesco Group is undertaking activities with the goal of achieving a sustainable society. For the specific contents of such activities, please refer to the “Nabtesco Group Environmental Philosophy and Environmental Action Plan” below.

Reference Nabtesco Group Environmental Philosophy and Environmental Action Plan

■ Nabtesco Group Environmental Philosophy

- At all times, we acknowledge the impact of our business activities on the global environment; we strive to create products and an environment that are both people-friendly and nature-friendly; and we aim to achieve a future society that is enriched and comfortable.

■ Nabtesco Group Environmental Action Plan

- We acknowledge that the preservation of the global environment is a crucial issue that is common to humankind. With the participation of all employees, we will actively seek to establish targets that aim to improve the results of our environmental preservation activities, and we will actively pursue initiatives for sustainable improvements.
- We will strive to improve energy, natural resources saving and recycling efficiency during the planning, development and design stages of each product by understanding the impact on the environment throughout the lifecycle of the product.
- We will strive to reduce the burden on the environment during the production, sales, distribution and servicing of each product by actively employing or engineering advanced environmental technologies, such as for the conservation of energy, the effective use of resources or meeting the challenge of zero emissions.
- We are committed to voluntary activities designed to achieve environmental targets. We will comply with environment-related laws and regulations, as well as with social norms, and we will set independent control standards as necessary.
- We will actively promote exchanges and links with society, and strive to gain wider understanding and trust through such actions as the disclosure of environment-related information and participation in social activities.

2 Disclosure of Company Information

We will publicly disclose material corporate financial, managerial and operational information in a timely, appropriate and impartial manner to shareholders, investors and other stakeholders.

» Key Points

When disclosing important information to stakeholders, we must do so in compliance with legal requirements and endeavor to maintain their trust in the Nabtesco Group.

Specific Examples

- Disclosure of information should be made in a form that is easy to understand and in a manner that avoids false recognition and misunderstanding.
- No director, officer or employee of the Company shall respond to inquiries from the media, etc. on behalf of the Company without obtaining the approval of the departments in charge of public relations and investor relations.



The corporate ethics “hotline” or other whistleblowing helplines

The Nabtesco Group is establishing internal whistleblowing systems through the corporate ethics “hotline” or other whistleblowing helplines on a global basis.

With respect to internal whistleblowing systems, the whistleblowing methods, whistleblowing content and other institutional designs differ depending on the area, but the fact that the confidentiality of whistleblowers is protected and that whistleblowers will not suffer from retaliation on the grounds of their whistleblowing are common to all regions. Accordingly, all directors, officers and employees should be able to use the internal whistleblowing systems with confidence.

Published in May 2017

First edition

Compiled and published by Compliance Promotion Department, Nabtesco Corporation
